

96TH CONGRESS
1ST SESSION

H. R. 303

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. DUNCAN of Tennessee introduced the following bill; which was 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 of the
7 antitrust Acts, shall render unlawful the inclusion and en-
8 forcement in any trademark licensing contract or agreement,

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 exclu-
5 sive right to manufacture, distribute, and sell such product in
6 a 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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