CHAPTER 135
DEALERSHIP PRACTICES

135.01 Short title. This chapter may be cited as the “Wisconsin Fair Dealership Law.”

History: 1973 c. 179.

This chapter was enacted for the protection of the interests of the dealer whose eco-
nomic livelihood may be imperiled by the dealership grantor, whatever its size. Ros-
sow Oil Co. v. Heiman, 72 Wis. 2d 690, 238 N.W.2d 176 (1976).

This chapter covers only agreements entered into after April 5, 1974. Wipperfurth v. U−Haul Co. of Western Wis., Inc. 101 Wis. 2d 586, 304 N.W.2d 767 (1981).

Certain provisions of this chapter are not limited to the traditional franchise. The focus of the analysis must be on whether the business relationship can be said to be situated in the state after examining a broad set of factors outlined by the court. Baldwin Company v. Tri−Clover, Inc. 2000 WI 20, 233 Wis. 2d 57, 606 N.W.2d 145, 99−0541 (Ct. App. 1999).

The employment relationship in question was not a “dealership.” O’Leary v. Ster−
ning exterda, Inc. 57 F.3d 602 (1995).

135.02 Definitions. In this chapter:

(1) “Community of interest” means a continuing financial interest between the grantor and grantee in either the operation of the dealership business or the marketing of such goods or services.

(2) “Dealer” means a person who is a grantee of a dealership situated in this state.

(3) “Deal ership” means any of the following:

(a) A contract or agreement, either expressed or implied, whether oral or written, between 2 or more persons, by which a person is granted the right to sell or distribute goods or services, or to use a trade name, trademark, service mark, logotype, advertising or other commercial symbol, in which there is a community of interest in the business of offering, selling or distributing goods or services at wholesale, retail, by lease, agreement or otherwise.

(b) A contract or agreement, either expressed or implied, whether oral or written, between 2 or more persons by which a wholesaler, as defined in s. 125.02 (21), is granted the right to sell or distribute intoxicating liquor or use a trade name, trademark, service mark, logotype, advertising or other commercial symbol related to intoxicating liquor. This paragraph does not apply to dealerships described in s. 135.065 (5) (a) and (b).

(4) “Good cause” means:

(a) Failure by a dealer to comply substantially with essential and reasonable requirements imposed upon the dealer by the grantor, or sought to be imposed by the grantor, which requirements are not discriminatory as compared with requirements imposed on otherwise similarly situated dealers either by their terms or in the manner of their enforcement; or

(b) Bad faith by the dealer in carrying out the terms of the deal-
ership.

(5) “Grantor” means a person who grants a dealership.

(6) “Person” means a natural person, partnership, joint ven-
ture, corporation or other entity.


A cartage agreement between an air freight company and a trucking company did not create a “dealership” under this chapter. Kania v. Airborne Freight Corp. 99 Wis. 2d 746, 300 N.W.2d 63 (1981).

A manufacturer’s representative was not a “dealership.” Foerster, Inc. v. Atlas Metal Parts Co. 105 Wis. 2d 17, 313 N.W.2d 60 (1981).

This chapter applies exclusively to dealerships that do business within the geo-

Two guidelines for determining the existence of a “community of interest” under sub. (5) are: 1) a shared financial interest in the operation of the dealership or the mar-
keting of a good or service; and 2) the degree of coop (1995), coordination of activi-
ties, and sharing of common goals in the parties’ relationship. Ziegler Co., Inc. v. Resnord, Inc. 139 Wis. 2d 593, 407 N.W.2d 873 (1987).

A substantial investment distinguishes a dealership from a typical vendor−vendor relationship; establishing a loss of future profits is not sufficient. Gunderjohn v. Loe-
We−America, Inc. 179 Wis. 2d 201, 507 N.W.2d 115 (Ct. App. 1993).

