



Franchisee more particularly agrees to the jurisdiction and venue of the United States District Court for the Eastern District of Pennsylvania with respect to any proceedings which arise out of or are connected in any way with this Agreement or its performance, and Franchisee specifically agrees not to bring suit against AAMCO in any other jurisdiction or venue.

After being sued in Pennsylvania federal court, Defendants Robert and Linda Romano unleashed a number of attacks on jurisdiction and the choice of venue, including arguments that the court lacked subject matter jurisdiction based on the amount in controversy; that the court lacked personal jurisdiction under the minimum contacts standard; that the forum selection clause was not enforceable as to Linda Romano because she never signed any contracts with Plaintiff AAMCO; that the original franchise agreement had lapsed, and the forum selection clause was no longer in effect because it was not among the sections of the agreement specifically enumerated to survive the termination of the contract; and that, in the alternative, the court should transfer venue under a forum non conveniens basis. The Court was having none of it and rejected all of these arguments.

With regard to enforcement of the forum selection clause, and the non-compete, against the signatory's spouse, the Court held that "it is widely accepted that non-signatory third-parties who are closely related to a contractual relationship are bound by forum selection clauses contained in contracts underlying the relevant contractual relationship" and "the law [in Pennsylvania] is adamant that where a husband is enjoined from establishing a second business after covenanting not to compete, a wife should not be allowed to obtain the benefit of the proceeds of said covenant and then defiantly, in her name, establish a like business."

With regard to the expiration of the agreement containing the forum-selection clause, the court noted, "Courts have upheld the applicability of forum selection clauses even where the termination provision of the contract expressly provides for the survival of certain enumerated provisions but not the forum selection clause."

The AAMCO decision provides a rich vein of legal discussion to mine when attempting to enforce forum selection clauses contained in restrictive covenant agreements in Pennsylvania, and elsewhere.