



# Cheng Cohen Alert

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## Big Litigation Win for Maximum Pricing Programs

Maximum pricing programs are critical to a franchise system's competitiveness, and a franchisor's ability to enforce compliance with these programs is vital to maintaining system-wide uniformity. That ability to enforce compliance with mandatory pricing programs was recently tested in *Steak n Shake v. Globex*, a case involving Steak n Shake's termination of two related franchisees for failure to comply with Steak n Shake's mandatory \$4 Meal Menu promotion. On September 3, 2013, the United States District Court for the District of Colorado granted Steak n Shake's motion for preliminary injunction to enjoin the franchisees' continued use the Steak n Shake names and trademarks and to enforce their covenants against competition, finding that Steak n Shake had shown a substantial likelihood that it would prevail on its claim that the terminated franchisees' failure to comply with the mandatory pricing promotion amounted to a breach of the franchise agreement. Cheng Cohen represents Steak n Shake in the litigation. To view the Court's decision, click [here](#).