Contracts between an HMO and chiropractors for the provision of chiropractic ser-
vices to HMO members did not establish the chapter’s coverage of the agreement under ch. 135. Baikke Chiropractic Clinic v. Physicians Plus Insurance, 215 Wis. 2d 605, 573 N.W.2d 542 (Ct. App. 1997), 97−1169.

Under sub. (2), “a dealer” is defined in ch. 135 to mean “a person who is a grantee of a dealership situated in this state.” Sub. (3) defines “dealership” in part as “contract or agreement . . . between 2 or more persons, by which a person is granted the right to distribute goods or services . . . .” Sub. (6) defines “person” as “a natural per-
sion, partnership, joint venture, corporation or other entity” and a city is a municipal corpo-
tion. Under s. 990.01 (26), “person” includes all partnerships, associations, and bodies politic and corporate. The general term “corporation” presumptively should be read to include more specific types of corporations. Under the facts of this case, the relationships between the defendant city and the golf pro plaintiffs who operated its golf courses constituted “dealerships” under sub. (3). Benson v. City of Madison, 2017 WI 65, 376 Wis. 2d 35, 897 N.W.2d 16, 15−2366.

A dealership is a contract or agreement establishing a particular sort of commercial relationship that encompasses an extraordinary diverse set of business relationships not limited to the traditional franchise. The focus of the analysis must be on whether the business relationship can be said to be situated in the state after examining a broad set of factors outlined by the court. Baldwin Company v. Tri−Clover, Inc. 2000 WI 20, 233 Wis. 2d 57, 606 N.W.2d 145, 99−0541 (Ct. App. 1999).

When an otherwise protected party transfers a protected interest to a third party, a “community of interest” is destroyed and the party removed from WFDL protection. Lakefield Telephone Co. v. Northern Telecom, Inc. 970 F.2d 392 (1992).

A community of interest exists when a large proportion of a dealer’s revenues are derived from the dealership, or when the alleged dealer has made sizable investments specialized in the grantor’s goods or services. Freeburg Farm Equip. v. Van Dale, Inc. 978 F.2d 395 (1992).

There is no “community of interest” in the sale of services not yet in existence when the availability of the services is dependent on the happening of an uncertain condi-

This chapter does not protect a manufacturer’s representative that lacks the unqual-
ified authorization to sell or the authority to commit the manufacturer to a sale. Sales & Marketing Assoc., Inc. v. Hultz, Inc. 57 F.3d 602 (1995).

If a grantor is losing substantial money under the dealership relationship, it may constitute “good cause” for changes in the contract, including termination. Morley− Murphy Co. v. Zenith Electronics, Inc. 142 F.3d 573 (1996).

This chapter specifically provides for protection against terms “dealer” and “dealership” and obviates the need to resort to conflict of laws principles. Investment in the state without in−state sales does not bring a party within the coverage of the chapter. Generac Corp. v. Caterpillar, Inc. 376 Wis. 2d 971 (2017).

A manufacturer’s right of approval of its distributors’ subdistributors did not create a contractual relationship between the manufacturer and the subdistributor subject to this chapter. Prairie Auto Electric & Battery Company, Inc. v. Tecumseh Products Company, Inc. 255 F.3d 460 (2001).

The distinction between a dealer and a manufacturer’s representative is discussed. Allied Telesis Agence, Inc. v. Littman−Division of National Services, Inc. 474 F. Supp. 828 (1979).

The employment relationship in question was not a “dealership.” O’Leary v. Ster-
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The plaintiff was not a “dealer” since money advanced to the company for fixtures and inventory was refundable. Moore v. Tandy Corp. Radio Shack Div. 631 F. Supp. 1037 (1986).

It is improper to determine whether under sub. (3) a “community of interest” exists by examining the effect termination has on a division of the plaintiff. U.S. v. Davis, 756 F. Supp. 1162 (1990).

The “situated in good will” was not sufficient to afford it protection under this chapter. Team Electronics v. Apple Computer, 773 F. Supp. 153 (1991).

