



HOUSE BILL No. 5558

May 12 1994 Introduced by Reps Profit Rocca Randall Palamara Gilmer Johnson Bullard Keith London Harder Joe Young Jr , Price DeMars McBryde Shugars and Curtis and referred to the Committee on Liquor Control

A bill to amend sections 30a and 30d of Act No 8 of the Public Acts of the Extra Session of 1933 entitled as amended 'The Michigan liquor control act,' section 30a as amended by Act No 159 of the Public Acts of 1984 and section 30d as amended by Act No 118 of the Public Acts of 1989, being sections 436 30a and 436 30d of the Michigan Compiled Laws and to add sections 2cc and 2dd

THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Sections 30a and 30d of Act No 8 of the Public
2 Acts of the Extra Session of 1933, section 30a as amended by Act
3 No 159 of the Public Acts of 1984 and section 30d as amended by
4 Act No 118 of the Public Acts of 1989, being sections 436 30a
5 and 436 30d of the Michigan Compiled Laws, are amended and
6 sections 2cc and 2dd are added to read as follows

1 SEC 2CC BRAND MEANS ANY WORD NAME GROUP OF LETTERS,
 2 SYMBOL, TRADEMARK, OR COMBINATION THEREOF ADOPTED AND USED BY A
 3 SUPPLIER TO IDENTIFY A SPECIFIC BEER MALT BEVERAGE, WINE MIXED
 4 WINE DRINK, OR MIXED SPIRIT DRINK PRODUCT AND TO DISTINGUISH THAT
 5 PRODUCT FROM ANOTHER BEER, MALT BEVERAGE, WINE, MIXED WINE DRINK,
 6 OR MIXED SPIRIT DRINK PRODUCT PRODUCED OR MARKETED BY THAT OR
 7 ANOTHER SUPPLIER AS USED IN THIS SECTION AND NOT WITHSTANDING
 8 SECTIONS 30B(2)(J) AND 30C(2)(J), 'SUPPLIER' MEANS A BREWER, AN
 9 OUTSTATE SELLER OF BEER, A WINE MAKER, A SMALL WINE MAKER, AN
 10 OUTSTATE SELLER OF WINE, A MANUFACTURER OF MIXED WINE DRINK, AN
 11 OUTSTATE SELLER OF A MIXED WINE DRINK, A MIXED SPIRIT DRINK MANU-
 12 FACTURER, OR AN OUTSTATE SELLER OF MIXED SPIRIT DRINK

13 SEC 2DD BRAND EXTENSION MEANS ANY BRAND WHICH INCOR-
 14 PORATES ALL OR A SUBSTANTIAL PART OF THE UNIQUE FEATURES OF A
 15 PREEXISTING BRAND OF THE SAME SUPPLIER AS USED IN THIS SECTION
 16 AND NOTWITHSTANDING SECTIONS 30B(2)(J) AND 30C(2)(J), 'SUPPLIER'
 17 MEANS A BREWER, AN OUTSTATE SELLER OF BEER, A WINE MAKER, A SMALL
 18 WINE MAKER, AN OUTSTATE SELLER OF WINE, A MANUFACTURER OF MIXED
 19 WINE DRINK, AN OUTSTATE SELLER OF A MIXED WINE DRINK A MIXED
 20 SPIRIT DRINK MANUFACTURER OR AN OUTSTATE SELLER OF MIXED SPIRIT
 21 DRINK

22 Sec 30a (1) A manufacturer and outstate seller of beer
 23 and malt beverages shall grant to each of its wholesalers an
 24 exclusive sales territory, as agreed upon between the wholesaler
 25 and manufacturer or outstate seller of beer, within which the
 26 wholesaler shall be the exclusive distributor of the specified
 27 brand or brands of the manufacturer or outstate seller of beer

1 (2) If the manufacturer or outstate seller manufactures or
2 supplies more than 1 brand of beer or malt beverage, the manufac-
3 turer or outstate seller may grant exclusive sales territories to
4 different wholesalers for the sale of the different brand or
5 brands

6 (3) NOTWITHSTANDING SUBSECTION (2), A BRAND EXTENSION IS NOT
7 CONSIDERED A NEW OR DIFFERENT BRAND A MANUFACTURER OR AN OUT-
8 STATE SELLER OF BEER OR MALT BEVERAGES SHALL ASSIGN A BRAND
9 EXTENSION TO THE WHOLESALER WHICH WAS GRANTED THE EXCLUSIVE SALES
10 TERRITORY TO THE BRAND FROM WHICH THE BRAND EXTENSION RESULTED

