

Haynes Boone's Precedent-Setting Pizza Hut Victory Upheld by Fifth Circuit Court of Appeals

August 24, 2023 Deborah Coldwell, Jason Jordan, Wilson Miller

PRACTICES Franchise Litigation, Appellate, Franchise and Distribution, Litigation

Haynes Boone earned a precedent-setting victory on behalf of client Pizza Hut in the United States Court of Appeals for the Fifth Circuit court on Aug. 22. The court upheld a [2022 decision](#) that rejected all claims asserted against Pizza Hut and awarded Pizza Hut \$6.6 million in a battle involving all of the restaurant chain's franchise agreements in Philadelphia.

The opinion resolves previously unsettled issues in the Fifth Circuit by establishing that jury waivers in facially valid contracts are presumptively valid. According to the court's opinion, the former franchisee "failed to show that the jury waiver was unknowing and involuntary," so the district court properly held him to his bargain with Pizza Hut.

Pizza Hut originally filed suit in 2019 against the franchisee, alleging that the franchise agreements were properly terminated based on multiple breaches by the franchisee, who lodged counterclaims totaling tens of millions of dollars. Pizza Hut sought and was awarded payment for past unpaid fees, indemnity fees, attorneys' fees and injunctive relief to prevent the franchisee's continued use of Pizza Hut's trademarks and trade dress.

"We are grateful the Fifth Circuit upheld the district court's ruling in full, enforcing the parties' contract," said Haynes Boone Litigation Practice Group Co-Chair [Jason Jordan](#), who argued the appeal on behalf of Pizza Hut. "This result is a precedent-setting victory for Pizza Hut and freedom-of-contract principles generally, and it is further validation of a franchisor's ability to enforce its brand standards and agreements with franchisees."

Jordan was joined in representing Pizza Hut by lead trial counsel and Partner [Deb Coldwell](#) and Associate [Wilson Miller](#).

Haynes Boone's [Franchise and Distribution Practice Group](#) regularly handles litigation in the U.S. and worldwide for a variety of franchise and distribution systems.

About Haynes Boone

Founded in 1970, Haynes Boone provides a full spectrum of legal services across multiple sectors, including energy, financial services, private equity and technology. The firm's nearly 700 lawyers practice in 19 offices in California, Colorado, Illinois, New York, North Carolina, Texas, Virginia and Washington, D.C., as well as London, Mexico City and Shanghai. Haynes Boone was recognized in the 2022 BTI Consulting Group's A-Team report, which identified firms commended by in-house counsel for superior client service, and it was ranked 21st in *The American Lawyer's* 2023 Diversity Scorecard, which evaluated 228 participating firms by the diversity of their attorney populations. For more information, visit haynesboone.com.