Public Law 96-308
96th Congress

An Act

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.

July 9, 1980
[S. 598]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Soft Drink Interbrand Competition Act.
15 USC 3501 note.

SECTION 1. This Act may be cited as the "Soft Drink Interbrand Competition Act".

Trademark licensing contract.
15 USC 3501.

SEC. 2. Nothing contained in any antitrust law 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), 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 in the relevant market or markets.

15 USC 3502.

SEC. 3. Nothing in this Act shall be construed to legalize the enforcement of provisions described in section 2 of this Act in trademark licensing contracts or agreements described in that section by means of price fixing agreements, horizontal restraints of trade, or group boycotts, if such agreements, restraints, or boycotts would otherwise be unlawful.

15 USC 3501 note.

SEC. 4. In the case of any proceeding instituted by the United States described in subsection (i) of section 5 of the Clayton Act (relating to suspension of the statute of limitations on the institution of proceedings by the United States) (15 U.S.C. 16(i)) which is pending on the date of the enactment of this Act, that subsection shall not apply with respect to any right of action referred to in that subsection based in whole or in part on any matter complained of in that proceeding consisting of the existence or enforcement of any provision described in section 2 of this Act in any trademark licensing contract or agreement described in that section.

"Antitrust law."
15 USC 3503.

SEC. 5. 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.).

Approved July 9, 1980.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 96-1118 accompanying H.R. 3567 (Comm. on the Judiciary).
SENATE REPORT No. 96-645 (Comm. on the Judiciary).
CONGRESSIONAL RECORD, Vol. 126 (1980):
May 12-15, considered and passed Senate.
June 24, H.R. 3567 considered and passed House; passage vacated and S. 598, amended, passed in lieu.
June 28, Senate agreed to House amendment.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 16, No. 28:
July 10, Presidential statement.

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