11 (4) SUBSECTION (3) DOES NOT APPLY WHERE BEFORE THE EFFEC-
12 TIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION, A
13 MANUFACTURER OR AN OUTSTATE SELLER OF BEER OR MALT BEVERAGES HAD
14 ASSIGNED A BRAND EXTENSION TO A WHOLESALER WHICH WAS NOT THE
15 APPOINTED WHOLESALER FOR THE BRAND FROM WHICH THE BRAND EXTENSION
16 WAS MADE EXCEPT THAT IF ANY ADDITIONAL BRAND EXTENSIONS ARE MADE,
17 THE MANUFACTURER OR AN OUTSTATE SELLER OF BEER OR MALT BEVERAGES
18 SHALL ASSIGN THE ADDITIONAL BRAND EXTENSION TO THE WHOLESALER
19 WHICH WAS FIRST ASSIGNED THE BRAND

20 (5) The sales territory shall be the territory agreed upon
21 between the wholesaler and manufacturer or outstate seller

22 Sec 30d (1) A manufacturer and outstate seller of wine
23 shall grant to each of its wholesalers a sales territory within
24 which the wholesaler shall be a distributor of the specified
25 brand or brands of the manufacturer or outstate seller of wine
26 The territory shall be the territory agreed upon between the
27 wholesaler and manufacturer or outstate seller of wine A

1 manufacturer or outstate seller of wine may grant the right to
2 sell a specified brand or brands in a sales territory to more
3 than 1 wholesaler

4 (2) NOTWITHSTANDING SUBSECTION (1), A BRAND EXTENSION IS NOT
5 CONSIDERED A NEW OR DIFFERENT BRAND AND A MANUFACTURER OR AN OUT-
6 STATE SELLER OF WINE SHALL ASSIGN A BRAND EXTENSION TO THE WHOLE-
7 SALER WHICH WAS GRANTED THE SALES TERRITORY FOR THE BRAND FROM
8 WHICH THE BRAND EXTENSION RESULTED

9 (3) SUBSECTION (2) DOES NOT APPLY WHERE, BEFORE THE EFFEC-
10 TIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION, A
11 MANUFACTURER OR OUTSTATE SELLER OF WINE HAD ASSIGNED A BRAND
12 EXTENSION TO A WHOLESALER WHICH WAS NOT THE APPOINTED WHOLESALER
13 FOR THE BRAND FROM WHICH THE BRAND EXTENSION WAS MADE EXCEPT THAT
14 IF ANY ADDITIONAL BRAND EXTENSIONS ARE MADE THE MANUFACTURER OR
15 OUTSTATE SELLER OF WINE SHALL ASSIGN THE ADDITIONAL BRAND EXTEN-
16 SION TO THE WHOLESALER WHICH WAS FIRST ASSIGNED THE BRAND

17 (4) ~~-(2)-~~ A manufacturer of a mixed wine drink, mixed spirit
18 drink manufacturer, outstate seller of a mixed wine drink, or
19 outstate seller of mixed spirit drink shall grant to each of its
20 wholesalers an exclusive sales territory in which the wholesaler
21 shall be a distributor of the specified brand or brands of the
22 manufacturer or outstate seller The territory shall be the ter-
23 ritory agreed upon between the wholesaler and manufacturer of a
24 mixed wine drink, mixed spirit drink manufacturer, outstate
25 seller of mixed wine drinks, or outstate seller of mixed spirit
26 drink

1 (5) NOTWITHSTANDING SUBSECTION (4) A BRAND EXTENSION IS NOT
2 CONSIDERED A NEW OR DIFFERENT BRAND A MANUFACTURER OF A MIXED
3 WINE DRINK, MIXED SPIRIT DRINK MANUFACTURER OUTSTATE SELLER OF A
4 MIXED WINE DRINK OR OUTSTATE SELLER OF MIXED SPIRIT DRINK SHALL
5 ASSIGN A BRAND EXTENSION TO THE WHOLESALER WHICH WAS GRANTED THE
6 EXCLUSIVE SALES TERRITORY FOR THE BRAND FROM WHICH THE BRAND
7 EXTENSION RESULTED

8 (6) SUBSECTION (5) DOES NOT APPLY WHERE, BEFORE THE EFPEC-
9 TIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION, A
10 MANUFACTURER OF A MIXED WINE DRINK, MIXED SPIRIT DRINK MANUFAC-
11 TURER, OUTSTATE SELLER OF A MIXED WINE DRINK, OR OUTSTATE SELLER
12 OF MIXED SPIRIT DRINK HAD ASSIGNED A BRAND EXTENSION TO A WHOLE-
13 SALER WHICH WAS NOT THE APPOINTED WHOLESALER FOR THE BRAND FROM
14 WHICH THE BRAND EXTENSION WAS MADE EXCEPT THAT IF ANY ADDITIONAL
15 BRAND EXTENSIONS ARE MADE THE MANUFACTURER OF A MIXED WINE
16 DRINK, MIXED SPIRIT DRINK MANUFACTURER, OUTSTATE SELLER OF A
17 MIXED WINE DRINK, OR OUTSTATE SELLER OF MIXED SPIRIT DRINK SHALL
18 ASSIGN THE ADDITIONAL BRAND EXTENSION TO THE WHOLESALER WHICH WAS
19 FIRST ASSIGNED THE BRAND