Legislative Analysis



BRANDS AND BRAND EXTENSIONS IN THE LIQUOR CONTROL CODE

House Bill 4824 (H-3) as referred to second committee

Sponsor: Rep. Matthew Bierlein 1st Committee: Regulatory Reform

2nd Committee: Rules Complete to 9-23-25 Phone: (517) 373-8080 http://www.house.mi.gov/hfa

Analysis available at http://www.legislature.mi.gov

SUMMARY:

House Bill 4824 would amend the Michigan Liquor Control Code to change the act's definitions of the terms *brand* and *brand extension*.

<u>Under current law</u>, *brand* means any word, name, group of letters, symbol, trademark, or combination of those adopted and used by a *supplier*¹ to identify a specific beer, malt beverage, wine, mixed wine drink, or mixed spirit drink product and to distinguish that product from another beer, malt beverage, wine, mixed wine drink, or mixed spirit drink product that is produced or marketed by that or another supplier.

Brand extension currently means any brand that incorporates all or a substantial part of the unique features of a preexisting brand, regardless of whether the extension is beer, wine, mixed wine drink, or mixed spirit drink.

<u>Under the bill</u>, *brand* would mean any word, letter, symbol, or group or combination of words, letters, or symbols adopted and used by a supplier to name, identify, or trademark a specific beer, malt beverage, wine, mixed wine drink, or mixed spirit drink product. A supplier's legal name, assumed name, or trade name, or any doing-business-as name used by the supplier, would be considered a brand name, identifier, or trademark if it is used in a way that prominently features it on the container or packaging of the beer, wine, mixed wine drink, or mixed spirit drink to identify and market the product, except under either the following circumstances:

- The name is not prominently featured on the container or packaging.
- The name is used on the container or packaging only to identify the supplier that manufactured, has bottled, or has imported the beer, wine, mixed wine drink, or mixed spirit drink.

Brand extension would mean any beer, wine, mixed wine drink, or mixed spirit drink brand that is marketed, using the same name, identifier, or trademark associated with a brand that has preceded it in being sold or offered for sale in Michigan, or a derivative or portion of the name, identifier, or trademark, in a manner that would lead a reasonable person to recognize its relationship to an existing brand, regardless of any of the following:

• The addition of words, letters in a word, a name, an identifier, a trademark, or a symbol.

House Fiscal Agency Page 1 of 2

_

¹ Under current law and the bill, for purposes of these provisions, *supplier* means a brewer, micro brewer, outstate seller of beer, wine maker, small wine maker, outstate seller of wine, manufacturer of mixed wine drink, outstate seller of a mixed wine drink, mixed spirit drink manufacturer, or outstate seller of mixed spirit drink.

- Differences in the packaging, formulation, or production of the beer, wine, mixed wine drink, or mixed spirit drink or in the shape, size, or type of container the beer, wine, mixed wine drink, or mixed spirit drink is sold in.
- Changes in the alcohol category used in the brand extension. (As used in this provision only, *alcohol category* would mean a beer category, a wine category, a mixed wine drink category, or a mixed spirit drink category.)
- Whether the manufacturer, importer, or licensed outstate seller of the brand extension is different from the manufacturer, importer, or licensed outstate seller of the underlying brand the extension is based on.

The bill provides that distribution rights in effect as of the bill's effective date would be preserved for purposes of the new definitions of *brand* and *brand extension*. However, the bill would not limit the application of the updated definition of *brand extension* to only brand extensions that are based on a brand of beer, wine, mixed wine drink, or mixed spirit drink in existence before the bill takes effect.

Finally, the bill would provide that a supplier that registers a *multibranded product* with the Michigan Liquor Control Commission must appoint the wholesaler or wholesalers that have rights to the supplier's underlying brand.

Multibranded product would mean any beer, wine, mixed wine drink, or mixed spirit drink that includes two or more brands of different suppliers.

The bill cannot take effect unless House Bill 4823 is also enacted. House Bill 4823 would amend the Michigan Liquor Control Code to make changes related to the sale or provision of items with college or university logos, the provision by vendors of gifts and sponsorships and promotional signs to colleges or universities, dishonored payments from retailers to wholesalers, certain on-premises sales of nonalcoholic beer, beer samples, the composition of the Craft Beverage Council, and other matters.²

MCL 436.1105 and proposed MCL 436.1604

FISCAL IMPACT:

House Bill 4824 would have no fiscal impact on any units of state or local government.

Legislative Analyst: Alex Stegbauer Fiscal Analyst: Una Jakupovic

[■] This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.

² https://www.legislature.mi.gov/Bills/Bill?ObjectName=2025-HB-4823