

TITLE 50

TRADE REGULATIONS AND PRACTICES

- Chapter 646. Unfair and Unlawful Trade Practices
647. Trade and Service Marks
648. Assumed Business Names
649. Insignia and Names of Organizations
650. Franchise Transactions.

Chapter 646

1973 REPLACEMENT PART

Unfair and Unlawful Trade Practices

- | | | | |
|---|---|---|--|
| PRICE DISCRIMINATION IN COMMERCE
AND FOOD COMMERCE | | 646.280 | Exclusive contracts for gasoline sales; remedies for breach |
| 646.010 | Designation and scope of ORS 646.010 to 646.180 | 646.290 | Exclusive contract for gasoline sales embodying lease of real property; remedies |
| 646.020 | Definitions and explanations | 646.295 | Diesel fuel sales to be made to all customers; price differentials; penalty |
| 646.030 | Application to cooperative associations | FAIR TRADE LAW | |
| 646.040 | Price discrimination prohibited; price differentials | 646.310 | Definitions for ORS 646.310 to 646.370 |
| 646.050 | Establishing prima facie case of discrimination; justification of discrimination | 646.320 | Contracts outside scope of ORS 646.310 to 646.370 |
| 646.060 | Commissions and allowances | 646.330 | Sales exempted from ORS 646.340 |
| 646.070 | Special payments to customers | 646.340 | Authorized provisions in contracts affecting prices |
| 646.080 | Special services to customers | 646.350 | Persons authorized to establish prices |
| 646.090 | Inducing or receiving price discrimination prohibited | 646.360 | Acts constituting evasions |
| 646.100 | Sales below cost; advertising goods vendor not prepared to supply | 646.370 | Advertising commodity for sale at less than stipulated price; remedy |
| 646.105 | Evidence of intent to injure competitors or destroy competition | RESTRICTIVE MOTOR VEHICLE
FINANCING AGREEMENTS | |
| 646.110 | Cost of goods bought at forced sale | 646.410 | Definitions for ORS 646.410 to 646.460 |
| 646.120 | ORS 646.100 and 646.110 not applicable to certain sales | 646.420 | Declaration of policy |
| 646.130 | Cost surveys as evidence | 646.430 | Manufacturer selling upon dealer's agreement to finance through designated person prohibited; agreement void |
| 646.140 | Enjoining violations and recovering triple damages | 646.440 | Threat to compel financing through designated person; manufacturer presumed responsible |
| 646.150 | Action for damages | 646.450 | Prohibited contracts void and unenforceable |
| 646.160 | Presumption of damages | 646.460 | Prohibited acts |
| 646.170 | Requiring defendant to testify | | |
| 646.180 | Illegal contracts | | |
| UNFAIR FUEL SALES | | | |
| 646.260 | Definitions; unfair discrimination, preferences, and price fixing agreements in gasoline sales prohibited | | |
| 646.270 | Contracts violating ORS 646.260 void | | |

PRODUCERS' COOPERATIVE BARGAINING ASSOCIATIONS		646.636 Remedial power of court
646.515	Definitions for ORS 646.515 to 646.545	646.638 Civil action by private party; damages; attorney fees; effect of prior injunction; time for commencing action; counterclaim
646.525	Cooperative bargaining associations authorized	646.642 Civil penalties
646.535	Unfair trade practices prohibited	646.646 Loss of license or franchise by person violating injunction
646.545	Remedy for unfair trade practices; jurisdiction	646.652 District attorney's reports to Attorney General; filing of voluntary compliances
UNLAWFUL TRADE PRACTICES		646.656 Remedies supplementary to existing statutory or common law remedies
646.605	Definitions for ORS 646.605 to 646.652	646.860 Tampering with odometer prohibited
646.608	Unlawful business, trade practices; proof; Attorney General's rules	646.870 Delivery of unrequested hazardous substances prohibited
646.609	"Pyramid club" defined	
646.612	Application of ORS 646.608	PENALTIES
646.618	Investigative demand; petition to modify	646.990 Penalties
646.622	Method of serving investigative demand	646.992 Penalty for unlawful delivery of hazardous substances
646.626	Effect of failure to obey investigative demand	
646.632	Enjoining unlawful trade practices; notice to defendant; voluntary compliance; temporary order; attorney fees	

