



Home	Bill Information	California Law	Publications	Other Resources	My Subscriptions	My Favorites	
------	------------------	----------------	--------------	-----------------	------------------	--------------	--

Code: Section:

[Up^](#) [Add To My Favorites](#)

BUSINESS AND PROFESSIONS CODE - BPC

DIVISION 7. GENERAL BUSINESS REGULATIONS [16000 - 18107] (*Division 7 added by Stats. 1941, Ch. 61.*)

PART 2. PRESERVATION AND REGULATION OF COMPETITION [16600 - 17365] (*Part 2 added by Stats. 1941, Ch. 526.*)

)

CHAPTER 4. Unfair Trade Practices [17000 - 17101] (*Chapter 4 added by Stats. 1941, Ch. 526.*)

ARTICLE 3. Offenses Against the Chapter [17040 - 17051] (*Article 3 added by Stats. 1941, Ch. 526.*)

17040. It is unlawful for any person engaged in the production, manufacture, distribution or sale of any article or product of general use or consumption, with intent to destroy the competition of any regular established dealer in such article or product, or to prevent the competition of any person who in good faith, intends and attempts to become such dealer, to create locality discriminations.

Nothing in this section prohibits the meeting in good faith of a competitive price.

(*Added by Stats. 1941, Ch. 526.*)

17041. Nothing in this chapter prohibits locality discriminations which make allowances for differences, if any, in the grade, quality or quantity when based and justified in the cost of manufacture, sale or delivery, or the actual cost of transportation from the point of production, if a raw product or commodity, or from the point of manufacture if a manufactured product or commodity, or from the point of shipment to the point of destination.

(*Added by Stats. 1941, Ch. 526.*)

17042. Nothing in this chapter prohibits any of the following:

- (a) A selection of customers.
- (b) A functional classification by any person of any customer as broker, jobber, wholesaler or retailer.
- (c) A differential in price for any article or product as between any customers in different functional classifications.

(*Added by Stats. 1941, Ch. 526.*)

17043. It is unlawful for any person engaged in business within this State to sell any article or product at less than the cost thereof to such vendor, or to give away any article or product, for the purpose of injuring competitors or destroying competition.

(*Added by Stats. 1941, Ch. 526.*)

17044. It is unlawful for any person engaged in business within this State to sell or use any article or product as a "loss leader" as defined in Section 17030 of this chapter.

(*Amended by Stats. 1953, Ch. 334.*)

17045. The secret payment or allowance of rebates, refunds, commissions, or unearned discounts, whether in the form of money or otherwise, or secretly extending to certain purchasers special services or privileges not extended to all purchasers purchasing upon like terms and conditions, to the injury of a competitor and where such payment or allowance tends to destroy competition, is unlawful.

(*Added by Stats. 1941, Ch. 526.*)

17046. It is unlawful for any person to use any threat, intimidation, or boycott, to effectuate any violation of this chapter.

(*Added by Stats. 1941, Ch. 526.*)

17047. It is unlawful for any manufacturer, wholesaler, distributor, jobber, contractor, broker, retailer, or other vendor, or any agent of any such person, to solicit any violation of this chapter.

(Added by Stats. 1941, Ch. 526.)

17048. It is unlawful for any manufacturer, wholesaler, distributor, jobber, contractor, broker, retailer, or other vendor, or any agent of any such person, jointly to participate or collude with any other such person in the violation of this chapter.

(Added by Stats. 1941, Ch. 526.)

17048.5. It is unlawful for any manufacturer, wholesaler, distributor, jobber, contractor, broker, retailer, or other vendor, or any agent of any such person, to enter into a contract with any service or repair agency for the performance of warranty service and repair for products manufactured, distributed, or sold by such person, below the cost to such service or repair agency of performing the warranty service or repair.

(Added by Stats. 1977, Ch. 787.)

17049. The prohibitions of this chapter against locality discrimination and sales below cost embrace any scheme of special rebates, collateral contracts or any device of any nature whereby such discrimination or sale below cost is in substance or fact effected in violation of the spirit and intent of this chapter.

(Added by Stats. 1941, Ch. 526.)

17050. The prohibitions of this chapter against locality discriminations, sales below cost, and loss leaders do not apply to any sale made:

(a) In closing out in good faith the owner's stock or any part thereof for the purpose of discontinuing his trade in any such article or product and in the case of the sale of seasonal goods or to the bona fide sale of perishable goods to prevent loss to the vendor by spoilage or depreciation; provided, notice is given to the public thereof.

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

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

(d) In an endeavor made in good faith to meet the legal prices of a competitor selling the same article or product, in the same locality or trade area and in the ordinary channels of trade.

(e) In an endeavor made in good faith by a manufacturer, selling an article or product of his own manufacture, in a transaction and sale to a wholesaler or retailer for resale to meet the legal prices of a competitor selling the same or a similar or comparable article or product, in the same locality or trade area and in the ordinary channels of trade.

The notice required to be given under this section shall not be sufficient unless the subject of such sales is kept separate from other stocks and clearly and legibly marked with the reason for such sales, and any advertisement of such goods must indicate the same facts and the number of items to be sold.

(Added by Stats. 1941, Ch. 526.)

17051. Any contract, express or implied, made by any person, firm, or corporation in violation of this chapter is an illegal contract and no recovery thereon shall be had.

(Added by Stats. 1941, Ch. 526.)