

Statutory Notes and Related Subsidiaries

TRANSFER OF FUNCTIONS

“Consumer Product Safety Commission” substituted for “Secretary of Commerce” pursuant to section 30(c) of Pub. L. 92-573, which is classified to section 2079(c) of this title and which transferred functions of Secretary of Commerce and Federal Trade Commission under this chapter to Consumer Product Safety Commission.

§ 1214. “Interstate commerce” defined

As used in this chapter, the term “interstate commerce” includes commerce between one State, Territory, possession, the District of Columbia, or the Commonwealth of Puerto Rico and another State, Territory, possession, the District of Columbia, or the Commonwealth of Puerto Rico.

(Aug. 2, 1956, ch. 890, §4, 70 Stat. 953.)

Statutory Notes and Related Subsidiaries

TRANSFER OF FUNCTIONS

Functions of Secretary of Commerce and Federal Trade Commission under this chapter transferred to Consumer Product Safety Commission, see section 2079 of this title.

CHAPTER 27—AUTOMOBILE DEALER SUITS AGAINST MANUFACTURERS

Sec.

- 1221. Definitions.
- 1222. Authorization of suits against manufacturers; amount of recovery; defenses.
- 1223. Limitations.
- 1224. Antitrust laws as affected.
- 1225. State laws as affected.
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§ 1221. Definitions

As used in this chapter—

(a) The term “automobile manufacturer” shall mean any person, partnership, corporation, association, or other form of business enterprise engaged in the manufacturing or assembling of passenger cars, trucks, or station wagons, including any person, partnership, or corporation which acts for and is under the control of such manufacturer or assembler in connection with the distribution of said automotive vehicles.

(b) The term “franchise” shall mean the written agreement or contract between any automobile manufacturer engaged in commerce and any automobile dealer which purports to fix the legal rights and liabilities of the parties to such agreement or contract.

(c) The term “automobile dealer” shall mean any person, partnership, corporation, association, or other form of business enterprise resident in the United States or in any Territory thereof or in the District of Columbia operating under the terms of a franchise and engaged in the sale or distribution of passenger cars, trucks, or station wagons.

(d) The term “commerce” shall mean commerce among the several States of the United States or with foreign nations, or in any Territory of the United States or in the District of Columbia, or among the Territories or between any Territory and any State or foreign nation, or between the District of Columbia and any State or Territory or foreign nation.

(e) The term “good faith” shall mean the duty of each party to any franchise, and all officers, employees, or agents thereof to act in a fair and equitable manner toward each other so as to guarantee the one party freedom from coercion, intimidation, or threats of coercion or intimidation from the other party: *Provided*, That recommendation, endorsement, exposition, persuasion, urging or argument shall not be deemed to constitute a lack of good faith.

(Aug. 8, 1956, ch. 1038, §1, 70 Stat. 1125.)

§ 1222. Authorization of suits against manufacturers; amount of recovery; defenses

An automobile dealer may bring suit against any automobile manufacturer engaged in commerce, in any district court of the United States in the district in which said manufacturer resides, or is found, or has an agent, without respect to the amount in controversy, and shall recover the damages by him sustained and the cost of suit by reason of the failure of said automobile manufacturer from and after August 8, 1956, to act in good faith in performing or complying with any of the terms or provisions of the franchise, or in terminating, canceling, or not renewing the franchise with said dealer: *Provided*, That in any such suit the manufacturer shall not be barred from asserting in defense of any such action the failure of the dealer to act in good faith.

(Aug. 8, 1956, ch. 1038, §2, 70 Stat. 1125.)

§ 1223. Limitations

Any action brought pursuant to this chapter shall be forever barred unless commenced within three years after the cause of action shall have accrued.

(Aug. 8, 1956, ch. 1038, §3, 70 Stat. 1125.)

§ 1224. Antitrust laws as affected

No provision of this chapter shall repeal, modify, or supersede, directly or indirectly, any provision of the antitrust laws of the United States.

(Aug. 8, 1956, ch. 1038, §4, 70 Stat. 1125.)

§ 1225. State laws as affected

This chapter shall not invalidate any provision of the laws of any State except insofar as there is a direct conflict between an express provision of this chapter and an express provision of State law which can not¹ be reconciled.

(Aug. 8, 1956, ch. 1038, §5, 70 Stat. 1126.)

§ 1226. Motor vehicle franchise contract dispute resolution process

(a) Election of arbitration

(1) Definitions

For purposes of this subsection—

(A) the term “motor vehicle” has the meaning given such term in section 30102(6) of title 49;¹ and

(B) the term “motor vehicle franchise contract” means a contract under which a

¹ So in original. Probably should be “cannot”.

¹ See References in Text note below.