96TH CONGRESS 1ST SESSION

S. 287

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 SENATE OF THE UNITED STATES

JANUARY 31 (legislative day, JANUARY 15), 1979

Mr. COCHRAN introduced the following bill; which was read twice and referred to the Committee on the Judiciary

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 anti-
- 7 trust Acts, shall render unlawful the inclusion and enforce-
- 8 ment in any trademark licensing contract or agreement, pur-

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- 1 suant to which the licensee engages in the manufacture (in-
- 2 cluding manufacture by a sublicensee, agent, or subcontrac-
- 3 tor) or distribution and sale of a trademarked soft drink prod-
- 4 uct, of provisions granting the licensee the sole and exclusive
- 5 right to manufacture, distribute, and sell such product in a
- 6 defined geographic area or limiting the licensee, directly or
- 7 indirectly, to the manufacture, distribution, and sale of such
- 8 product only for ultimate resale to consumers within a de-
- 9 fined geographic area: Provided, That such product is in sub-
- 10 stantial and effective competition with other products of the
- 11 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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