

U.S. UPDATE

NEW HAMPSHIRE LAW CURTAILED

Previously, we reported on an expansive dealer's rights law enacted by the New Hampshire legislature. *Motor Law*, Volume 13, Number 10, July/August 2013. That law was immediately challenged in court by several farm and construction equipment manufacturers, namely John Deere, AGCO Corp. and CNH, which sells Case and New Holland machines. Those manufacturers argued that the law was unconstitutional insofar as it applied to existing contracts between the manufacturers and their dealers. In summary, they argued that the new law would substantially impair those contracts. In opposition, the State argued that the law was constitutional because it would not substantially impair those contracts and that the law served a valid public interest by strengthening New Hampshire's economy.

The Court in the Northern District of Hillsborough County Superior Court handed the farm and construction equipment manufacturers an initial victory, issuing a preliminary injunction blocking the law from affecting existing contracts between the three companies and their New Hampshire based dealers. A preliminary injunction is typically entered on a fairly sparse record. Depending on how the facts are developed and presented, it may or may not be made permanent. Whether the injunction becomes permanent, thus, remains to be seen. For now, the case has been transferred to the Merrimack County Superior Court in Concord, New Hampshire for further proceedings.