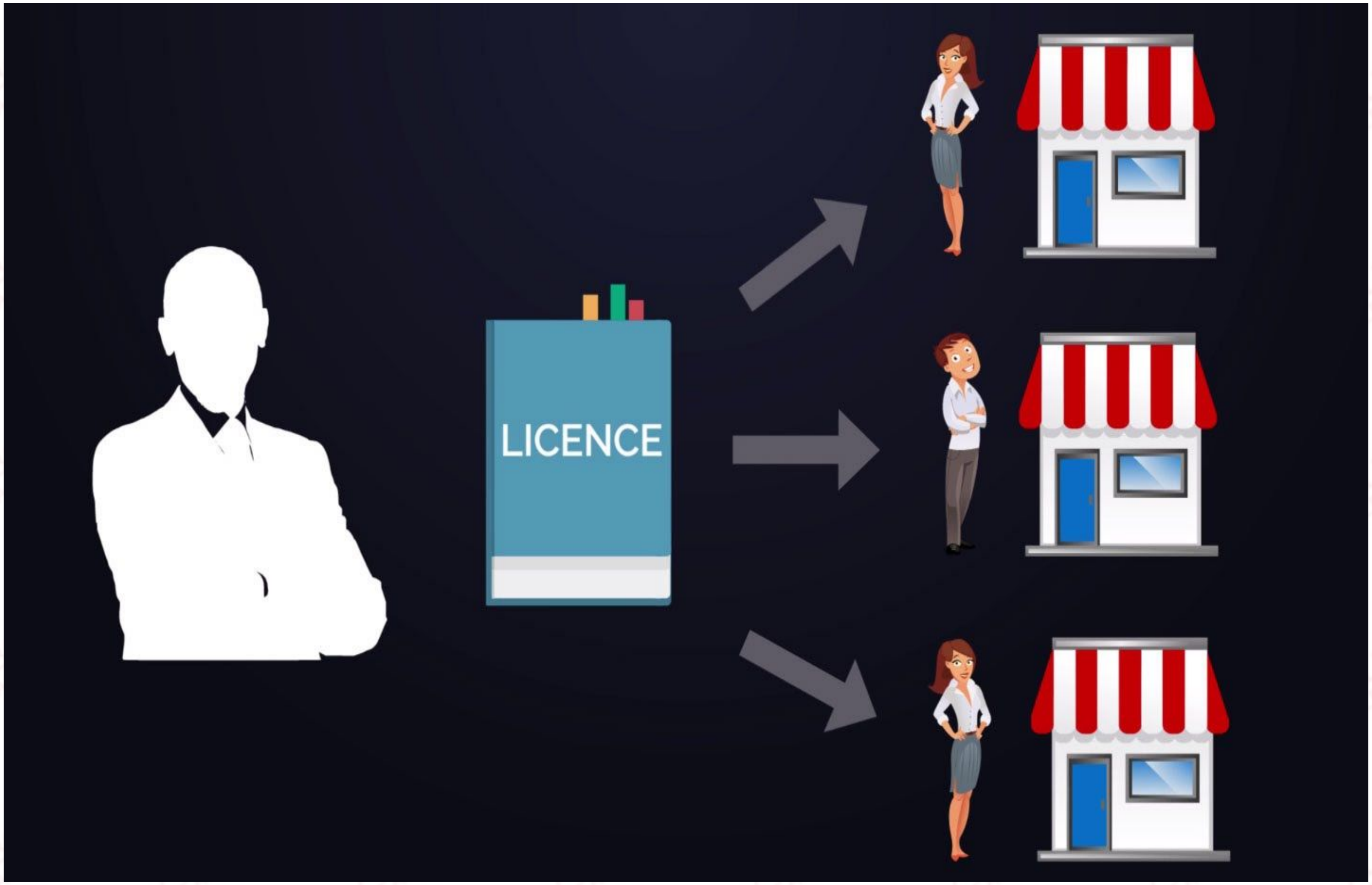
Franchise



Vocabulary

Beverage: (chiefly in commercial use) a drink other than water.

Skyrocket: to rise or increase rapidly or suddenly, especially to unexpected levels.

Track record: the past achievements or performance of a person, organization, or product.

Subsequent: coming after something in time; following.

Fee: money paid as part of a special transaction, for example for a privilege or for admission to something.

Proprietary knowledge: information that is not for the public (financial data, test results or trade secrets) and that is viewed as the property of the holder.

Introduction

A franchise is a license that provides a third party with access to the **proprietary knowledge**, processes, and trademarks of another business, thereby making it possible for that party to sell the product/service under a famous brand name.

The *franchiser* is the party that has the original or existing business and sells the right to use its name.

The *franchisee* is the party that buys the brand from the original company and thereby acquired the right to sell the franchiser's goods or services under the existing trademark.