CHAPTER 135
DEALERSHIP PRACTICES

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. Ros sow 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 Supply Co. v. Brunswick Corp., 557 F.2d 1163. See also 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).


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 in 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.


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

A manufacturer’s representative was not a “dealership.” Foerester, 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 geographic confines of the state. Swan Sales Corp. v. Jos. Schlitz Brewing Co., 126 Wis. 2d 16, 374 N.W.2d 640 (Cl. App. 1985).

Two guidelines for determining the existence of a “community of interest” under sub. (3) are: 1) a shared financial interest in the operation of the dealership or the marketing of a good or service; and 2) the degree of cooperation, coordination of activities, and sharing of common goals in the parties’ relationship. Ziegler Co., Inc. v. Rexnord, Inc., 139 Wis. 2d 593, 407 N.W.2d 873 (1987).

When substantial investment or distribution of goods from a typical vendor−vendor relationship; establishing a loss of future profits is not sufficient. Gunderjohn v. Loew−Weaver−America, Inc., 179 Wis. 2d 201, 507 N.W.2d 115 (Cl. App. 1993).

Contracts between an HMO and its suppliers to provide health care services to HMO members did not establish a dealer−supplier relationship under this chapter. Bakke Chiropractic Clinic v. Physicians Plus Insurance, 215 Wis. 2d 605, 573 N.W.2d 542 (Ct. App. 1997), 97−116.

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 Co. v. Tri−Clover, Inc., 2000 WI 20, 233 Wis. 2d 57, 606 N.W.2d 145, 99−0541. See also Baldwin Co. v. Tri−Clover, Inc., 183 F. Supp. 2d 1116 (2002).

Assuming without deciding that the size of the local economy relative to the cost of the grantor’s investment in the dealership, and the size of the grantor’s investment in the grantee’s products is a relevant factor in determining the existence of a community of interest, that factor did not demonstrate the existence of a community of interest in this case. Moe v. Benelli U.S.A. Corp., 2007 WI App 254, 306 Wis. 2d 812, 743 N.W.2d 691, 06−1512.

Under sub. (2), a “dealer” is defined in this chapter 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 sell or distribute goods or services . . . .” Sub. (6) defines “person” as “a natural person, partnership, joint venture, corporation or other entity” and a city is a municipal corporation. Under s. 990.01 (26), “person” includes all partnerships, associations, and bodies politic and corporate. The general term “corporation” presumes it 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, 381 Wis. 2d 35, 897 N.W.2d 16, 15−2306.

A wine grantor−dealer relationship is not included within the definition of a dealership in sub. (3) (b). Section 135.066 (2) provides the operative definition of intoxicating liquor for purposes of this chapter, and that definition explicitly excludes wine. Winchow, Inc. v. Capitol−Hunting Co., Inc., 2018 WI 60, 381 Wis. 2d 732, 914 N.W.2d 631, 17−1595.

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 condition. Simos v. Embassy Suites, Inc., 983 F.2d 1404 (1993).

This chapter does not protect a manufacturer’s representative that lacks the qualified authorization to sell to the authorized manufacturer or his department. Sales & Marketing Assoc., Inc. v. Huffy Corp., 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 373 (1998).

This chapter specifies who may take advantage of its protections through the terms “dealership” and “dealers” 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. Genrecorp v. Caterpillar, Inc., 172 F.3d 971 (1999).

A manufacturer’s right of approval does not constitute a contractual relationship between the manufacturer and the distributor subject to this chapter. Praetke Auto Electric & Battery Co. v. Texaco Products Co., 255 F.3d 469 (2001).

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, and it is beyond dispute that nonprofit corporations can be substantial businesses. It matters not whether the purported dealer would be called a "dealer," "manufacturer," or "manufacturer's representative." What matters is only how the statute defines the term. Girl Scouts of Manitou Council, Inc. v. Girl Scouts of the United States of America, 534 F.3d 685 (7th Cir. 2008).

Affirmed in part, reversed in part.

For an entity to qualify as a dealership through the use of commercial symbols, more is required than the mere right to use a commercial symbol. Instead, a dealership may use those symbols to such extent that the public associates the dealer with the trademark or prominently display the logo as an implicit guarantee of quality. Such use by a dealership ties its fortunes to the reputation of the grantor, giving the grantor superior bargaining power that the grantor might use to exploit the dealer. Sufficiently substantial use of a grantor's corporate symbol typically requires a purpose to transfer a substantial investment in the trademark. PMT Machinery Sales, Inc. v. Yama Seiki USA, Inc., 941 F.3d 325 (2018).


