

365.755 Blind bidding prohibited -- Restrictions on distributor's conditions for license agreement.

- (1) No distributor shall engage in blind bidding.
- (2) No distributor shall condition the granting or execution of a license agreement on a guarantee of a minimum payment to the distributor, if the exhibitor is required by the license agreement to make any payment to the distributor that is based on the attendance or the box office receipts at a theater at which the motion picture is exhibited.
- (3) No distributor shall condition the granting or execution of a license agreement on the exhibitor's advancing, more than fourteen (14) days prior to his first exhibition of a motion picture, any money that is to be used as security for the exhibitor's performance of the license agreement or is to be applied to any payments that the exhibitor is required by the agreement to make to the distributor.
- (4) Any provision of a license agreement that waives any of the prohibitions of, or fails to comply with, this section or KRS 365.760 is void and unenforceable. Any license agreement that fails to comply with this section or KRS 365.760 is voidable by the exhibitor, if the exhibitor gives the distributor written notice, prior to the exhibitor's first exhibition of the motion picture that is the subject of the agreement, of his intent to have the agreement voided.

Effective: July 15, 1980

History: Created 1980 Ky. Acts ch. 63, sec. 2, effective July 15, 1980.