

tional for any reason, such adjudication shall not affect the remaining portions of the act.

SEC. 26. All acts and parts of acts in conflict herewith are hereby repealed.

Repeal of
conflicting
acts.

Passed the House February 28, 1935.

Passed the Senate March 8, 1935.

Approved by the Governor March 25, 1935.

CHAPTER 177.

[H. B. 231.]

FAIR BUSINESS COMPETITION.

AN ACT relating to the sale of certain articles and commodities, providing protection for trade mark owners, distributors and the public against injurious and uneconomic practices in the distribution of articles and commodities of standard quality under a distinguished trade mark, brand or name, prescribing penalties, and declaring that this act shall take effect immediately.

Be it enacted by the Legislature of the State of Washington:

SECTION 1. The purpose of this act is to assist in the establishment of fair business competition and the elimination of certain misleading and unsound business practices which have lowered wages and placed thousands of small dealers and shopkeepers in a precarious financial condition. It is enacted as a means of affording some relief to storekeepers and their employees during the prevalent economic depression, to assist in preventing bankruptcies with their incidental economic losses and to enable such storekeepers to increase the wages of their employees in such a manner as will reflect an equitable adjustment to variations in the costs of living.

Purpose
of act.

Definitions :

SEC. 2. The following terms, as used in this act, are hereby defined as follows:

"Producer."

"Producer" means grower, baker, maker, manufacturer or publisher;

"Commodity."

"Commodity" means any subject of commerce;

"Person."

"Person" means an individual, corporation, partnership or association.

Contract not in violation.

SEC. 3. No contract relating to the sale or resale of a commodity which bears the trade mark, brand, or name of the producer or owner of such commodity and which is in fair and open competition with commodities of the same general class produced by others, shall be deemed in violation of any of the laws of the State of Washington by reason of the following provisions which may be contained in such contract:

Provisions contained in contract.

(1) That the buyer will not resell such commodity except at the price stipulated by the vendor;

(2) That the producer's vendee require in delivery from his vendee an agreement that his vendee will not, in turn, resell except at the price stipulated by the producer or producer's vendee.

Such provisions in any contract shall be deemed to contain or imply conditions that such commodity may be resold without reference to such agreement in the following cases:

(a) In closing out the owner's stock for the purpose of discontinuing any such commodity;

(b) When the goods are damaged or deteriorated in quality, and notice is given to the public thereof;

(c) By any officer acting under the orders of any court.

Advertising and selling for less than price in contract.

SEC. 4. Wilfully and knowingly advertising, offering for sale or selling any commodity at less than the price stipulated in any contract entered into pursuant to the provisions of section 3 of this act, whether the person so advertising, offering for

sale or selling is or is not a party to such contract shall constitute unfair competition which may be enjoined by a suit in equity at the instance of any person injured thereby, or subject the offender to an action at law for damages, brought by any person injured thereby.

Damages.

SEC. 5. None of the provisions of this act shall be construed to authorize or apply to any contract or agreement between producers, or between wholesalers, or between retailers as to sale or resale prices.

Provisions not applicable.

SEC. 6. If any provision of this act is adjudged to be unconstitutional or void, such adjudication shall not affect the remaining portions of this act, but all such remaining portions shall remain in full force and effect.

Partial invalidity.

SEC. 7. This act is necessary for the immediate preservation of the public peace, health and safety, and shall take effect immediately and shall continue in effect until the first day of July, 1937.

Date of effect and duration of act.

Passed the House March 8, 1935.

Passed the Senate March 6, 1935.

Approved by the Governor March 25, 1935.