The “situated in this state” requirement under sub. (2) is satisfied as long as the dealership relationships were established in Wisconsin. CSS–Wisconsin Office v. Houston Satellite Systems, 779 F. Supp. 979 (1991).

There is no “community of interest” under sub. (3) when there is an utter absence of “shared goals” or “cooperative coordinated efforts” between the parties. Caujan of Wisconsin v. Winston Furniture Co. 817 F. Supp. 778 (1995).

Even if a person is granted a right to sell a product, the person is not a dealer unless that person actually sells the product. Smith v. Rainstate, 484 F. Supp. 1413 (1979). Under sub. (3), minimum use of a trade name or mark is insufficient: there must be substantial investment in it. Satellite Receivers v. Household Bank, 922 F. Supp. 174 (1996).

A cease providing that the party who had drafted the contract and dictated all of its provisions was not a party to the contract was void, and that party was a grantor of a dealership. Praktie Auto Electric & Battery Co., Inc. v. Tecumseh Products, Co. 110 F. Supp. 2d 899 (2000).

Nothing in the text or legislative history of ch. 135 suggests that the legislature intended to preclude co-ops from being dealers. Sub. (2) defines a dealer as “a person who is a grantee of a dealership.” Sub. (6) defines a person as a “corporation or other entity.” Under s. 185.02, a co-op is an “association incorporated” in the state. Thus a co-op is a corporation or other entity within sub. (6) and subject to ch. 135. Build-a-World, Inc. v. Marvin Lumber & Cedar, Inc. 482 F. Supp. 2d 1065 (2007).

In determining whether a plaintiff has a right to sell under the WFDL, the most important factor is the dealer’s ability to transfer the product itself, or title to the product, or the parties to the contract at the moment of the agreement to sell. A manufacturer’s representative, defined as an independent contractor who solicits orders for a manufacturer’s product from potential customers and is paid a commission, is a position consistently excluded from the WFDL. National Land Sales, Inc. v. Maap Corp. 556 F. Supp. 2d 928 (2008).

The WFDL expresses no concern for the mission or other motivation underlying the sales in question; it asks only whether sales occur. Nor does the statute draw any distinction between for-profit and not-for-profit entities. The stated concern is with fair business relations between dealers and grantors, and in the continuing commercial meaningful aspects of the dealership relationship, regardless of whether the parties are for-profit or not-for-profit entities, and, as such, the court cannot judicially craft a lower threshold for when not-for-profit organizations wish to substantially change the competitive circumstances of a dealership agreement. Girl Scouts of Manitou Council, Inc. v. Girl Scouts of the United States of America, 549 F.3d 1079 (2008).


135.025 Purposes; rules of construction; variation by contract. (1) This chapter shall be liberally construed and applied to promote its underlying remedial purposes and policies.

(2) The underlying purposes and policies of this chapter are:
(a) To promote the compelling interest of the public in fair business relations between dealers and grantors, and in the continuation of dealerships on a fair basis;
(b) To protect dealers against unfair treatment by grantors, who inherently have superior economic power and superior bargaining power in the negotiation of dealerships;
(c) To provide dealers with rights and remedies in addition to those provided by contract or common law;
(d) To govern all dealings, including any renewals or amendments, to the full extent consistent with the constitutions of this state and the United States.

The effect of this chapter may not be varied by contract or agreement. Any contract or agreement purporting to do so is void and unenforceable to that extent only.

History: 1977 c. 171.

The choice of law clause in a dealership agreement was unenforceable. Bush v. National School Studens, 139 Wis. 2d 635, 407 N.W.2d 883 (1987). Federal law required the enforcement of an arbitration clause even though that clause did not provide the relief guaranteed by this chapter, contrary to this section and s. 135.05. Madison Beauty Supply v. Helene Curtis, 167 Wis. 2d 237, 481 N.W.2d 644 (Cl. App. 1992).