CROSS REFERENCES

Cooperative corporations, certain practices not in restraint of trade, 62.355, 62.845	646.430
Home solicitation sales, regulations, 83.710 to 83.750	Retail instalment contracts, Ch. 83
Provisional process in consumer transactions, 29.020 to 29.075	646.608
Unfair practices in:	False advertising:
Agricultural and horticultural products, 632.280, 632.470, 632.970, 632.975	Bank surplus or guaranty funds, 716.850
Bakeries and bakery products, 625.310 to 625.350	Consumer finance, 725.060
Dairies and dairy products, Ch. 621	Horticultural product production area, 616.525
Fertilizers, 633.420	Ice milk, 621.325
Food products, labels, brands and containers, Ch. 616	Insurance, 746.110
Inmate-made goods, 421.330, 421.350	Nursery stock, 571.180, 571.190
Insurance business, Ch. 746	Potatoes, 632.316
Labor relations, 659.240	Securities, 59.135
Milk marketing, distribution and production, Ch. 583	Seeds or plants, 633.651
Public contracts, 279.032	Treatment of sexual diseases, 434.250, 434.260
Union labels, Ch. 661	Maintenance of class action to recover statutory minimum penalties for violation of statute similar to ORS 646.638 or 15 USC 1640(a), 13.320
Warehousemen, 586.350	Misleading use of "savings and loan," 722.010
	646.646
	Loss of franchise, violation of injunction, Ch. 650

PRICE DISCRIMINATION IN COMMERCE AND FOOD COMMERCE

646.010 Designation and scope of ORS 646.010 to 646.180. ORS 646.010 to 646.180 shall be known and designated as the Anti-price Discrimination Law; and the inhibitions against discrimination in those sections shall embrace any scheme of special concessions or rebates, any collateral contracts or agreements or any device of any nature whereby discrimination is, in substance or fact, effected in violation of the spirit and intent of ORS 646.010 to 646.180.

646.020 Definitions and explanations.

(1) When used in ORS 646.010 to 646.180, unless the context otherwise requires:

(a) "Commerce" means trade or commerce within this state, exclusive of food commerce.

(b) "Food commerce" means trade or commerce within this state in articles of food for human consumption and such other articles as usually are sold in food stores in connection with articles of food for human consumption. In the case of persons selling items other than items of food commerce, the term "food commerce" is restricted solely to such items of food commerce as are defined in this paragraph.

(c) "Person" means individual, corporation, partnership, association, joint stock company, business trust or unincorporated organization.

(d) "Price" means the net price to the buyer after the deduction of all discounts, rebates, or other price concessions paid or allowed by the seller.

(e) "Replacement cost" means the cost per unit at the retail outlet at which the merchandise sold or offered for sale could have been bought by the seller at any time within 10 days prior to the date of sale or the date upon which it is offered for sale by the seller, if bought in the same quantities as the seller's usual or customary purchase of such merchandise, after deducting all discounts, rebates or other price concessions.

(f) "Retailer in food commerce" means any person engaged in food commerce who sells directly to the consumer for use.

(g) "Wholesaler in food commerce" means any person engaged in food commerce other than a retailer or producer, manufacturer or processor.

(2) As used in ORS 646.010 to 646.180, "vendor" includes any person who performs work upon, renovates, alters or improves

any personal property belonging to another person.

646.030 Application to cooperative associations. ORS 646.010 to 646.180 shall not prevent a cooperative association from returning to its members, producers or consumers the whole, or any part of, the net earnings or surplus resulting from its trading operations, in proportion to their purchases or sales from, to or through the association.

