

ESTONIA

The Estonian Law of Obligations Act was adopted in 5 June 2002, and entered into force on 1 July that same year.¹ Chapter 19 (§§ 375 – 378) of that law contains provisions relating to franchising.

§ 375 contains a definition of franchising: “By a franchise contract, one person (the franchisor) undertakes to grant to another person (the franchisee) a set of rights and information which belongs to the franchisor for use in the economic or professional activities of the franchisee, including the right to the trade mark, commercial identifications and know-how of the franchisor”.

§ 376 very briefly provides for the obligation of the franchisor to provide the franchisee with instructions for the exercise of the rights associated with the franchise and to provide the franchisee with permanent assistance.

§ 377 instead details a number of obligations on the part of the franchisee: to use the commercial identifications of the franchisor (i.e. trade name, etc.), to ensure that the quality of the goods and services it provides is the same as that of the goods or services provided by the franchisor, to follow the instructions of the franchisor and to provide clients with all additional services they would expect from the franchisor.

Lastly, § 378 provides the franchisor with a right to check the quality of the goods manufactured or the services provided by the franchisee.

¹ The text of the Law of Obligations Act is to be found at:
<http://www.legaltext.ee/text/en/X30085K2.htm>.