

Could the IHOP on College Drive be forced to close?

By Dillon Lowe

The franchisee of the IHOP on College Drive is being sued by the restaurant chain for breach of contract and trademark infringement after allegedly refusing to close the location following the expiration of its franchise agreement.



According to the complaint filed in Baton Rouge federal court on Feb. 10, the franchise agreement between IHOP and 1930 LLC—the franchisee—expired on Jan. 30. IHOP claims that 1930 LLC has failed to cease operations or vacate the premises despite the expiration of that agreement.

IHOP says the unauthorized operation of the restaurant has caused “irreparable harm” to its brand and reputation, as customers are likely to “associate their negative experiences at the defendant’s unauthorized location with IHOP’s broader restaurant system.”

The alleged infractions follow a series of “prolonged, uncured defaults,” documents show. IHOP claims that 1930 LLC and its affiliates owe the restaurant chain more than \$440,000 in past-due rent, royalties, advertising fees and other obligations.

IHOP is seeking an injunction that would require 1930 LLC to cease operations, vacate the premises and surrender leased equipment, proprietary materials and objects bearing the restaurant chain’s trademarks. IHOP is also seeking to recover attorneys’ fees and other costs associated with bringing the action.

IHOP and 1930 LLC first entered into their franchise agreement in March 2009.

According to the complaint, the sole member of 1930 LLC is Texas-based Orion Restaurant Holdings LLC, and the members of Orion Restaurant Holdings LLC are Louisiana-based FWC Enterprises Inc. and Texas-based Transouth Hospitality LLC.

Representatives for 1930 LLC were unable to be reached for comment before this afternoon's publication deadline.

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