

A yellow triangle pointing downwards, located to the left of the 'BLOGS' header.

BLOGS

Choice of Forum/Venue

Wisconsin Court Dismisses Claim That Forum Selection Clause Violates the Wisconsin Franchise Investment Law

In *Trakloc Midwest LLC v. Trakloc Int'l, LLC*, 2009 WL 4878578 (Wis. App. Dec. 17, 2009), the Wisconsin Court of Appeals affirmed the dismissal for improper venue of a case brought by technology distributor, Trakloc Midwest, against manufacturer Pacific Rollforming. Midwest argued its relationship with Pacific was a franchise relationship and the forum-selection clauses in the contracts violated the Wisconsin Franchise Investment Law (WFIL). Alternatively, Midwest argued that using different forum selection clauses (Alaska and California) in two separate agreements created an unenforceable ambiguity.

After pointing out that there was scant case law finding forum selection clauses a *per se* violation of the WFIL, the court concluded that "Midwest [did] not carry its burden of demonstrating that it is entitled to whatever protection it might be afforded as a franchisee under the WFIL because it has not proven as a matter of law that the . . . two] Agreement[s] create a franchise under [WFIL]." On the issue of ambiguity, the court found "no apparent reason why disputes related to the [first] Agreement cannot be litigated in California, as that agreement plainly requires, and similarly, there is no apparent reason why disputes related to the [second] Agreement cannot be litigated in Alaska, as that agreement plainly provides." The dismissal of the case was affirmed.