

A BILL

To clarify the application of the antitrust laws to certain agreements imposing territorial limitations on the distribution of trademarked malt beverages for resale.

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

SEC. 1. SHORT TITLE.

This Act may be cited as the 'Malt Beverage Interbrand Competition Act'.

SEC. 2. APPLICATION OF ANTITRUST LAWS TO LIMITATION ON DISTRIBUTION OF MALT BEVERAGES FOR RESALE.

(a) **LAWFULNESS OF CERTAIN DISTRIBUTION LIMITATIONS-** Except as provided in subsection (b), trademark owner, or trademark licensee of a trademarked malt beverage and for any wholesale distributor of a trademarked malt beverage to agree, or to carry out a provision in a contract which provides, that such wholesale distributor shall--

(1) have the sole and exclusive right to distribute and to sell such trademarked malt beverage in any defined geographical area within any State, and

(2) be limited to the distribution and sale, directly or indirectly, of such trademarked malt beverage only for ultimate resale to consumers within that defined geographical area,

when such trademarked malt beverage is in substantial and effective competition within the relevant market.

(b) **RULE OF CONSTRUCTION-** Nothing in subsection (a) shall be construed to affect any liability under any of the antitrust laws arising from any price-fixing agreement, horizontal restraint of trade, or group boycott if such agreement, restraint, or boycott would otherwise be unlawful.

SEC. 3. DEFINITIONS.

For purposes of this Act--

(1) the term 'antitrust laws' has the meaning given it in subsection (a) of the first section of the Clayton Act (15 U.S.C. 12(a)), except that such term includes section 5 of the Federal Trade Commission Act (15 U.S.C. 45) to the extent that such section 5 relates to unfair methods of competition,

(2) the term 'malt beverage' means any type of variety of beer (as defined in any Federal or State statute), ale, porter, stout, or other similarly designated fermented beverage containing one-half of 1 percent or more alcohol by volume, and

(3) the term 'State' has the meaning given it in section 4G of the Clayton Act (15 U.S.C. 15g).

SEC. 4. APPLICATION OF ACT.

This Act shall not invalidate or affect any provision of the laws of any State.