

QUESTION 1 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK I

Betty's Best Burgers, a national fast food chain, has had a location just off the high-traffic expressway on a busy Michigan street. The business has been there ten years and has been run by the owner of the property, Sam Seller. Betty's and Sam's ten-year contract is coming to an end and both parties have some interest in a ten-year renewal of their agreement. During negotiations, Betty's continued to demand more and more from Sam such as better signage, improved lighting, and repaired parking areas -- all of which are expensive. Sam balked at these demands and returned the new contract to Betty's unsigned, one day before the ten-year agreement ended.

Unbeknownst to Sam, Betty's learned that Sam was negotiating with Handy's Hamburger Haven to enter into a contract for use of Sam's property for one of Handy's stores. Infuriated, Betty's filed a one-count complaint in the local circuit court for injunctive relief. Specifically, Betty's requested an order prohibiting Sam from allowing Handy's to take over the location and operating a fast food business there.

At the hastily scheduled hearing on Betty's request, the court learned the following: (1) the prior ten-year contract has expired; (2) the renewal contract was never signed; (3) Handy is one of Betty's chief competitors; (4) Sam, in compliance with the old contract, has taken down all signage relating to Betty's and offered its return to Betty's; (5) despite the excellent location, Sam's profits are the worst of the 200 restaurants operated under Betty's name and, accordingly, Betty's share of those profits is equally dismal; and (6) as Betty's suspected, Sam has been talking to Handy's.

Discuss the factors the court must consider in passing on Betty's request for an injunction and indicate, after an analysis of the salient facts, whether the court will grant or deny the injunction.

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