96TH CONGRESS
1ST SESSION

H. R. 494

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 15, 1979

Mr. HORTON (for himself and Mr. LEE) 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.

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".

DECLARATION OF POLICY

SEC. 2. Nothing contained in this Act, or in any of the antitrust Acts, shall render unlawful the inclusion and enforcement in any trademark licensing contract or agreement,

pursuant to which the licensee engages in the manufacture (including manufacture by a sublicensee, agent, or subcontractor) or distribution, and sale of a trademarked soft drink product, of provisions granting the licensee the sole and exclusive right to manufacture, distribute, and sell such product in a defined geographic area or limiting the licensee, directly or indirectly, to the manufacture, distribution, and sale of such product only for ultimate resale to consumers within a defined geographic area: *Provided,* That such product is in substantial and effective competition with other products of the same general class.

SEC. 3. The existence or enforcement of any trademark licensing agreement which before May 1, 1983, shall have limited, allocated, or restricted the territory in which the licensee may manufacture, distribute, or sell a trademarked soft drink product shall not be subject to challenge under section 4 of the Clayton Act (15 U.S.C. 15).

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