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

135.02 Definitions.

135.025 Purposes; rules of construction; variation by contract.

135.03 Cancellation and alteration of dealership.

135.04 Notice of termination or change in dealership.

135.05 Repurchase of inventories.

135.06 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.

135.066 Intoxicating liquor dealerships.

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) (a) are: (1) a shared financial interest in the particular 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. Roskey. 119 Wis. 2d 591, 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. Loe-west-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 establish the chiropractors as dealerships under ch. 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. Badewein Company v. Tri-Clover, Inc. 2000 WI 20, 233 Wis. 2d 57, 606 N.W.2d 145, 99–0541. See also Badewein Company 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 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 a community of interest in this case. Moe v. Benefi U.S.A. Corp. 2007 WI App 254, 306 Wis. 2d 612, 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 “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 any other politic or corporate. Thus, 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, 2017 WL 365 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. 135.066 (3) (b). Section 135.066 (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, 17–1593.

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. Biemiller v. Milwaukee, 2019 WI App 91, 381 Wis. 2d 341, 914 N.W.2d 631, 17–1593.

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 feasibility of the services is in question because of 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 command the manufacturer to a sale. Sales & Marketing Assoc., Inc. v. Huffly 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 (1995).

This chapter specifies who may take advantage of its protections through the terms “dealer” and “dealership” and obviates the need to resort to conflicting laws principles on in-state sales. It 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’ subdistributorships do not create a contractual relationship between the manufacturer and the subdistributor subject to this chapter. Paeckle 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. All Bishop Agency, Inc. v. Lithuania–Division of National Services, Inc. 474 F. Supp. 828 (1979).

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 under this chapter. Team Electronics 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 cooperative coordinated efforts between the parties. Cajan v. Wisconsin v. Winston Furniture Co., 817 F. Supp. 778 (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. Rainsoft, 848 F. Supp. 1413 (1994).


A business 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., Inc. v. Tecnusmec 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 a grantee of 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 who is a grantee of a dealership. Sub. (6) defines a person as a “corporation or other entity intended to preclude co-ops from being dealers. Sub. (2) defines a dealer as “a person who is a grantee of a dealership.”

Important factor is the dealer’s ability to transfer the product itself, or title to the product, to the ultimate consumer. Smith v. Rainsoft, 848 F. Supp. 1413 (1994).


When parties continue their relations after the term of a dealership contract has expired, the contract has been renewed for another period of time. Team Electronics v. Apple Computer, Inc. v. Tecnusmec Products, Co., 110 F. Supp. 2d 899 (2000).

Reversed on other grounds, 255 F.3d 460 (2001). Where defendants could proceed under this chapter if they could prove 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 not enough 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 that plaintiff-dealers can show that the bad decisions were motivated by an intent to slough off the dealers and take over the markets they had developed. Conrad’s Sentry, Inc. v. Supervalu, Inc., 357 F.3d 1086 (2004).

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 s. 135.03. However, the defendant’s assignment of a second distributor was a violation of s. 135.04 because it caused a substantial change in the competitive circumstances of the plaintiff’s truck blow assembly distributorship agreement and the defendant failed to provide the plaintiff with 90 days’ written notice.

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 an effective or commercially meaningful action in the operation of the dealership agreement, which significantly changes the competitive circumstances of the 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 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).


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).

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
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. Buttek, 100 Wis. 2d 169, 301 N.W.2d 216 (1981).

The notice requirement of this section applies to substantial changes of circumstance, not a dealership agreement. Actions that substantially change in the competitive circumstances of the nonexclusive dealership agreement in violation of s. 135.03. However, the defendant’s assignment of a substitute distributor was a violation of s. 135.03 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. 2d992 (2008).

**Remedies for termination should be available only for unequivocal terminations of the entire relationship.** Meyer v. Kero-Sun, Inc. 570 F. Supp. 402 (1983).

The insolvency exception to the notice requirement did not apply to insolvency that was not known to 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.** 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 presumption of 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. 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 of irreparable harm. Standing the arguable likelihood that the defendant would ultimately prevail at trial. Menominee Rubber Co. v. Gould, Inc. 657 F.2d 164 (1981).

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 presumption of 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. 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 of irreparable harm. Standing the arguable likelihood that the defendant would ultimately prevail at trial. Menominee Rubber Co. v. Gould, Inc. 657 F.2d 164 (1981). If a plaintiff establishes the likelihood of a violation of this chapter, the statute creates a rebuttable presumption of 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. 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 of irreparable harm. Standing the arguable likelihood that the defendant would ultimately prevail at trial. Menominee Rubber Co. v. Gould, Inc. 657 F.2d 164 (1981).


An arbitration award that did not award attorney fees was enforceable. Parties may agree, through their own legal expertise when resolving disputes, what the parties may do, an arbitrator as their mutual agent may do. George Watts & Son, Inc. v. Tiffany & Co. 248 F.3d 577 (2001).

**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 good will constituted irreparable harm. Reinders Bros. v. Rain Bird Eastern Sales Corp. 627 F.2d 44 (1980).

The court did not abuse its discretion in granting a preliminary injunction notwithstanding the arguable likelihood that the defendant would ultimately prevail at trial. Menominee Rubber Co. v. Gould, Inc. 657 F.2d 164 (1981).

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 presumption of 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. 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 of irreparable harm. Standing the arguable likelihood that the defendant would ultimately prevail at trial. Menominee Rubber Co. v. Gould, Inc. 657 F.2d 164 (1981). If a plaintiff establishes the likelihood of a violation of this chapter, the statute creates a rebuttable presumption of 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. 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 of irreparable harm. Standing the arguable likelihood that the defendant would ultimately prevail at trial. Menominee Rubber Co. v. Gould, Inc. 657 F.2d 164 (1981).
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 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.