H. R. 1512

To clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 25, 1979

Mr. HOLLAND introduced the following bill; which was referred to the Committee on the Judiciary

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A BILL

To clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws.

1   *Be it enacted by the Senate and House of Representa-*

2 *tives of the United States of America in Congress assembled,*

3 That this Act may be cited as the "Soft Drink Interbrand

4 Competition Act".

5   DECLARATION OF POLICY

6   SEC. 2. Nothing contained in this Act, or in any of the

7 antitrust Acts, shall render unlawful the inclusion and en-

8 forcement in any trademark licensing contract or agreement,

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1 pursuant to which the licensee engages in the manufacture

2 (including manufacture by a sublicensee, agent, or subcon-

3 tractor) or distribution, and sale of a trademarked soft drink

4 product, of provisions granting the licensee the sole and ex-

5 clusive right to manufacture, distribute, and sell such product

6 in a defined geographic area or limiting the licensee, directly

7 or indirectly, to the manufacture, distribution, and sale of

8 such product only for ultimate resale to consumers within a

9 defined geographic area: *Provided*, That such product is in

10 substantial and effective competition with other products of

11 the same general class.

12 SEC. 3. The existence or enforcement of any trademark

13 licensing agreement which before May 1, 1983, shall have

14 limited, allocated, or restricted the territory in which the li-

15 censee may manufacture, distribute, or sell a trademarked

16 soft drink product shall not be subject to challenge under

17 section 4 of the Clayton Act (15 U.S.C. 15).

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