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BLOGS

Discrimination

Seventh Circuit Interprets Anti-Discrimination Obligations Under Indiana Deceptive Franchise Practices Act

In *Andy Mohr Truck Center, Inc. v. Volvo Trucks North America*, 2017 WL 3695355 (7th Cir. Aug. 28, 2017), the United States Court of Appeals for the Seventh Circuit reversed an Indiana district court’s denial of Volvo Trucks of North America’s motion for judgment as a matter of law, finding that Volvo did not unfairly discriminate against its dealer, Mohr Truck Center, in violation of the Indiana Deceptive Franchise Practices Act (“IDFPA”) and overturning a jury’s finding of discrimination and a \$6.5 million damages award. In support of its unfair discrimination claim, Mohr argued that Volvo violated the IDFPA by offering better prices and concessions to other franchisee-dealers located in various states than it offered to Mohr. At trial, Mohr identified thirteen transactions in which it received less favorable terms and concessions from Volvo than Volvo offered to other franchisee-dealers. On appeal, Volvo argued, among other things, that the trial evidence Mohr presented was insufficient to demonstrate “unfair discrimination” as the comparators were not similarly situated.

In reversing the district court’s decision, the Seventh Circuit agreed with Volvo, finding that Mohr failed to prove that Volvo’s treatment of Mohr when compared to other dealers was “unfair.” The court noted that under the IDFPA, Mohr had the initial burden of proving that the difference in treatment amounted to “unfair discrimination.” While the Seventh Circuit noted that Mohr presented evidence depicting different treatment amongst Volvo’s various dealers, Mohr failed to establish that such differing treatment was unfair, especially since the franchise agreement between the parties expressly granted Volvo the right to grant different concessions for each transaction. Moreover, the court found that Mohr’s evidence showed that at times Mohr received better terms and concessions, and at other times Mohr’s competitors received better terms. The Seventh Circuit concluded that at most, Mohr’s evidence showed that Volvo offered no reasoned explanation for providing differing concessions to different dealers, which, according to the court, was insufficient to show that such treatment was unfairly discriminatory.

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