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

History: 1973 c. 179; s. 35.17 correction.

This chapter was enacted for the protection of the interests of the dealer whose economic livelihood may be imperiled by the dealership grantor, whatever its size. Rosow Oil Co. v. Heiman, 72 Wis. 2d 696, 242 N.W.2d 176 (1976).
This chapter covers only agreements entered into after April 5, 1974. Wipperfurth v. L-Haul Co. of Western Wis., Inc., 101 Wis. 2d 586, 348 N.W.2d 767 (1984). This chapter is constitutional; it may be applied to out-of-state dealers when provided by contract. C. A. Marine Sup. Co. v. Brunswick Corp., 557 F.2d 1163. See: Boatland, Inc. v. Brunswick Corp., 558 F.2d 818.

When a dealer did not comply with all the terms of acceptance of a dealership agreement, no contract was formed and this chapter did not apply. Century Hardware Corp. v. Acme United Corp., 467 F. Supp. 350 (1979).

The fair dealership law: Good cause for review. Riteris and Robertson, WBB March, 1986.

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) “Dealership” 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 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. 135.066 (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 other 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 dealership.
(5) “Grantor” means a person who grants a dealership.
(6) “Person” means a natural person, partnership, joint venture, corporation or other entity.


The plaintiff was not a “dealer” since money advanced to the company for fixtures and inventory was refunded. Moote 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 plaintiff’s investment in “goodwill” was not sufficient to afford it protection under this chapter. Team Electronics v. Apple Computer, 773 F. Supp. 153 (1991).

“The situation in this state” requirement under sub. (2) is satisfied as long as the dealerships are operating 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. Cajan v. Wisconsin v. Winston Furniture Co. 817 F. Supp. 778 (1993).

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. Rainsoft, 458 F. Supp. 1413 (1984).


A business 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. Praxair 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 grantor or 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−r’s Surety of Wisconsin v. Cinco Lumber & Cedis Co., 182 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 commit the grantor to a transaction 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 on resulting sales, is a position consistently excluded in the WFSDL. Northland Sales, Inc. v. Maas Corp. 556 F. Supp. 2d 928 (2008).

The WFDL expresses no concern for the mission or other motivation underlying the sales, but 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 fairness in business relations between dealers and grantors, and in the continuity of dealerships on a fair basis.

(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 their agreements;

(c) To provide dealers with rights and remedies in addition to those existing by contract or common law;

(d) To govern all dealerships, including any renewals or amendments, to the full extent consistent with the constitutions of this state and the United States.

(3) 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 Motorcycle, 139 Wis. 2d 635, 407 N.W.2d 833 (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 329 (1992).

A forum−selection clause in a dealership agreement was not freely bargained for and was rendered ineffective under sub. (2) (b). Cutter v. Scott & Fetzer Co. 310 F. Supp. 981 (1970).


135.03 Cancellation and alteration of dealerships. No grantor, directly or through any agent, employee, or other person, may cancel, alter, or substantially modify 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 make changes that are essential and reasonable, and not discretionary, or if the grantor fails to substantially comply with the changes that constitutes good cause. Ziegler Co., Inc. v. Rexnord, 147 Wis. 2d 308, 433 N.W.2d 8 (1988).

If a supplier violated this section by terminating without good cause all dealership agreements with independently owned pharmacies in the state. Keadey 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 unrelated to the dealer and was done in a nondiscriminatory 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. John Deere, 118 Wis. 2d 237, 346 N.W.2d 300 (1984).

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

A change in credit terms was a change in a 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 the product market on a large−scale geographic basis. A 90−day notice was required. St. Joseph Equipment v. Massey−Ferguson, Inc. 546 F. Supp. 1245 (1982).

Franchisees failed to meet their burden of proof that their competitive circumstances would be substantially changed by a new agreement. Breeder’s 33 Flavours Franchising Corp. v. Wokosin, 591 F. Supp. 1533 (1984).


When parties continue their relations after the term of a dealership contract has expired, the contract has been renewed for another period of time. Team Electronics v. Apple Computer, Inc. v. Tecumseh Products Co., 110 F. Supp. 2d 899 (2000).

Reverses on other grounds, 255 F.3d 460 (2001).

Assignments could proceed under this chapter if they could prove evidence either that defendant made a change in the competitive circumstances of their dealership agreements that had a discriminatory effect on them or that defendant’s actions were intended to eliminate all of its dealers from the state. It is not shown that plaintiff−dealers show an intent to terminate on the part of the grantor. Although it would not be enough to show that the grantor made bad management decisions; it might be enough to show that the plaintiff−dealers can prove defendant’s discrimination. A grantor’s substantial loss of money under a dealership relationship may constitute “good cause” for changes in the competitive circumstances of the nonexclusive dealership agreement in violation of s. 135.03. However, the defendant’s assignment of a second distributor was a violation of s. 135.04 because it caused a substantial change in the competitive circumstances of the defendant’s share of the market.


When an action becomes so egregious as to amount to constructive termination of the dealership this section is violated. Constructive termination of a dealership agreement occurs when the grantor takes actions that amount to a substantial change in the commercially meaningful aspects of the dealership relationship, regardless of Inc. the formal contractual relationship between the parties continues in force. Girl Scouts of Manitou Council, Inc. v. Girl Scouts of the United States of America, 700 F. Supp. 2d 1055 (2011). Affirmed in part, reversed in part.


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

135.02 DEALERSHIP PRACTICES

135.03 Cancellation and alteration of dealerships.
is insolvency, 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 dealer shall be entitled to written notice of such default, and shall have 10 days in which to remedy such default from the date of delivery or posting of such notice.

**History:** 1973 c. 179.

A grantor must give a 90-day notice when termination is for nonpayment of sums due. White Hen Pantry v. Buttte, 100 Wis. 2d 169, 301 N.W.2d 216 (1981).

The notice requirement of this section applies to substantial changes of circumstances, not a dealership agreement. Actions that substantially change competitive circumstances and that are controlled by the grantor or are allowed by the dealership agreement require the statutory notice. Jungbluth v. Hometown, Inc. 201 Wis. 2d 128, 547 N.W.2d 519 (1996), 94-1523.

Steps that the grantor requires the dealer to take in order to rectify a deficiency must be reasonable. Al Bishop Agency, Inc. v. Lithuania, etc. 474 F. Supp. 828 (1979).


**History**


The insolvency exception to the notice requirement did not apply to a document that was not known to the grantor at the time of termination. Bruno Wine & Spirits v. Guinmarra Vineyards. 573 F. Supp. 337 (1983).

Assignment of a second distributor in Wisconsin did not breach the agreement or cause a substantial change in the competitive circumstances of the nonexclusive dealership agreement in violation of s. 135.03. However, the defendant’s assignment of a second distributor was a violation of s. 135.04(2) because it caused an irreparable injury. Zapp v. 1979 c. 171.

A change in the competitive circumstances of the plaintiff’s truck blower distributorship agreement in violation of s. 135.03. However, the defendant’s assignment of a second distributor in Wisconsin did not breach the agreement or cause a substantial change in the competitive circumstances of the nonexclusive dealership agreement in violation of s. 135.03. However, the defendant’s assignment of a second distributor was a violation of s. 135.04(2) because it caused an irreparable injury. Zapp v. 1979 c. 171.


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liquor for purposes of this chapter, and that definition explicitly excludes wine. Winebow, Inc. v. Capitol–Husting Co., Inc. 2018 WI 60, 381 Wis. 2d 732, 914 N.W.2d 631, 17–1595.

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 Att’y Gen. 11.