CHAPTER 135
DEALERSHIP PRACTICES

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 impaired by the dealership grantor, whatever its size. Rosow Oil Co. v. Heinman, 72 Wis. 2d 696, 242 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: 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). Dealing with the dealers: Scope of the Wisconsin fair dealership law. Axe, WBB Aug. 1981.

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.


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 (Crit. App. 1985).

Two guideposts for determining the existence of a “community of interest” under sub. (3) (a) are shared financial interest in the maintaining of a 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. Roper. Inc. 139 Wis. 2d 593, 407 N.W.2d 873 (1987).

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

Contracts between an HMO and chiropractors for the provision of chiropractic services to HMO members did not did not establish the chiropractors as dealerships under s. 135. Bakke Chiropractic Clinic v. Physicians Plus Insurance, 215 Wis. 2d 605, 573 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. Baldeuw Company v. Tri–Clover, Inc. 2000 WI 20, 233 Wis. 2d 57, 606 N.W.2d 145, 99–0541. See also Baldeuw Company v. Tri–Clover, Inc. 183 F.3d 202 (2002).

Assuming without deciding that the size of the local economy relative to the cost of the putative dealer’s inventory of the grantor’s products is a relevant factor in determining the existence of a community of interest, that factor did not demonstrate the existence of an 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 ch. 135 to mean “a person who is a grantee of a dealership situated in this state.” Sub. (3) defines “dealership” in part as “a 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 those politic and corporate. The general term “corporation” presumably 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, 76 Wis. 2d 35, 897 N.W.2d 16, 23–1566.

A wine grantor–dealer relationship is not included within the definition of a dealership under s. 135. (3) (b) Section 135.066 (2) provides the operative definition of intoxicating liquor for purposes of this chapter, and that definition explicitly excludes wine. Winebom, Inc. v. Capitol–Hustong 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. Fruehberg 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 substantiality of the deprivation depends 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 unqualified authorization to sell or the authority to contract the manufacturer to a sale. Sales & Marketing Assoc., Inc. v. Hufly 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 “dealer” and “dealership” and obviates the need to resort to conflict of laws principles on 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 of its distributors’ subdistributors or subdealer is a contractual relationship between the manufacturer and the subdistributor subject to this chapter. Praefke Auto Electric & Battery Company, Inc. v. Tecumseh Products Company, Inc. 255 F.3d 460 (2001).

The distinction between a dealer and a manufacturer’s representative is discussed. Al Bishop Agency, Inc. v. Lithonia–Division of National Services, Inc. 474 F. Supp. 828 (1979).
135.02 DEALERSHIP PRACTICES

The employment relationship in question was not a ‘dealership.’ O’Leary v. Sterzing Extruder Corp. 533 F. Supp. 1205 (1982).

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. U.S. v. Davis, 756 F. Supp. 1162 (1990).

The plaintiff’s investment in “goodwill” was not sufficient to afford it protection. Vasek v. Wexler, 848 F. Supp. 1413 (1994).

A business in promoting 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. Praktie 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 in 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-Rite Lumber & Cedis, Inc. v. 882 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 from the WFDL. 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 failure in question; it asks only whether sales occur. Not 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. v. Gardner Denver, Inc. 571 F. Supp. 2d 1086 (2008).


135.03 Cancellation and alteration of dealerships. No grantor, directly or through any agent, employee, or employee, may terminate, cancel, fail to renew or substantially change the competitive circumstances of 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 change or that changes are necessary, and not discriminatory. A grantor may cancel, terminate, or non-renew a dealership agreement if the grantor was due to business exigencies unfor seeable to the dealer and was due 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 agreement. JPM, Inc. v. John Deere, Inc. 646 F. Supp. 2d 983 (2009).

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).

In 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 a product market on a large scale. A 90-day notice is required. St. Joseph Equipment v. Massey-Ferguson, Inc. 546 F. Supp. 1245 (1982).

This section did not apply to a grantor’s action that was due to business exigencies unforeseeable to the dealer and was due in a nondiscriminatory manner. Remus v. Amoco Oil Co. 794 F.2d 1238 (1986).


When parties continue their relations after the term of a dealership contract has expired, the contract has been renewed for another period of time. 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 because it caused substantial change in the competitive circumstances of the plaintiff’s truck dealer dealership 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).

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 fundamental or commercially meaningful change of the dealer 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). Affirmed in part, reversed in part. 646 F.3d 983 (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. They may be substantial, intentional, 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 plaintiff must demonstrate: 1) an objectively ascertainable need for change; 2) a proportionate response to that need; and (3) a nondiscriminatory action. This chapter makes no distinction between for-profit and not-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). Affirmed in part, reversed in part. 646 F.3d 983 (2011).

This chapter is applicable to nonprofit grantor’s. Girl Scouts of Manitou Council, Inc. v. Girl Scouts of the United States of America, 646 F.3d 983 (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, 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
135.065 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 goodwill constituted irreparable harm. Reinders Bros. v. Rain 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. 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 presumption that the defendant breached the agreement and a temporary injunction is justified. If neither party presents evidence on the issue, the rebuttable presumption is no longer relevant, and the defendant must come forward with evidence negating 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 this decline threatens the health and stability of the wholesale tier; 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.

NOTE: Sub. (2) is shown as renumbered from sub. (2) (a) by the legislative reference bureau under s. 13.92 (1m) (bm) 2.

(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 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. They are provided in s. 999.001 (11).
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, 17–1395.

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 Atty. Gen. 11.