A forum–selection clause in a dealership agreement was not freely bargained for and was unconscionable under sub. (2) (b). Cutter v. Scott & Feitzer Co. 510 F. Supp. 905 (1981).

The relinquishment of territory and the signing of a guaranty agreement were wholly gratuitous and brought a relationship under this law. Rochester v. Royal Appliance Mfg. Co. 569 F. Supp. 736 (1983).

135.03 Cancellation and alteration of dealerships. No grantor, directly or through any officer, agent or employee, may terminate, cancel, fail to renew or substantially change the competitive circumstances of a dealership agreement without good cause. The burden of proving good cause is on the grantor.

History: 1973 c. 179; 1977 c. 171.

A grantor may cancel, terminate, or non-renew a dealership if the dealer refuses to accept changes that are essential, reasonable, and not discriminatory. A dealer’s failure to substantially comply with the changes constitutes good cause. Ziegler Co., Inc. v. Rexond, 147 Wis. 2d 308, 433 N.W.2d 8 (1988).

A drug supplier violated this section by terminating without good cause all dealerships with independent pharmacies in the Community Pharmacy & Home Care Service, Inc. v. Walgreen Co. 761 F.2d 345 (1985).

This chapter did not apply to a grantor’s action that was due to business exigencies unique to the dealer and was not done in a discriminatory manner. Remus v. Amoco Oil Co. 794 F.2d 1238 (1986).

Economic duress may serve as a basis for a claim of constructive termination of a dealership. JPM, Inc. v. Joho, 94 F.3d 270 (1996).

A manufacturer’s substantial loss of money under a dealership relationship may constitute “good cause” for changes in the agreement, including termination. Morley–Murphy Co. v. Zenith Electronics, 142 F.3d 573 (1998).

A change in credit terms was not a “substantial change” in the dealer’s “competitive circumstances.” Van v. Mobil Oil Corp. 515 F. Supp. 487 (1981).

This section did not apply when a grantor withdrew in a nondiscriminatory fashion from a product market on a large geographic scale. A 90–day notice was required. St. Joseph Equipment v. Massey–Ferguson, Inc. 546 F. Supp. 1245 (1982).


When parties continue their relations after the term of a dealership contract has expired, the contract has been renewed for another period of the same length. Praefke’s Sentry, Inc. v. Supervalu, Inc. 52 F.3d 503 (1995).

A forum–selection clause in a dealership agreement was not freely bargained for and was unconscionable under sub. (2) (b). Carter & Kendall. WBB Apr. 1988. The Wisconsin Fair Dealership Law’s Territorial Imperative. Keele. Wis. Law.

135.04 Notice of termination or change in dealership. Except as provided in this section, a grantor shall provide a dealer at least 90 days’ prior written notice of termination, cancellation, nonrenewal or substantial change in competitive circumstances. The notice shall state all the reasons for termination, cancellation, nonrenewal or substantial change in competitive circumstances, and shall provide that the dealer has 60 days in which to rectify any claimed deficiency. If the deficiency is rectified within 60 days the notice shall be void. The notice provisions of this section shall not apply if the reason for termination, cancellation or nonrenewal is insolvent, the occurrence of an assignment for the benefit of creditors or bankruptcy. If the reason for termination, cancellation, nonrenewal or substantial change in competitive circumstances is nonpayment of sums due under the dealership, the
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An arbitration award that did not award attorney fees was enforceable. Parties may agree to bear their own legal expenses when resolving differences; what the parties may do, an arbitrator as their mutual agent may also do. George Watts & Son, Inc. v. Tiffany & Co. 248 F.3d 577 (2001).

135.065 Temporary injunctions. In any action brought by a dealer against a grantor under this chapter, any violation of this chapter by the grantor is deemed an irreparable injury to the dealer for determining if a temporary injunction should be issued.

History: 1997 c. 171.