646.040 Price discrimination prohibited; price differentials. (1) It is unlawful for any person engaged in commerce or food commerce, or both, in the course of such commerce, either directly or indirectly, to discriminate in price between different purchasers of commodities, or services or output of a service trade, of like grade and quality or to discriminate in price between different sections, communities or cities or portions thereof or between different locations in sections, communities, cities or portions thereof in this state, where the effect of such discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce, or to injure, destroy or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination, or with customers of either of them.

(2) Subsection (1) of this section does not prevent:

(a) Differentials which make only due allowance for differences in the cost of manufacture, sale or delivery, resulting from the differing methods or quantities in which the commodities are sold or delivered to purchasers.

(b) Persons engaged in selling goods, wares or merchandise, or service or output of a service trade, in commerce from selecting their own customers in bona fide transactions and not in restraint of trade.

(c) Price changes from time to time where in response to changing conditions affecting the market for or marketability of the goods concerned, such as but not limited to actual or imminent deterioration of perishable goods, obsolescence of seasonal goods, distress sales under court process, or sales in good faith in discontinuance of business in the goods concerned.

646.050 Establishing prima facie case of discrimination; justification of discrimination. Upon proof being made, in any suit

or other proceeding in which any violation of ORS 646.010 to 646.180 is at issue, that there has been discrimination in price, or in services or facilities furnished, or in payment for services or facilities rendered or to be rendered, the burden of rebutting the prima facie case thus made by showing justification is upon the person charged with the violation; but this section does not prevent a seller rebutting the prima facie case so made by showing that his lower price, or the payment for or furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet an equally low price of a competitor or the services or facilities furnished by a competitor.

646.060 Commissions and allowances.

No person engaged in commerce or food commerce, or both, in the course of such commerce, shall pay, grant, receive or accept anything of value as a commission, brokerage or other compensation, or any allowance or discount in lieu thereof, except for services rendered in connection with the sale or purchase of goods, wares, service, or output of a service trade, or merchandise. In all such transactions of sale and purchase, neither party to the transaction shall pay or grant anything of value as a commission, brokerage or other compensation, or any allowance or discount in lieu thereof, to the other party to the transaction or to any agent, representative or other intermediary therein, where such agent, representative or other intermediary is acting for or in behalf of or is subject to the direct or indirect control of the other party to the transaction.

646.070 Special payments to customers.

No person engaged in commerce or food commerce, or both, in the course of such commerce, shall pay or contract for the payment of anything of value to or for the benefit of a customer of such person in the course of such commerce as compensation or in consideration for any services or facilities furnished by or through such customer in connection with the processing, handling, sale or offering for sale of any products or commodities manufactured, service or output of a service trade, sold or offered for sale by such person, unless such payment or consideration is available on proportionally equal terms to all other customers competing in the distribution of such products or

commodities, or service, or output of service trades.

646.080 Special services to customers.

No person engaged in commerce or food commerce, or both, in the course of such commerce, shall discriminate in favor of one purchaser against another purchaser or purchasers of a commodity, or service, or output of a service trade, bought for resale, with or without processing, by contracting to furnish or furnishing, or by contributing to the furnishing of any services or facilities connected with the processing, handling, sale or offering for sale of such commodity, or service, or output of a service trade, purchased upon terms not accorded to all purchasers on proportionally equal terms.

646.090 Inducing or receiving price discrimination prohibited. No person engaged in commerce or food commerce, or both, in the course of such commerce, shall knowingly induce or receive a discrimination in price which is prohibited by ORS 646.040 to 646.080.

646.100 Sales below cost; advertising goods vendor not prepared to supply. (1) Except as otherwise permitted under ORS 646.120, no person engaged in commerce or food commerce, or both, in the course of such commerce, shall:

(a) Sell, offer for sale or advertise for sale, any article, product or commodity, or service or output of a service trade, at less than cost thereof to such vendor, or give, offer to give or advertise the intent to give away any article, product or commodity or service or output of a service trade, with the purpose or intent to injure competitors or destroy competition.

