

SUPREME JUDICIAL COURT OF MASSACHUSETTS

Massachusetts State Automobile Dealers Association, Inc. v. Tesla Motors MA, Inc.

469 Mass. 675 (2014) · No. SJC-11545 · Decided September 15, 2014

SUMMARY

The Massachusetts Supreme Judicial Court held that the 2002 amendments to Massachusetts General Laws chapter 93B did not expand standing to allow unaffiliated motor vehicle dealers to sue manufacturers or distributors for alleged statutory violations. The court concluded that chapter 93B primarily protects dealers from unfair practices by manufacturers and distributors with which they have a franchise relationship, and that the plaintiffs’ alleged competitive injury fell outside the statute’s intended area of concern. The court affirmed dismissal of the action for lack of standing.

CASE DETAILS

COURT	Supreme Judicial Court of Massachusetts
WRITING FOR THE COURT	Botsford, J.; Spina, J.; Cordy, J.; Gants, J.; Duffly, J.; Lenk, J.
JURISDICTION	Massachusetts
DECIDED	September 15, 2014
DOCKET	SJC-11545
DISPOSITION	affirmed
PROCEDURAL POSTURE	The plaintiffs appealed from a Superior Court judgment dismissing their complaint for lack of standing. The Supreme Judicial Court transferred the case from the Appeals Court on its own initiative.
STANDARD OF REVIEW	The court reviewed the dismissal for lack of standing under Mass. R. Civ. P. 12(b)(1). In resolving standing, the court considered the statute's language, history, purpose, and intended area of concern.
PRECEDENTIAL VALUE	published precedential opinion
PARTIES	Massachusetts State Automobile Dealers Association, Inc., Connolly Buick Co., Inc., doing business as Herb Connolly Chevrolet, Jake Kaplan's Inc., doing business as Fisker Norwood, James G. Boyle v. Tesla Motors MA, Inc., Tesla Motors, Inc.

TOPICS

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PRACTICE AREAS

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QUESTIONS PRESENTED

1. Whether the 2002 amendments to G. L. c. 93B broadened statutory standing so that a Massachusetts motor vehicle dealer could sue an unaffiliated manufacturer or distributor for allegedly violating § 4(c)(10).
2. Whether the plaintiffs' alleged competitive injury fell within the intended area of concern of G. L. c. 93B.
3. Whether the plaintiffs had standing to pursue their statutory claims against Tesla and Tesla Motors MA.

HOLDINGS

1. G. L. c. 93B, § 15, does not confer standing on a motor vehicle dealer to maintain an action for violation of § 4(c)(10) against a manufacturer with which the dealer is not affiliated.
2. The plaintiffs' alleged injury from competition with an unaffiliated manufacturer was not within chapter 93B's intended area of concern.
3. The 2002 amendments broadened the protection against a manufacturer competing with its affiliated dealers by eliminating the former relevant-market-area restriction, but did not create a right for dealers to challenge competition by an unaffiliated manufacturer.

KEY QUOTATIONS

“We hold that the 2002 amendments did not have this effect. Chapter 93B is aimed primarily at protecting motor vehicle dealers from injury caused by the unfair business practices of manufacturers and distributors with which they are associated, generally in a franchise relationship.”

“With a proper understanding of the language, history, and purpose of the statute in mind, we hold that G. L. c. 93B, § 15, does not confer standing on a motor vehicle dealer to maintain an action for violation of G. L. c. 93B, § 4 (c) (10), against a manufacturer with which the dealer is not affiliated.”

FACTUAL BACKGROUND

Tesla Motors, Inc. manufactured electric vehicles, and its wholly owned Massachusetts subsidiary, Tesla Motors MA, Inc., operated a gallery at the Natick Mall and applied for a class 1 motor vehicle license. The plaintiffs were a statewide automobile dealers association and Massachusetts motor vehicle dealers that were not affiliated with Tesla and had never sold or distributed Tesla vehicles. They alleged that Tesla was operating an unlicensed dealership and competing unfairly with Massachusetts dealers in violation of G. L. c. 93B, §§ 3(a) and 4(c)(10).

PROCEDURAL HISTORY

The plaintiffs commenced a civil action in the Superior Court seeking declaratory and injunctive relief based on alleged violations of G. L. c. 93B and an alleged conspiracy to violate that statute. The Superior Court denied the plaintiffs' requests for a temporary restraining order and preliminary injunction, denied reconsideration, and dismissed the complaint for lack of standing. The Supreme Judicial Court affirmed.

DISPOSITION

affirmed

CASES CITED

- Beard Motors, Inc. v. Toyota Motor Distribs., Inc., 395 Mass. 428 (1985)
- Tober Foreign Motors, Inc. v. Reiter Oldsmobile, Inc., 376 Mass. 313 (1978)
- Ginther v. Commissioner of Ins., 427 Mass. 319 (1998)
- Watros v. Greater Lynn Mental Health & Retardation Ass'n, 421 Mass. 106 (1995)
- Modified Motorcycle Ass'n of Mass., Inc. v. Commonwealth, 60 Mass. App. Ct. 83 (2003)
- Hunt v. Washington State Apple Advertising Comm'n, 432 U.S. 333 (1977)
- American Honda Motor Co. v. Bernardi's, Inc., 432 Mass. 425 (2000)
- Ricky Smith Pontiac, Inc. v. Subaru of New England, Inc., 14 Mass. App. Ct. 396 (1982)
- Hanlon v. Rollins, 286 Mass. 444 (1934)
- Gallo v. Division of Water Pollution Control, 374 Mass. 278 (1978)
- Circle Lounge & Grille, Inc. v. Board of Appeal of Boston, 324 Mass. 427 (1949)
- Monroe v. Cooper, 235 Mass. 33 (1920)
- Boston Edison Co. v. Boston Redevelopment Auth., 374 Mass. 37 (1977)
- Ayer v. Commissioners on Height of Bldgs. in Boston, 242 Mass. 30 (1922)
- Penal Insts. Comm'r for Suffolk County v. Commissioner of Correction, 382 Mass. 527 (1981)
- Massachusetts Ass'n of Indep. Ins. Agents & Brokers v. Commissioner of Ins., 373 Mass. 290 (1977)
- HSBC Bank USA, N.A. v. Matt, 464 Mass. 193 (2013)
- Enos v. Secretary of Envtl. Affairs, 432 Mass. 132 (2000)