

## Court Dismisses Complaint Finding No Exclusive Arrangement in the Parties' Distribution Agreements

A Pennsylvania federal court has granted a manufacturer's motion to dismiss a complaint for breach of distribution agreement. In *Assalone v. S-L Distribution Co., Inc.*, 2013 U.S. Dist. LEXIS 149625 (M.D. Pa. Oct. 17, 2013), Assalone sued S-L, the manufacturer of Snyder's snack foods, claiming that it breached the exclusivity provisions of the parties' distributorship agreements by distributing another line of snack foods in Assalone's territories. In 1999, Assalone entered into separate agreements with a food manufacturer and distributor of Snyder's products. The majority of the agreements provided Assalone with the exclusive right to sell and distribute "authorized products" in the New York metropolitan area. Authorized products were defined in the agreements as those items sold under the Snyder's trademark and identified on an attached price list. In 2010, S-L acquired the assets of Snyder's and assumed the distribution agreements. S-L is a wholly-owned subsidiary of a larger parent corporation that also had the right to sell other snack foods called the Lance products. Problems emerged when S-L notified Assalone that it could not sell the Lance products and excluded those products from Assalone's price list. Assalone claimed that S-L's action breached the parties' exclusive arrangement.

The court sided with S-L, finding that the agreements only allowed Assalone to sell Snyder's items that were specifically identified on the price list. The specific price list attached to Assalone's complaint expressly excluded the Lance products, and Assalone's exclusivity was limited to the "authorized products" listed on the price list. Furthermore, the products being sold by other distributors in the plaintiff's territories were not Snyder's, but the Lance products. The court found these facts dispositive and dismissed Assalone's complaint.

### Related People

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