(b) Advertise brands or types of goods he is not prepared to supply.

(2) As used in this section:

(a) "Cost," as applied to production, includes the cost of raw materials, labor and all overhead expenses of the producer; as applied to distribution, "cost" means the replacement cost of the article, product or commodity to the distributor and vendor, plus the cost of doing business by the distributor and vendor; and, as applied to a wholesaler in food commerce, "cost" means the price paid.

(b) "Cost of doing business" or "overhead expense" is the average of all costs

of doing business incurred in the conduct of such business during the 12 months immediately preceding any alleged violation of ORS 646.010 to 646.180; or, if any person was engaged in business within the state for a shorter period of time, the average cost for such period immediately preceding any alleged violation of ORS 646.010 to 646.180 must include without limitation the following items of expense: Labor (including salaries of executives and officers), rent, interest on borrowed capital, depreciation, selling cost, maintenance of equipment, buildings and fixtures, transportation and delivery costs as fixed under tariffs approved by the Public Utility Commissioner of Oregon, light, heat, power and water, credit losses, all types of licenses, taxes, insurance and advertising.

(c) "Cost of doing business" or "overhead expense" of a retailer in food commerce is six percent of replacement cost or is the average monthly cost incurred in the conduct of such business during the 12 months immediately preceding any alleged violation of ORS 646.010 to 646.180, or whichever is lower. If any person was engaged in business within this state for a shorter period of time than one year, the average cost for such period that such person has been in business immediately preceding any alleged violation of this section shall be the monthly average for the purpose of this section. In computing such cost, it shall include, without limiting, all items of expense set forth in paragraph (b) of this subsection.

[Amended by 1963 (s.s.) c.2 §3]

646.105 Evidence of intent to injure competitors or destroy competition. In all actions brought under ORS 646.010 to 646.180 proof of the limitation of the quantity of any article, product or commodity sold or offered for sale to any one customer to a quantity less than the entire supply thereof owned or possessed by the seller, or which he is otherwise authorized to sell, at the place of such sale or offering for sale, together with proof that the price at which the article, product or commodity is so sold or offered for sale is in fact below cost as that term is defined in ORS 646.100, raises a presumption of the purpose or intent to injure competitors or destroy competition. This section applies only to sales by persons conducting a retail business the principal

part of which involves the resale to consumers of articles, products or commodities purchased or acquired for that purpose, as distinguished from persons principally engaged in the sale to consumers of articles, products or commodities of their own production or manufacture.

[1963 (s.s.) c.2 §2]

646.110 Cost of goods bought at forced sale. Except as otherwise provided in ORS 646.120, in establishing the cost of a given article, product or commodity to the distributor and vendor, the invoice cost of an article, product or commodity purchased at a forced, bankrupt, close-out sale or other sale outside of the ordinary channels of trade may not be used as a basis for justifying a price lower than one based upon the replacement cost as of date of the sale of the article, product or commodity replaced through the ordinary channels of trade, unless:

(1) The article, product or commodity is kept separate from goods purchased in the ordinary channels of trade; and

(2) The article, product or commodity is advertised and sold as merchandise purchased at a forced, bankrupt, close-out sale, or by means other than through the ordinary channels of trade; and

(3) The advertising states the conditions under which the goods were so purchased, and the quantity of such merchandise to be sold or offered for sale.

646.120 ORS 646.100 and 646.110 not applicable to certain sales. The provisions of ORS 646.100 and 646.110 do not apply to any sale made:

(1) In closing out in good faith the owner's stock or any part thereof for the purpose of discontinuing his trade in any such stock or commodity if he does not sell new stocks of the discontinued commodity or merchandise within 90 days after the close-out, 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, if prior notice is given to the public thereof.

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

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

(4) 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.

646.130 Cost surveys as evidence. Where a particular trade or industry, of which the person, firm or corporation complained against is a member, has an established cost survey for the locality and vicinity in which the offense is committed, such cost survey is competent evidence to be used in proving the costs of the person, firm or corporation complained against within the provisions of ORS 646.010 to 646.180.