Four factors considered in granting preliminary injunction are discussed. The loss of good will constituted irreparable harm. Reinders Bros. v. Rain Bird Eastern Sales Corp. 627 F.2d 44 (1980).

Although the plaintiff did not abuse its discretion in granting a preliminary injunction notwithstanding the arguable likelihood that the defendant would ultimately prevail at trial. Menominee Rubber Co. v. Gould, Inc. 657 F.2d 164 (1981).

A presumption of irreparable harm exists in favor of a dealer when a violation is shown. For the presumption to apply, a dealership relationship must be shown to exist. Price Engineering Co., Inc. v. Vickes, Inc. 774 F. Supp. 1160 (1991).

4. If a dealership is terminated by the grantor, the grantor, at the option of the dealer, shall repurchase all inventories sold by the grantor to the dealer for resale under the dealership agreement at the fair wholesale market value. This section applies only to merchandise with a name, trademark, label or other mark on it which identifies the grantor.

History: 1977 c. 171.


135.05 Application to arbitration agreements. This chapter shall not apply to provisions for the binding arbitration of disputes contained in a dealership agreement concerning the items covered in s. 135.03, if the criteria for determining whether good cause existed for a termination, cancellation, nonrenewal or substantial change of competitive circumstances, and the relief provided is no less than that provided for in this chapter.

History: 1973 c. 179.

Federal law required enforcement of an arbitration clause even though that clause did not provide the relief guaranteed by this chapter, contrary to this section and 135.025. Madison Beauty Supply v. Helene Curtis, 167 Wis. 2d 237, 481 N.W.2d 644 (Ct. App. 1992).

135.06 Action for damages and injunctive relief. If any grantor violates this chapter, a dealer may bring an action against such grantor in any court of competent jurisdiction for damages sustained by the dealer as a consequence of the grantor’s violation, together with the actual costs of the action, including reasonable actual attorney fees, and the dealer also may be granted injunctive relief against unlawful termination, cancellation, nonrenewal or substantial change of competitive circumstances.

History: 1973 c. 179 a. 482.

In an action for termination of a dealership upon written notice not complying with this chapter and without good cause, the statute of limitations started running upon receipt of the notice of termination. Les Moise, Inc. v. Rossignol Blow Co., Inc. 122 Wis. 2d 521, 361 N.W.2d 653 (1985).

The term “actual costs of the action” includes appellate attorney fees. Siegel v. Leer, Inc. 156 Wis. 2d 621, 457 N.W.2d 533 (Ct. App. 1990).

The meaning of “good cause” is discussed. C. A. May Marine Supply Corp. v. Brunswick Corp. 649 F.2d 1049 (1981).

A cause of action accrued when a notice of default was given, not when the dealership was actually terminated. Hammill v. Rickel Mfg. Corp. 719 F.2d 252 (1983).

This section does not restrict recovery of damages with respect to inventory on hand at the time of termination to “fair wholesale market value.” Kealey Pharmacy v. Walgreens Co. 761 F.2d 545 (1985).

Accountant fees were properly included under this section. Bright v. Land O’ Lakes, Inc. 844 F.2d 436 (7th Cir. 1988).

There is no presumption in favor of injunctive relief and against damages for lost future profits. Frieberg Farm Equip. v. Van Dale, Inc. 978 F.2d 395 (1992).


135.07 Nonapplicability. This chapter does not apply:

(1) To a dealership to which a motor vehicle dealer or motor vehicle distributor or wholesaler as defined in s. 218.0101 is a party in such capacity.

(2) To the insurance business.
(3) Where goods or services are marketed by a dealership on a door to door basis.


When a “dealer” under ch. 135 is also a “franchisee” under ch. 553, the commissioner of securities may deny, suspend, or revoke the franchisor’s registration or revoke its exemption if the franchisor has contracted to violate or avoid the provisions of ch. 135. Ch. 135 expresses public policy and its provisions may not be waived. 66 Atty. Gen. 11.