

Anheuser-Busch International Inc. (ABII) and Cervecería Nacional Dominicana S.A. (CND), represented by Lennox Paton, win big before Privy Council on reasonable notice in terminating a Distribution Agreement



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March 2026

The Privy Council issued a decisive ruling in *Anheuser-Busch International Inc. and Cervecería Nacional Dominicana S.A. (Respondent) v Commonwealth Brewery Ltd (Appellant)*, setting out clear guidelines for how reasonable notice should be determined in termination disputes where a long-standing distribution agreement has no express termination terms. Attorneys Christopher Jenkins KC (Lennox Paton), Chizelle Cargill (Lennox Paton) led by Alan Gourgey KC (Wilberforce Chambers) appeared for the successful Respondents, ABII and CND.

The dispute concerned a distribution agreement under which Burns House Limited – now Commonwealth Brewery Ltd (CBL) distributed AB InBev products, including Bud Light, in The Bahamas. The relationship lasted for over 40 years. The agreement was never formalized in writing and contained no termination clause. In 2015, ABII/CND terminated the agreement, giving 3.5 months' notice applying the principles set out in the English Court of Appeal decision in *Alpha Lettings Ltd v Neptune Research and Development Inc*. In the ensuing litigation, CBL argued that reasonable notice was 3.5 years, and claimed damages. At the Supreme Court level, the court found that a reasonable period of notice in the circumstances was 15 months, not the 3.5 months given by ABII/CND. This decision was overturned on appeal, when the Court of Appeal determined that the 3.5 month's notice fell within the range of a reasonable period of notice.

CBL appealed to the Privy Council, and the Privy Council upheld the Court of Appeal's decision.

In its comprehensive ruling, the Privy Council confirmed that reasonable notice in termination disputes, without express contractual terms, is a fact specific, context-driven assessment, and that the circumstances of this case supported a 3-month notice period.

This ruling provides a clear, robust framework for determination of reasonable notice in distribution agreements that lack express termination terms.

The ruling, dated 2 March 2026, is the first ruling in which the Privy Council has considered this issue, and is now the leading authority on this issue in the English-based common law world.

This is a significant victory for Lennox Paton and ABII and CND.