646.140 Enjoining violations and recovering triple damages. Any person injured by any violation, or who will suffer injury from any threatened violation, of ORS 646.010 to 646.180 may maintain an action in any court of general equitable jurisdiction of this state, to prevent, restrain or enjoin the violation or threatened violation. If in such action, a violation or threatened violation of ORS 646.010 to 646.180 is established, the court shall enjoin and restrain or otherwise prohibit such violation or threatened violation, and the plaintiff in the action is entitled to recover three-fold the damages by him sustained, and the costs of suit, including a reasonable attorney's fee.

646.150 Action for damages. If no injunctive relief is sought or required, any person injured by any violation of ORS 646.010 to 646.180 may maintain an action for damages alone in any court of general jurisdiction in this state. The measure of damages in such action shall be the same as that prescribed by ORS 646.140.

646.160 Presumption of damages. In any proceedings instituted or action brought in pursuance of the provisions of ORS 646.140 or 646.150, the plaintiff, upon proof that he has been unlawfully discriminated against by the defendant, shall conclusively be presumed to have sustained damages equal to the monetary amount or equivalent of the unlawful discrimination; and, in addition thereto, may establish such further damages, if any, as he may have sustained as a result of the discrimination.

646.170 Requiring defendant to testify. Any defendant in an action brought under the provisions of ORS 646.140 to 646.160

may be required to testify under the provisions of ORS 45.050, 45.140, 45.150, 45.160, 45.170, 45.210, 45.220, 45.230, 45.240, 45.310 and 45.380. In addition, the books and records of any such defendant may be brought into court and introduced, by reference, into evidence. No information so obtained may be used against the defendant as a basis for a criminal prosecution under subsection (1) of ORS 646.990.

646.180 Illegal contracts. Any contract, express or implied, made by any person in violation of any of the provisions of ORS 646.010 to 646.180 is an illegal contract and no recovery thereon shall be had.

646.210 [Repealed by 1971 c.744 §27]

646.220 [Repealed by 1971 c.744 §27]

646.230 [Repealed by 1971 c.744 §27]

UNFAIR FUEL SALES

646.260 Definitions; unfair discrimination, preferences, and price fixing agreements in gasoline sales prohibited. (1) As used in this section:

(a) "Person" means a person, firm, company, association or corporation, foreign or domestic.

(b) "Section" includes community, town, village or city in this state.

(c) "Wholesale" means the sale or consignment of gasoline in quantities of 50 gallons or more at a time to a purchaser.

(2) No person, who is engaged in the business of selling gasoline within the state and who is selling gasoline in more than one section shall, with the intent to suppress competition or create a monopoly, discriminate by direct or indirect methods between different sections by selling gasoline at a lower rate in one section, or any portion thereof, than such person charges for gasoline in another section, after making due allowance in the grade or quality and the cost of transportation from the refinery.

(3) No person engaged in the business of selling gasoline shall, with the intent to suppress competition or create a monopoly:

(a) Discriminate by direct or indirect methods in the sale of gasoline at wholesale between purchasers in any section.

(b) Make or carry into effect any contract, understanding or agreement with any person, corporation, partnership or association of persons in this state to fix prices with respect to the sale or distribution of

gasoline so as to prevent or obstruct competition in the purchase, sale or distribution of gasoline.

(4) The conduct prohibited by subsections (2) and (3) of this section is unfair discrimination.

646.270 Contracts violating ORS 646.260 void. All contracts or agreements made in violation of any of the provisions of ORS 646.260 are void.

646.280 Exclusive contracts for gasoline sales; remedies for breach. In the event of any breach or threatened breach of any contract providing for the sale or consignment of gasoline to be sold or distributed by the vendee or consignee at retail, which provides that only the gasoline sold, manufactured, distributed or marked by the vendor or consignor shall be sold by the vendee or consignee, either party to the contract shall be entitled either to an injunction, mandatory or otherwise, to prevent a further breach of such contract or to a decree of specific performance thereof, or to both. Pending the adjudication of such suit either party to the contract shall be entitled, in a proper case, either to a restraining order or to a preliminary injunction, mandatory or otherwise, or to both.

