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- sów Oil Co. v. Heinam, 72 Wis. 2d 690, 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 pro- vided by contract. C.A. Marine Sup. Co. v. Brunswick Corp., 557 F.2d 1163. Also 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).


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 ven- ture, corporation or other entity.


135.03 Cancellation and alteration of dealerships.


135.04 Notice of termination or change in dealership.


135.05 Application for arbitration agreements.

135.06 Action for damages and injunctive relief.

135.065 Temporary injunctions.

135.066 Intoxicating liquor dealerships.

135.07 Nonapplicability.

Agriculture and other commercial symbol, in which there is a community of interest between the grantor and grantee in either the operation of the business of offering, selling or distributing goods or services at wholesale, retail, by lease, agreement or otherwise.

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 guideposts 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).

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

A cartage agreement between an HMO and associations, and bodies politic and corporate. The general term “corporation” pre- sumptively 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 plan- tiffs who operated its golf courses constituted “dealerships” under sub. (3). Benson v. City of Madison, 2037 W. 65, 774 N.W.2d 542 (Ct. App. 1997), 97–1169.

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 representative’s inventory of the grantor’s products is a relevant factor in deter- mining 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” pre- sumptively 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 plan- tiffs who operated its golf courses constituted “dealerships” under sub. (3). Benson v. City of Madison, 2037 W. 65, 774 N.W.2d 542 (Ct. App. 1997), 97–1169.

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 intoxicat- ing 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 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. Fieberg 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- tion. Simmons v. Embassy Suites, Inc., 983 F.2d 1404 (1993).

This chapter does not protect a manufacturer’s representative that lacks the unqual- ified authorization to sell to the authority to whom the manufacturer has sold its goods or services. 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 Corp., 142 F.3d 373 (1996).

This chapter specifies who may take advantage of its protections through the terms “dealership” and “dealership” and obviates the need to resort to conflict of laws princi- ples. Investment in the state without in–state sales does not bring a party within the coverage of the chapter. Generac Corp. v. Caterpillar, Inc., 172 F.3d 971 (1999).

A manufacturer’s right of approval or disapproval does not constitute a contractual relationship between the manufacturer and the subdistributor subject to this chapter. Praetke Auto Electric & Battery Co. v. Tecumseh Products Co., 253 F.3d 464 (1999).

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” in everyday conversation; 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).

Affirmative defense is defined in part. 646 F.3d 983 (2011).

For an entity to qualify as a dealer in the use of commercial symbols, more is required than the mere right to use a commercial symbol. Instead, a dealer is one who uses symbols to such extent that the public associates the dealer with the trademark or prominently displays the logo as an implicit guarantee of quality. Such use by a dealership ties its fortunes to the reputation of the grantor, granting the grantor’s 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 (2019).


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. United States v. Davis, 756 F. Supp. 1162 (1990).

The plaintiff’s investment in “goodwill” was not sufficient to afford it protection under the Television Telesystems Corp. v. Apple Computer, 773 F. Supp. 153 (1991).


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. Cayan v. Wisconsin Furniture Co., 817 F. Supp. 1266 (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. Rainsforth, 848 F. Supp. 1415 (1994).


A plaintiff 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. Prattle 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 orders for a manufacturer’s product from potential customers and is paid a commission on resulting sales.” This definition is too broad, and inventory was refundable. Moore v. Tandy Corp. Radio Shack Div., 631 F. Supp. 1037 (1986).

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Economic duress may serve as a basis for a claim of constructive termination of a dealership. JPM, Inc. v. John Deere, 940 F.2d 760 (1996).


This chapter is applicable to nonprofit dealers. Girl Scouts of Manitou Council, Inc. v. Girl Scouts of the United States of America, 646 F.3d 983 (2011).

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


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. Prattle Auto Electric & Battery Co. v. Tecumseh Products Co., 110 F. Supp. 2d 899 (2000).

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

Plaintiffs 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 to show that the grantor’s bad management decisions were a cover for an intent to slough off the dealers and take over the markets they had developed. Conrail, Inc. v. SuperValu, Inc., 387 F.3d 1086 (2001).

Assignment of a second distributorship 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–dealership and the defendant failed to provide the plaintiff with 90 days’ written notice. Wisconsin Compass 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 ascertainable need for change; 2) a proportionate response to that need; and 3) a nondiscriminatory act. This chapter is intended to determine what constitutes a for-profit entity, 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.

Except as provided in this section, a grantor shall provide a dealer at least 90 days’ prior written notice of termination, cancellation, or change in credit terms.
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 the dealer, the dealership 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 216, 301 N.W.2d 216 (1981).

The 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. Al Bishop Agency, Inc. v. Lithonia, 474 F. Supp. 828 (1979).


The insolvency exception to the notice requirement did not apply to insolvency that was due to a 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 distributorship was a violation of this section because it caused a substantial change in the competitive circumstances of the plaintiff’s truck driver 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: 1993 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 (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, a default cause, the statutory limitations started running from the receipt of the termination notice. Les Moise, Inc. v. Roossignol 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).


A cause of action accrued when a defective notice under s. 135.04 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.” Kraleys Pharmacy v. Walgreen Co., 761 F.2d 345 (1985).

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


An arbitration award that did not award attorney fees was enforceable. Parties may agree to bear their own legal expenses when resolving deficiencies; 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: 1977 c. 171.

Four factors considered in granting preliminary injunction are discussed. The loss of a well−established 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. 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 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 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 to meet the grantor’s evidence. S&S Sales Corp. v. Marvin Lumber & Cedar Co., 435 F. Supp. 2d 879 (2006).

135.066 Intoxicating liquor dealerships. 135.066(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 that line threatens the health and stability of the wholesaler; 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 dealerships expect changes to state legislation regarding those dealerships.

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

(3) 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 of 2019−20 Wisconsin Statutes updated through 2021 Wis. Act 267 and through all Supreme Court and Controlled Substances Board Orders filed before and in effect on July 1, 2022. Published and certified under s. 35.18. Changes effective after July 1, 2022, are designated by NOTES. (Published 7−1−22)
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.


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.