CHAPTER 135
DEALERSHIP PRACTICES

135.02 Definitions.

(1) "Community of interest" means a continuing financial interest between the grantor and grantee in 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) "Grantee" 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. 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 geographic confines of the state. Swan Sales Corp. v. Jos. Schlitz Brewing Co., 126 Wis. 2d 16, 374 N.W.2d 640 (Ct. 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 875 (1987).


distinction between for-profit and not-for-profit entities. The stated concern is for 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” or “dealership”; 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, Inc., 549 F.3d 1079 (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 must 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 grantee might use to exploit the dealer. Sufficiently substantial use of a grantor’s corporate symbol typically requires a purpose to use the grantor’s substantial investment in the trademark.

PMT Machinery Sales, Inc. v. Yama Seiki USA, Inc., 941 F.3d 325 (2019). The distinction between a dealer and a manufacturer’s representative is discussed.


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 Sys., 571 F. Supp. 2d 1021 (2008). 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 of National School Studios, 549 F.3d 1079 (2008).

A change in credit terms was a change in a dealer’s “competitiveness.” Van v. Mobil Oil Corp., 515 F. Supp. 487 (1981).

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 of National School Studios, 549 F.3d 1079 (2008).

When a plaintiff alleged that its grantor was a “dealership.” JPM, Inc. v. John Deere, 571 F. Supp. 2d 1055 (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 from the WFDL. 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 dealerships on a fair basis;

(b) To protect dealers against unfair treatment by grantors, who influence dealer economic power and higher bargaining power in the negotiation of dealership agreements;

(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 237, 481 N.W.2d 644 (Ct. App. 1992).


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 or that the grantor reasonably believes are necessary to substantially comply with the changes constitutes good cause. Ziegler Co., Inc. v. Rixendor, 147 Wis. 2d 308, 435 N.W.2d 8 (1988).

A drug supplier violated this section by canceling a dealership without good cause all dealership agreements with independently owned pharmacies in the state. Keayley 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).


A grantor’s substantial loss of money under a dealership may constitute “good cause” for changes in the contract, including termination. Morley-Mur phlin, 414 F.3d 1127 (7th Cir. 2005).


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. Pratice 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-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).

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) but may 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 ascertainable need for change; 2) a proportionate response to that need; and 3) a nondiscriminatory action. This chapter does not apply to a nonexclusive dealership agreement.


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, and

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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 include those 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. A Bishop Agency, Inc. v. Lithonia, 474 F. Supp. 828 (1979).


The insolvency exception to the notice requirement did not apply to insolvency that was not an event that was controlled by the grantor at the time of termination. Bruno Wine & Spirits v. Guimarra 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 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. 292 (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, trade name, 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; 1993 a. 482.

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 (Cl. 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 c. 482.

In an action for termination of a dealership upon written notice not complying with this chapter, good cause for the statutory limitations started running from the date of 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. Leer, Inc., 156 Wis. 2d 621, 457 N.W.2d 533 (Cl. 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.

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


Although the plaintiff showed irreparable harm, the failure to show a reasonable likelihood of success on the merits precluded a preliminary injunction. Milwaukee Rentals, Inc. v. Budget Rent A Car Corp., 496 F. Supp. 253 (1980).

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. Vickers, 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 from 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 defendant. If, 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 proving 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 balanced and healthy 3-tier system that the parties to those dealerships expect changes to that state legislation regarding those dealerships.

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

5. NONAPPLICABILITY. 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

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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.