646.290 Exclusive contract for gasoline sales embodying lease of real property; remedies. In the event of any breach of any lease upon real property, which is a part of or in any way connected, directly or indirectly, with any contract within the purview of ORS 646.280 by any party who is the vendor, consignor, vendee or consignee of gasoline covered by such contract to be sold or distributed at retail on such leased premises, the vendee, consignee, vendor or consignor of such gasoline shall be entitled either to an injunction, mandatory or otherwise, to prevent a further breach of the lease or to a decree of specific performance thereof, or to both. Pending the adjudication of such suit, the vendee, consignee, vendor or consignor shall be entitled, in a proper case, either to a restraining order or to a preliminary injunction, mandatory or otherwise, against the vendor, consignor, vendee or consignee, or to both.

646.295 Diesel fuel sales to be made to all customers; price differentials; penalty. (1) No person operating a service station selling to the public at retail fuel, common-

ly known as diesel, where delivery is regularly made into a receptacle on a vehicle from which receptacle the fuel is supplied to propel the vehicle, shall refuse to sell and deliver any quantity of such fuel to any vehicle during regular business hours, upon demand and tender of the exact posted price for such fuel delivered, subject to a rationing policy established by applicable state or federal statute or regulation.

(2) A price differential or method of delivery designed to discriminate against or discourage purchases by vehicles of small fuel capacity is expressly forbidden. However, a reasonable discount or differential based upon quantity of delivery shall not be considered discriminatory.

(3) Violations of the provisions of subsections (1) and (2) of this section shall be a Class C misdemeanor.
[1973 c.491 §2]

FAIR TRADE LAW

646.310 Definitions for ORS 646.310 to 646.370. As used in ORS 646.310 to 646.370:

(1) "Commodity" means any subject of commerce.

(2) "Person" means an individual, corporation, partnership, association, joint stock company, business trust or any unincorporated organization.

(3) "Producer" means any grower, baker, maker, manufacturer, bottler, packer, converter, processor or publisher.

(4) "Retailer" means any person selling a commodity to consumers for use.

(5) "Wholesaler" means any person selling a commodity other than a producer or retailer.

646.320 Contracts outside scope of ORS 646.310 to 646.370. ORS 646.310 to 646.370 do not apply to any contract or agreement between or among producers or distributors or, except as provided in subsection (3) of ORS 646.340, between or among wholesalers, or between or among retailers, as to sale or resale prices.

646.330 Sales exempted from ORS 646.340. No contract containing any of the provisions enumerated in ORS 646.310 to 646.370 shall be deemed to preclude the resale of any commodity covered thereby without reference to such contract in the following cases:

(1) In closing out the owner's stock for

the bona fide purpose of discontinuing dealing in any such commodity and plain notice of the fact is given to the public, if the owner of such stock gives to the producer or distributor of the commodity prompt and reasonable notice in writing of his intention to close out the stock and an opportunity to purchase the stock at the original invoice price.

(2) When the goods are altered, second-hand, damaged, defaced or deteriorated and plain notice of the fact is given to the public in the advertisement and sale thereof; the notice shall be conspicuously displayed in all advertisements and shall be affixed to the commodity.

(3) By any officer acting under an order of court.

646.340 Authorized provisions in contracts affecting prices. A contract relating to the sale or resale of a commodity which bears, or the label or container of which bears or the vending equipment through which the commodity is sold bears, the trade-mark, brand or name of the producer or distributor of the commodity and which commodity is in free and open competition with commodities of the same general class produced or distributed by others is not in violation of any law of Oregon by reason of any of the following provisions which may be contained in the contract:

(1) That the buyer will not resell the commodity at less than the minimum price stipulated by the seller.

