

**FRANCHISE TIMES RECOGNIZES
PATTERSON V. DOMINO'S AS A TOP CASE OF 2014**

Snell & Wilmer Partner M.C. Sungaila Argued Key Case Before California Supreme Court

LOS ANGELES (November 25, 2014) – Snell & Wilmer is pleased to announce that Franchise Times recognized *Patterson v. Domino's*, which Snell & Wilmer partner [Mary-Christine \(M.C.\) Sungaila](#) argued before the California Supreme Court, as a top case of 2014. Appearing in Franchise Times' November-December 2014 issue, managing editor Beth Ewen reports in her article, entitled "Top 10 legal cases in franchising, and who should worry," that "many called the case No.1 for the year, 'hands down.'"

Taylor Patterson claimed that Domino's, as the franchisor of thousands of pizza stores across the nation, should be held responsible for sexual harassment she experienced from a fellow employee over a two-week period when she worked at a Thousand Oaks Domino's store owned and run by franchisee Sui Juris. The trial court granted summary judgment in favor of Domino's Pizza LLC, Domino's Pizza Franchising and Domino's Pizza, Inc. (collectively, Domino's), on the grounds that Domino's did not have the power to control day-to-day operations at Sui Juris; rather, Sui Juris, as the franchisee, had the power to hire, fire and train employees, and therefore Domino's could not be vicariously liable for the alleged harassment. The Court of Appeal reversed. The Supreme Court, in a 4 to 3 decision, agreed that summary judgment was properly granted in favor of Domino's, and clarified the scope and application of the "means and manner of control" test for franchisor vicarious liability.

The Court flatly rejected the contention that the existence of a comprehensive franchise operating system alone establishes the kind of relationship that can give rise to franchisor vicarious liability for the conduct of a franchisee's employee. Justice Baxter, writing for the majority, stated: "we cannot conclude that franchise operating systems necessarily establish the kind of employment relationship that concerns us here. A contrary approach would turn business format franchising on its head."

The Court also explained and refined the contours of the test for determining franchisor vicarious liability in California. The majority observed: "A franchisor enters this arena, and becomes potentially liable for actions of the franchisee's employees, only if it has retained or assumed a general right of control over factors such as hiring, direction, supervision, discipline, discharge, and relevant day-to-day aspects of the workplace behavior of the franchisee's employees. Any other guiding principle would disrupt the franchise relationship."

At Snell & Wilmer, Ms. Sungaila has consistently briefed and argued appeals raising cutting-edge core business issues, and has helped secure important rights for women and girls, nationally and internationally. Twice named a "Notable Appellate Practitioner" by Chambers, she is described by clients in one Chambers listing as a "gifted appellate lawyer who consistently delivers bottom line results." Clients call on her to craft winning approaches to emerging legal issues across multiple cases and jurisdictions. Clients also value her strategic approach during pretrial and trial consultations in cases where an appeal by either side appears inevitable or a "key case" outcome might impact a whole series of cases for a client.

About Snell & Wilmer.

Founded in 1938, Snell & Wilmer is a full-service business law firm with more than 400 attorneys practicing in nine locations throughout the western United States and in Mexico, including Phoenix and Tucson, Arizona; Orange County and Los Angeles, California; Denver, Colorado; Las Vegas and Reno, Nevada; Salt Lake City, Utah; and Los Cabos, Mexico. The firm represents clients ranging from large, publicly traded corporations to small businesses, individuals and entrepreneurs and celebrates 25 years in Southern California. For more information, visit www.swlaw.com.

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