

Current Advice on Managing Resale Prices in Franchising

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A franchisor can agree with its franchisees to set resale prices, subject to the rule of reason. This principle has remained consistent since the Supreme Court, in its 2007 decision *Leegin Creative Leather Products, v. PSKS, Inc.*, 551 U.S. 877 (2007), overruled almost 100 years of precedent by holding that it would determine the legality of resale price maintenance (RPM) agreements under the rule of reason rather than a per se standard. In the years that followed *Leegin*, legal scholars speculated how the decision would impact the use of RPM agreements by manufacturers, suppliers, distributors, and franchisors. Now, on the 14th anniversary of the Supreme Court's seminal decision, we revisit the Court's holding and its impact on cases involving franchises, provide advice on implementing RPM programs, and identify potential pitfalls of which franchisors and franchisees alike should be aware.

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