(2) That the buyer will require of any dealer to whom he may resell the commodity an agreement that he will not, in turn, resell at less than the minimum price stipulated by the seller.

(3) That the seller will not sell the commodity:

(a) To any wholesaler, unless the wholesaler will agree not to resell the commodity to any retailer unless the retailer will in turn agree not to resell the commodity except to consumers for use and at not less than the stipulated minimum price, and unless the wholesaler will likewise agree not to resell the commodity to any other wholesaler unless the other wholesaler will make the same agreement with any wholesaler or retailer to whom he may resell; or

(b) To any retailer, unless the retailer will agree not to resell the commodity except to consumers for use and at not less than the stipulated minimum price.

646.350 Persons authorized to establish prices. No minimum resale price shall be established for any commodity, under any contract entered into pursuant to the provisions of ORS 646.310 to 646.370 by any person other than the owner of the trade-mark, brand or name used in connection with the commodity or a distributor specifically authorized to establish the price by the owner of the trade-mark, brand or name.

646.360 Acts constituting evasions. For the purpose of preventing evasion of the resale price restrictions imposed in respect of any commodity by any contract entered into pursuant to ORS 646.310 to 646.370, except to the extent authorized by the contract, the following are violations of the resale price restriction, for which the remedies prescribed by ORS 646.370 are available:

(1) Offering or giving any article of value in connection with the sale of the commodity.

(2) Offering or making any concession of any kind, whether by the giving of coupons or otherwise, in connection with the sale.

(3) Selling or offering for sale the commodity in combination with any other commodity.

646.370 Advertising commodity for sale at less than stipulated price; remedy. 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 ORS 646.330 to 646.360, whether the person so advertising, offering for sale or selling is or is not a party to the contract, is unfair competition and is actionable at the suit of any person damaged thereby.

RESTRICTIVE MOTOR VEHICLE FINANCING AGREEMENTS

646.410 Definitions for ORS 646.410 to 646.460. As used in ORS 646.410 to 646.460:

(1) "Dealer" means any person, firm, association or corporation or other organization of any kind, character or nature regularly engaged or intending to engage in the business of selling motor vehicles at retail within this state.

(2) "Financing" includes the buying, selling, assigning or dealing in conditional sales contracts, chattel mortgages or leases

arising out of the retail sale of motor vehicles.

(3) "Manufacturer" means any person, firm, corporation, partnership or association engaged either directly or indirectly in the manufacture or wholesale distribution of motor vehicles.

(4) "Motor vehicle" means every self-propelled vehicle moving over the highways of this state, whether patented or unpatented.

(5) "Person" means any individual or individuals, firm, corporation, partnership, association, trustee, receiver or assignee for the benefit of creditors.

646.420 Declaration of policy. The policy of this state is that free and unrestrained competition shall prevail in the business of financing the purchase or sale of motor vehicles.

646.430 Manufacturer selling upon dealer's agreement to finance through designated person prohibited; agreement void. No manufacturer shall sell or enter into a contract to sell any motor vehicle to any dealer on the condition or under an agreement, either expressed or implied, that the dealer shall finance the purchase or sale of the motor vehicle only with or through a designated person. Any such condition, agreement or understanding is void and against the public policy of this state.

646.440 Threat to compel financing through designated person; manufacturer presumed responsible. Any threat, expressed or implied, made directly or indirectly to any dealer by any manufacturer, or by any person who is engaged in the business of financing the purchase or sale of motor vehicles and is affiliated with or controlled by any manufacturer, that the manufacturer will cease to sell, or will terminate or refuse to enter into a contract to sell motor vehicles to the dealer unless the dealer finances the purchase or sale of any such motor vehicle only with or through a designated person, is presumed to be made at the direction of and with the authority of the manufacturer and is prima facie evidence of the fact that the manufacturer has sold or intends to sell such motor vehicle on the condition or under the agreement prohibited in ORS 646.430.

646.450 Prohibited contracts void and unenforceable. Any contract or agreement in violation of the provisions of ORS 646.410

to 646.440 is void and shall not be enforceable in law or equity.

