



HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA

MEMO

May 22, 1975

SUBJECT. HB-171, HB-172, HB-173--Repeal Three Separate Acts That Pertain to Unfair Sales

TO Honorable C. L. Schmitt, Chairman

FROM Jacob Myers, Counsel

HB-171 repeals the "Unfair Sales Act" 73 P.S. 211-117 which was enacted in 1941. The act made it unlawful to offer to sell, sell or advertise any merchandise at less than cost with the intent of unfairly diverting trade from or otherwise injuring a competitor or with the result of deceiving any purchaser or prospective purchaser, substantially lessening competition, unreasonably restraining trade or tending to create a monopoly in any line of commerce. The above conduct was regarded as an unfair method of competition contrary to public policy.

HB-172 would repeal the "act to protect trade-mark owners, distributors and the public against injuries and uneconomic practices in the distribution of articles of standard quality under a distinguished trade-mark, brand or name." (73 P.S. 7-)

The act made it permissible for retailers and wholesalers to enter into agreements whereby the buyer agrees to not resell such commodity, except at the price stipulated by the vender or that the buyer of such commodity require upon his resale of such commodity that the purchaser from him agree that such purchaser will not in turn resell except at the price stipulated by the vender of the buyer.

HB-173 would repeal the "Unfair Cigarette Sales Act" (73 P.S. 231) which made it unlawful for any retailer or wholesaler, with intent to injure competitors or destroy or substantially lessen competition, to advertise, offer to sell, or sell at retail or wholesale, cigarettes, at less than cost to such retailer or wholesaler.

The repeal of these acts is recommended because of the widespread belief that they operate adversely to the interests of consumers in that they restrain effective price competition.