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 proper to determine whether under sub. (3) a "community of interest" exists by examining the effect termination has on a division of the plaintiff. United States v. Davis, 756 F. Supp. 1162 (1990).

The plaintiff's investment in "good will" was not sufficient to afford it protection under the Wisconsin 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 conducts business in Wisconsin. CSS-Wisconsin Office v. Houston Satellite Systems, Inc., 979 F.2d 120 (1992).

There is no "community of interest" under sub. (3) when there is an utter absence of "shared goals" or "coordinated cooperative efforts" between the parties. Cajan v. Wisconsin Furniture Co., 817 F.2d 1480 (1990).

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, 848 F. Supp. 1415 (1994).


A clause 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. Pratte Auto Electric & Battery Co. v. Tecumseh Products Co., 110 F. Supp. 2d 269 (2000).

Nothing in the text or legislative history of this chapter suggests that the legislature intended to preclude co-ops from being dealers. Sub. (2) defines a dealer as "a person who acts as a manufacturer's representative or commits 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 from the WDLE. Northland Sales, Inc. v. Maxx Corp., 556 F. Supp. 2d 928 (2008). See also PMT Machinery Sales, Inc. v. Yama Seiki USA, Inc., 941 F.3d 325 (2019).

In determining whether a plaintiff has a right to sell under the WDLE, 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 from the WDLE. Northland Sales, Inc. v. Maxx Corp., 556 F. Supp. 2d 928 (2008). See also PMT Machinery Sales, Inc. v. Yama Seiki USA, Inc., 941 F.3d 325 (2019).


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 dealings on a fair basis;

(b) To protect dealers against unfair treatment by grantors, who influence superior economic power and superior bargaining power in the negotiation of dealings;

(c) To provide dealers with rights and remedies in addition to those existing 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.

(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 School Studios, 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 217, 481 N.W.2d 644 (Ct. App. 1992).

A forum-selection clause in a dealership agreement was not freely bargained for and was therefore ineffective under sub. (2) (b). Cutter v. Scott & Fetzer Co., 510 F. Supp. 905 (1981).


135.03 Cancellation and alteration of dealership agreements. 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 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, reasonable, and not discriminatory. A failure to substantially comply with the changes constitutes good cause. Ziegler Co., Inc. v. Rexnord, 147 Wis. 2d 308, 435 N.W.2d 8 (1988).

A dealer supplied a second distributorship was a violation of s. 135.04 because it caused a substantial change in credit terms and 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 nondiscriminatory fashion from a continuous 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. Pratte Auto Electric & Battery Co. v. Tecumseh Products Co., 110 F. Supp. 2d 899 (2000). Reversed on other grounds. 255 F.3d 460 (2001).

Assignments 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 distributorship agreement and the defendant failed to provide the plaintiff, with 90 days’ written notice, the 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 may occur when the grantor takes actions that amount to an effective end to the commercial 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). A grantor’s own circumstances can constitute 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 ascertainment need for change; 2) a proportionate response to that need; and 3) a nondiscriminatory act. PIWG, Inc. v. Pratte Auto Electric & Battery Co., 287 F. Supp. 2d 1066 (2003).


135.04 Notice of termination or change in dealership agreements. 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 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. Butke, 100 Wis. 2d 169, 301 N.W.2d 216 (1981).

The notice requirement of this section applies to substantial changes of circumstances of a dealership, 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 320, 548 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. Aal Bishop Agency, Inc. v. Lithonia, 474 F. Supp. 828 (1979).


The notice requirement of this section applies to substantial changes of circumstances of the dealership agreement in violation of s. 135.03. However, the defendant's assignment of the dealership agreement require the statutory notice. Jungbluth v. Hometown, Inc., 201 Wis. 2d 320, 548 N.W.2d 519 (1996), 94−1523.

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 distributorship was a violation of this section because it caused a substantial change in the competitive circumstances of the plaintiff's truck blower 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: 1977 c. 171.

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 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 chapter, the grantor must prove that the statutory limitations started running upon receipt of the termination notice. Les Moise, 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. Lear, Inc., 156 Wis. 2d 621, 457 N.W.2d 533 (Ct. App. 1990).

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, 17–1595.

**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.

**History:** 1973 c. 179; 1975 c. 371; 1999 a. 31.

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.