



State Regulation Of Dealer Networks: Observations (Personal!) From An OEM Attorney

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Impact On Manufacturer Dealer Networks

- “Face Of The Brand” To Consumers
- The Challenge Of “One-Size Fits All Brands”
- Need to Adapt Distribution Model To Changes In Consumer Expectations and Habits In Internet Age
- Need To Respond

Restrictions On Termination

- Process Is Expensive And Time-Consuming
- Dealers Get Automatic “Preliminary Injunction” In Many States, Even In “Going Dark” Cases
- Even Material Breach Of Contract Is Not Enough To Justify Termination Under Certain Statutes
- Even Settlements (!) Are Precluded In Some States By Broad Anti-Waiver Provisions (e.g., NH)
- In Some States Dealers Participate In Decision-Making Process