

CHAPTER 246.

[ S. B. 288. ]

UNFAIR TRADE PRACTICES.

AN ACT relating to unfair trade practices; and adding two new sections to chapter 221, Laws of 1939 and to chapter 19.90 RCW.

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

New section.

SECTION 1. There is added to chapter 221, Laws of 1939 and to chapter 19.90 RCW a new section to read as follows:

Purpose.

(1) The purpose of this section is to further the policy of the state of Washington in preserving free business competition by preventing monopolies and combinations in restraint of trade in violation of the Constitution, and discouraging practices tending to induce such results. Machinery, fixtures and other equipment are frequently given, leased, or sold under unusually favorable conditions with the agreement or understanding that the recipient thereof shall, insofar as a particular class of goods or merchandise is concerned, deal only in that designated by the donor, lessor, or vendor. After this control is established, temporary price cutting is usually secured through the recipient by various practices frequently beyond the control of the state. Competition is thereby destroyed and prices are then raised far beyond that which would prevail in the absence of such practices. The economy of the state and the welfare of its people are as a result seriously injured.

Agreements declared illegal and unenforceable.

(2) The supplying of machinery, fixtures, or equipment to the business premises of a user thereof, at less than cost, conditioned upon the agreement of such user that certain goods, wares and merchandise or supplies used or displayed in such machinery, fixtures, or equipment in connection with

user's business shall be purchased exclusively from the person supplying the machinery, fixtures, or equipment for the purpose of injuring competitors or destroying competition, is against public policy and that portion of the agreement between the supplier and the user obligating the user to purchase certain goods, wares and merchandise or supplies exclusively from the supplier is illegal and unenforceable.

SEC. 2. The provisions of section 1 of this act shall not apply to any such agreement entered into prior to the effective date of this act for the supplying of such machinery, fixtures, or equipment.

Prior agreements excluded.

SEC. 3. There is added to chapter 221, Laws of 1939 and to chapter 19.90 RCW a new section to read as follows:

New section.

The provisions of this act shall not apply to the supplying of service stations or other buildings, machinery, fixtures, or equipment to dealers by distributors of motor vehicle fuel, as those terms are defined in RCW 82.36.010.

Excepted under act.

SEC. 4. If any provision of this act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other persons or circumstances is not affected.

Severability.

Passed the Senate March 11, 1959.

Passed the House March 10, 1959.

Approved by the Governor March 23, 1959.