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. Rossw 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 Sup. 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 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 (Cl. 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 distinctiveness of the relationship from a typical vendor–vendor relationship; establishing a loss of future profits is not sufficient. Gunderjohn v. Loebeer–America, Inc., 179 Wis. 2d 201, 507 N.W.2d 115 (Cl. App. 1993).

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 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. 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” presumptively 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 531, 15–2263.

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. Winbush, Inc. v. Capital–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. Friburg 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 qualifiable authentication to sell to the authority to whom the manufacturer is subject to. Sales & Marketing Assoc., Inc. v. Huflly 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 “dealership” and obviates the need to resort to conflicts of law principles. 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 of its distributors’ subdistributors did not create a contractual relationship between the manufacturer and the subdistributor subject to this chapter. Praetke Auto Electric & Battery Co. v. Tecumseh Products Co., 255 F.3d 463 (2001).

The WFDL expresses no concern for the mission or other motivation underlying the sales in question, but it asks only whether sales occur. Nor does the statute draw any
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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" by the private parties engaged in the transaction, 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).


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 dealer's use must be such 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 purchase of a substantial investment in the trademark. PMT Machinery Sales, Inc. v. Yama Seiki USA, Inc., 941 F.3d 325 (2019).


The employment relationship in question was not a "dealership." O'Leary v. Sterling 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. United States v. Davis, 756 F. Supp. 1162 (1990).


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 Woodworkers Furniture Co., 817 F. Supp. (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 claimant 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. Praktel 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 is a grantee of a dealership." Sub. (6) defines a person as a "corporation or other entity within sub. (6) and subject to this chapter.

Wisconsin v. Winston Furniture Co., a co-op is a corporation or other entity within sub. (6) and subject to this chapter of this state and the United States.

Sub. (6) defines a person as a "corporation or other entity within sub. (6) and subject to this chapter. The grantor's superior bargaining power may be decisive to the success of the dealership. Praefke Auto Electric & Battery Co. v. Tecumseh Products, Co., 546 F. Supp. 1245 (1982).


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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.