

Fiduciary duties between manufacturers and distributors - Distribution law

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GRP Rainer Lawyers and Tax Advisors in Cologne, Berlin, Bonn, Bremen, Dusseldorf, Essen, Frankfurt, Hamburg, Hanover, Munich, Nuremberg, Stuttgart and London www.grprainer.com/en conclude: In its judgment of June 21, 2013 (Az.: I-16 U 172/12), the Higher Regional Court (OLG) of Düsseldorf commented on the prior jurisprudence regarding fiduciary duties between a manufacturer and a distributor. The manufacturer ought to be obliged to reasonably accommodate the needs worthy of protection of the distributor, which subordinates extensively not only its own activity but also its business operations and the invested capital to the interests of the manufacturer, and not contravene its interests without justifiable cause.

This is so because the contract between a manufacturer and an authorized dealer is based on close economic cooperation and is therefore subject to mutual fiduciary duties to a greater extent than other contracts. An instruction for consideration ought to exist so long as and insofar as the manufacturer's right to freely decide the manner in which its business operations are conducted applies and have priority. In principle, a manufacturer and supplier are free in their respective business dispositions. They are, however, restricted from arbitrarily flouting the needs of the authorized dealer without a justifiable reason.

Distribution law includes an abundance of regulations that are conducive to the distribution of goods and services. Distribution occurs first and foremost between businesses and sales representatives as well as authorized dealers, but also between franchisors and franchisees. In addition, the international distribution of goods is becoming more and more important.

If one is to comprehend the totality of distribution law, diverse legal norms must be taken into account. In order to uphold these, a lawyer is necessary in most cases.

A lawyer versed in the field of distribution law can draw up contracts for sales representatives and authorized dealers, general terms and conditions and franchise agreements. Additionally, he can examine the competition law and licensing aspects of distribution relationships. A lawyer active in the field of distribution law can also help when there are problems pertaining to existing business relationships. He can give his full commitment to supporting contractual partners to enforce their claims - be it nationally or internationally.

http://www.grprainer.com/en/Distribution-Law.html

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