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## McKeesport Beer Distributors, Inc. V. All Brand Importers, Inc.

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Order Reversed by [McKeesport Beer Distributors, Inc. v. All Brand Importers, Inc.](#), Pa., May 14, 1992

390 Pa.Super. 627  
Superior Court of Pennsylvania.

McKEESPORT BEER  
DISTRIBUTORS, INC., Appellant,  
v.  
ALL BRAND IMPORTERS, INC.

Argued Aug. 22, 1989.

|

Filed Jan. 10, 1990.

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Reargument Denied Feb. 26, 1990.

### Synopsis

Action was brought to enjoin defendant from terminating plaintiff's distributing rights agreement with defendant. The Court of Common Pleas, Civil Division, Allegheny County, No. GD86-1680, [Musmanno, J.](#), entered judgment for defendant, and plaintiff appealed. The Superior Court, No. 1819 Pittsburgh 1988, [Rowley, J.](#), held that: (1) plaintiff's out-of-territory sales of defendant's products constituted good cause to terminate the agreement; (2) defendant was not equitably estopped from terminating the agreement; and (3) distributor "cured" its out-of-territory sale of defendant's products within 90 days of defendant's notice of its intent to terminate the agreement.

Reversed and remanded.

West Headnotes (4)

### [1] **Contracts** 🔑 What constitutes termination

95 Contracts

95II Construction and Operation

95II(D) Place and Time

95k215 Duration of Contract in General

95k215(2) What constitutes termination

Under liquor code, plaintiff's sales of defendant's products outside of geographical limits of

plaintiff's distributorship constituted good cause to terminate exclusive distributorship agreement, even though out-of-territory sales were minimal in comparison to total volume of plaintiff's sales; sales were substantial violation of commercially acceptable requirement and statutorily required condition in parties' agreement that plaintiff's distributorship would be limited to certain geographical area. 🚩 47 P.S. §§ 4-431(d)(1), 🚩 4-492(19).

1 Cases that cite this headnote

### [2] **Estoppel** 🔑 Representations

156 Estoppel

156III Equitable Estoppel

156III(B) Grounds of Estoppel

156k82 Representations

156k83 In General

156k83(1) In general

Defendant was not equitably estopped from terminating plaintiff's exclusive distributorship agreement on account of plaintiff's out-of-territory sales, despite plaintiff's claim that another of defendant's distributors engaged in out-of-territory sales with knowledge and consent of defendant; plaintiff failed to prove that defendant, by act or representation, had induced plaintiff to believe that its agreement would not be terminated if it engaged in out-of-territory sales. 🚩 47 P.S. §§ 4-431(d)(1), 🚩 4-492.

### [3] **Alcoholic Beverages** 🔑 Duration, termination, and renewal

23H Alcoholic Beverages

23HII Control and Regulation

23HII(E) Particular Subjects of Control and Regulation

23HII(E)5 Distribution

23Hk254 Agreements and Franchises

23Hk256 Duration, termination, and renewal  
(Formerly 223k124 Intoxicating Liquors)

Under liquor code, if manufacturer's reason for intended termination of distributing rights agreement is admitted by distributor, distributor

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has 90 days in which to rectify deficiency; if reason for intended termination is disputed, distributor has 90 days to challenge assertion of good cause. 🚩 47 P.S. § 4-492(19).

Under liquor code, distributor “cured” its out-of-territory sale of defendant's products within 90 days of defendant's notice of intent to terminate distributorship agreement on basis of those sales; thus, defendant's termination of distributing rights agreement was invalid. 🚩 47 P.S. §§ 4-431(d)(1), 🚩 4-492(19).

1 Cases that cite this headnote

**[4] Alcoholic Beverages** 🔑 Duration, termination, and renewal

23H Alcoholic Beverages

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**All Citations**

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