

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

**Legislative Document**

**No. 473**

H. P. 365

House of Representatives, February 9, 1979

Referred to the Committee on Business Legislation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Jacques of Waterville.

Cosponsors: Mr. Boudreau of Waterville and Mr. Carter of Winslow.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-NINE

**AN ACT Regulating Business Practices Between Motion Picture Distributors and Exhibitors.**

Be it enacted by the People of the State of Maine, as follows:

10 MRSA c. 315 is enacted to read:

**CHAPTER 315**

**REGULATION OF BUSINESS PRACTICES BETWEEN  
MOTION PICTURE DISTRIBUTORS AND EXHIBITORS**

**§ 1901. Definitions**

As used in this chapter, unless the context otherwise indicates, the following terms shall have the following meanings.

1. **Bid.** "Bid" means a written offer or proposal by an exhibitor to a distributor, in response to an "invitation to bid," stating the terms under which the exhibitor will agree to exhibit a motion picture.

2. **Blind bidding.** "Blind bidding" means the solicitation of bidding for, solicitation of negotiation for, or solicitations of offers for or agreeing to terms for the licensing or exhibition of a motion picture if the motion picture has not been trade screened.

3. **Distributor.** "Distributor" means any person engaged in the business of distributing or supplying motion pictures to exhibitors by rental, sale or licensing.

4. **Exhibit or exhibition.** "Exhibit" or "exhibition" means showing a motion picture to the public for a charge.

5. **Exhibitor.** "Exhibitor" means any person engaged in the business of operating one or more theaters.

6. **Invitation to bid.** "Invitation to bid" means a written solicitation or invitation by a distributor to one or more exhibitors to bid for the right to exhibit a motion picture.

7. **License agreement.** "License agreement" means any contract agreement, understanding or condition between a distributor and an exhibitor relating to the licensing or exhibition of a motion picture by the exhibitor.

8. **Person.** "Person" includes one or more individuals, partnerships, associates, societies, trust or corporations.

9. **Run.** "Run" means the continuous exhibition of a motion picture in a defined geographic area for a specified period of time.

A "first run" is the first exhibition of a picture in the designated area, a "second run" is the second exhibition and "subsequent runs" are subsequent exhibitions after the second run.

"Exclusive run" is any run limited to a single theater in a defined geographic area and a "nonexclusive run" is any run in more than one theater in a defined geographic area.

10. **Theater.** "Theater" means any establishment in which motion pictures are exhibited to the public regularly for a charge.

11. **Trade screening.** "Trade screening" means the showing of a motion picture by a distributor at some location within the metropolitan area in which is located a distributor's sales or film distributing facility serving the theater, which is open to any exhibitor interested in exhibiting the motion picture.

#### § 1902. Blind bidding

1. **Prohibition.** Blind bidding is hereby prohibited within the State. No bids shall be returnable, no negotiations for the exhibition or licensing of a motion picture shall take place and no license agreement or any of its terms shall be agreed to for the exhibition of any motion picture within the State before the motion picture has been trade screened.

2. **Information to be included in bid.** A distributor shall include in each invitation to bid for a motion picture for exhibition within the State, if that motion picture has not already been trade screened, the date, time and place of the trade screening of the motion picture.

3. **Notice to exhibitors.** A distributor shall provide reasonable and uniform notice to exhibitors within the State of all trade screenings of motion pictures he is distributing.

4. **Waiver void.** Any purported waiver of the requirements of this section shall be void and unenforceable.

#### § 1903. Bidding procedures

If bids are solicited from exhibitors for the licensing of a motion picture within the State then:

1. **Information to be included in bid.** The invitation of bid shall specify:
  - A. The number and length of runs for which the bid is being solicited, whether it is a first, second or subsequent run and the geographic area for each run;
  - B. The names of all exhibitors who are being solicited;
  - C. The date and hour the invitation to bid expires; and
  - D. The location, including the address, where the bids will be opened, which shall be within the metropolitan area in which is located a distributor's sales or film distribution facility serving the theater.
2. **Submission and opening of bids.** All bids shall be submitted in writing and shall be opened at the same time and in the presence of exhibitors or their agents, who submitted the bids and are present at that time.
3. **Examination of bids.** After being opened, bids shall be subject to examination by exhibitors, or their agents, who submitted bids. Within 7 business days after a bid is accepted, the distributor shall notify in writing each exhibitor who submitted a bid of the terms of the accepted bid and the name of the winning bidder.
4. **Licensing to be only by bid.** Once bids are solicited, the distributor shall license the picture only by bidding and may solicit rebids if he does not accept any of the original bids.

#### § 1904. Remedies

Any violations of the provisions of this chapter shall be deemed to be a deceptive trade practice, as defined in chapter 206, section 1212, and the remedies available to any aggrieved party shall be those contained within chapter 206, section 1213.

#### STATEMENT OF FACT

This bill regulates business practices between motion picture distributors and motion picture exhibitors.