96TH CONGRESS
1ST SESSION

H. R. 3380

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

IN THE HOUSE OF REPRESENTATIVES

APRIL 2, 1979

Mr. HINSON 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, or sell trademarked soft drink products are lawful under the antitrust laws.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Soft Drink Interbrand Competition Act".

SEC. 2. Nothing contained in any antitrust law shall render unlawful the inclusion in any trademark licensing contract or agreement, pursuant to which the licensee engages in the manufacture (including manufacture by a sublicensee,

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agent, or subcontractor), distribution, or sale of a trademarked soft drink product, of any provision that grants the licensee the sole and exclusive right to manufacture, distribute, or sell such product in a defined geographic area or limits the licensee, directly or indirectly, to the manufacture, distribution, or sale of such product only for ultimate resale to consumers within a defined geographic area or the enforcement of any such provision, if such product is in substantial and effective competition with other products of the same general class.

SEC. 3. The existence or enforcement of any territorial provisions in a trademark licensing agreement for the manufacture, distribution, or sale of a trademarked soft drink product prior to any final determination in any action brought by the United States that such provisions violate any antitrust law shall not be the basis for recovery under section 4 of the Clayton Act (15 U.S.C. 15).

SEC. 4. As used in this Act, the term "antitrust law" means the Sherman Act (15 U.S.C. 1 et seq.), the Clayton Act (15 U.S.C. 12 et seq.), and the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

SEC. 5. The provisions of this Act shall be applied in any proceeding that is pending on, or commenced after, the date of enactment of this Act and that involves the lawfulness under any antitrust law of the existence or enforcement

of any territorial provisions in a trademark licensing agreement for the manufacture, distribution, or sale of a trademarked soft drink product.

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