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

History: 1973 c. 179; 2021 a. 238 s. 45.

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. Rossw Oil Co. v. Heiman, 72 Wis. 2d 696, 232 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).

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 also Boardtalk, 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 Unincorporated, 467 F. Supp. 350 (1979).


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.

135.02 DEALERSHIP PRACTICES

135.03 Cancellation and alteration of dealerships.

A 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 cause. The burden of proving good cause is on the grantor.

History: 1973 c. 179; 1974 c. 171.

A grantor may cancel, terminate, or non-renew a dealership if the dealer refuses to make changes that are essential, reasonable, and not discriminatory.

A grantor's substantial loss of money under a dealership relationship may constitute a "good cause" for changes in the contract, including termination. Morley—Murphy, 142 Wis. 2d 181 (1988).

A change in credit terms was a violation of 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 nondisparagement fashion from the product market on a large scale and the grantor was not required to deal with competitors. 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. Practice Auto Electric & Battery Co. v. Tecumseh Products Co., 110 F. Supp. 2d 899 (2000).

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

Planning could proceed under this chapter if they could adduce 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 them or all of its dealers from the state. It is critical 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 if the plaintiff-dealers can show that the decisions were a cover for an intent to slough off the dealers and take over the markets they had developed. Carter & Kendall, 20th C. 2d 543 (1982).

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 this section. However, the defendant’s assignment of a second distributorship was a violation of s. 135.04 because it caused a substantial change in the competitive circumstances of the plaintiff’s truck blower distributor and the defendant failed to provide the plaintiff with 90 days’ written notice. Wisconsin Compressed Air Corp. v. Gardner Denver, Inc., 571 F. Supp. 2d 992 (2008).

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 can occur when the grantor takes actions that amount to an effective end to the contractual meaningful aspects of the dealership relationship, regardless of whether 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).


"Good cause" is not limited to the statutory definition of the term under s. 135.02 (4) but may include any cause that demonstrates that good cause for reasonable, essential, and nondiscriminatory changes in the way it does business with dealers. To show good cause for making a substantial change in the competitive circumstances of a dealership agreement, the grantor must demonstrate: 1) an objectively ascertainable need for change; 2) a proportionate response to that need; and 3) a nondiscriminatory action. This chapter is not limited to profit 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, 700 F. Supp. 2d 1055 (2011).


135.04 Notice of termination or change in dealership.

As excepted 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 insolvency, the occurrence of an assignment for the benefit of creditors or bankruptcy. If the reason for termination, cancellation or nonrenewal is insolvency, the occurrence of a substantial change of 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 320, 548 N.W.2d 519 (1994), 96–1523.

Steps that the grantor requires the dealer to take in order to rectify a deficiency must be reasonable. Al Bishop Agency, Inc. v. Lithonia, 457 N.W.2d 533 (1990).


4. The insolvency exception to the notice requirement did not apply to insolvency that was caused by the grantee not paying the grantor at the time of termination. Bruno Wine & Spirits v. Guimarra Vineyards, 573 F.Supp. 337 (1983).

5. 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 this section because it caused a substantial change in the competitive circumstances of the plaintiff’s truck broker distributorship and the defendant failed to provide the plaintiff with 90 days’ written notice. Wisconsin Compressed Air Corp. v. Gardner Denver, Inc., 571 F.Supp. 2d 992 (2008).

135.045 Repurchase of inventories. 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: 1997 c. 171.

Federal law requires enforcement of an arbitration clause even though that clause did not provide the relief guaranteed by this chapter, contrary to this section and s. 135.025. 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 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; 1993 a. 482.

In an action for termination of a dealership upon written notice not complying with this section, the grantor’s fees for the limitation of damages ran from the date of the receipt of the termination notice. Les Moine, Inc. v. Rossignol Ski Co., Inc., 122 Wis. 2d 51, 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).


135.065 Temporary injunctions. In any action brought by a grantor against a grantee 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: 1977 c. 171.


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). If a plaintiff establishes the likelihood of a violation of this chapter, the statute creates a rebuttable irreparable harm. The effect of the statute is to transfer the plaintiff to the defendant the burden of going forward with evidence on the question of irreparable injury. If neither party presents evidence on the issue, the rebuttable presumption created by the statute requires a finding in favor of the dealer. However, the grantor presents evidence of the absence of irreparable injury, the presumption is no longer relevant, and the dealer must come forward with evidence that the grantor’s evidence. S&S Sales Corp. v. Marvin Lumber & Cedar Co., 435 F.Supp. 2d 879 (2006).

135.066 Intoxicating liquor dealerships. (1) LEGISLATIVE FINDINGS. The legislature finds that a balanced and healthy 3-tier system for distributing intoxicating liquor is in the best interest of this state and its citizens; that the 3-tier system for distributing intoxicating liquor has existed since the 1930’s; that a balanced and healthy 3-tier system ensures a level system between the manufacturer and wholesale tiers; that a wholesale tier consisting of numerous healthy competitors is necessary for a balanced and healthy 3-tier system; that the number of intoxicating liquor wholesalers in this state is in significant decline; that the regulation of all intoxicating liquor dealerships, regardless of when they were entered into, is necessary to promote and maintain a wholesale tier consisting of numerous healthy competitors; and that the maintenance and promotion of the 3-tier system will promote the public health, safety and welfare. The legislature further finds that a stable and healthy wholesale tier provides an efficient and effective means for tax collection. The legislature further finds that dealerships between intoxicating liquor wholesalers and manufacturers have been subject to state regulation since the enactment of the 21st Amendment to the U.S. Constitution and that the parties to those dealership agreements have agreed 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. Supp. 577 (2001).


135.066 (2) DEFINITION. “Intoxicating liquor” has the meaning given in s. 125.02 (8) minus wine.

5. NONAPPLICATION. This section does not apply to any of the following dealerships:

(a) Dealerships in which a grantor, including any affiliate, division or subsidiary of the grantor, has never produced more than 200,000 gallons of intoxicating liquor in any year.

(b) Dealerships in which the dealer’s net revenues from the sale of all of the grantor’s brands of intoxicating liquor constitute less than 5 percent of the dealer’s total net revenues from the sale.
of intoxicating liquor during the dealer’s most recent fiscal year preceding a grantor’s cancellation or alteration of a dealership.

(6) SEVERABILITY. The provisions of this section are severable as provided in s. 990.001 (11).

History: 1999 a. 9; 2021 a. 238 ss. 44, 45.

A wine grantor–dealer relationship is not included within the definition of a dealership in s. 135.02 (3) (b). Sub. (2) provides the operative definition of intoxicating 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, 17–1995.

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 this chapter 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 this chapter. This chapter expresses public policy and its provisions may not be waived. 66 Atty. Gen. 11.