646.460 Prohibited acts. No person shall violate any of the provisions of ORS 646.410 to 646.460 and no employe, agent or officer of any person shall participate, in any manner, in making, enforcing or performing, or in aiding or abetting in the performance of any contract, condition, agreement or understanding prohibited by ORS 646.410 to 646.460.

646.510 [Repealed by 1953 c.391 §2]

PRODUCERS' COOPERATIVE BARGAINING ASSOCIATIONS

646.515 Definitions for ORS 646.515 to 646.545. As used in ORS 646.515 to 646.545, unless the context requires otherwise:

(1) "Agricultural commodity" or "commodities" means any and all agricultural, horticultural, viticultural and vegetable products produced in this state, either in their natural state or as processed by a producer for the purpose of marketing such product, including bees and honey, but not including timber, timber products, grain and grain products or seed products.

(2) "Cooperative bargaining association" means an association of producers formed or operated pursuant to ORS chapter 62 with the purpose of group bargaining with respect to the sale of any agricultural commodity or commodities.

(3) (a) "Dealer" means, except as provided in paragraph (b) of this subsection, any person or his agent who purchases or contracts to purchase an agricultural commodity from a producer or his agent, for the purpose of packing, processing or marketing such commodity.

(b) "Dealer" shall not include any organization operating as an agricultural cooperative corporation.

(4) "Producer" means a person engaged in the business of producing agricultural commodities.

[1963 c.514 §1]

646.520 [Repealed by 1953 c.391 §2]

646.525 Cooperative bargaining associations authorized. Producers shall have the right to join voluntarily and belong to cooperative bargaining associations.

[1963 c.514 §2]

646.530 [Repealed by 1953 c.391 §2]

646.535 Unfair trade practices prohibited. No dealer shall knowingly engage in the following unfair trade practices:

(1) Interfere with, restrain, coerce or boycott a producer in the exercise of the rights guaranteed pursuant to ORS 646.525; or

(2) Discriminate against a producer with respect to price or other terms of purchase of raw agricultural commodities, by reason of the producer's membership in or contract with cooperative bargaining associations; or

(3) Pay or loan money, or give any other thing of value to a producer as an inducement or reward for refusing to or ceasing to belong to a cooperative bargaining association.

[1963 c.514 §3; 1969 c.165 §1]

646.540 [Repealed by 1953 c.391 §2]

646.545 Remedy for unfair trade practices; jurisdiction. (1) In addition to any other remedies provided by law, any producer injured by a violation of ORS 646.535 may maintain an action for damages sustained by such producer.

(2) The prevailing party in any action brought pursuant to subsection (1) of this section shall be allowed, in addition to the costs and disbursements otherwise prescribed by law, a reasonable sum for attorney's fees for the prosecution or defense of such action.

(3) Notwithstanding the provisions of ORS 46.060 to 46.080, the district court shall not have jurisdiction in any action for damages for violation of ORS 646.535.

[1963 c.514 §§4, 5]

646.550 [Repealed by 1953 c.391 §2]

646.560 [Repealed by 1953 c.391 §2]

646.570 [Repealed by 1953 c.391 §2]

646.580 [Repealed by 1953 c.391 §2]

646.590 [Repealed by 1953 c.391 §2]

646.600 [Repealed by 1953 c.391 §2]

UNLAWFUL TRADE PRACTICES

646.605 Definitions for ORS 646.605 to 646.652. As used in ORS 646.605 to 646.652:

(1) "Trade" and "commerce" mean the advertising, offering for sale, sale or distribution of any services or any property, tangible or intangible, real, personal or mixed, and any other article, commodity, or thing of value wherever situate, and shall include any trade or commerce directly or indirectly affecting the people of this state.

(2) "Documentary material" means the original or a copy of any book, record, report, memorandum, paper, communication, tabulation, map, chart, photograph, mechanical transcription, or other tangible document or recording, wherever situate.

(3) "Examination" of documentary material shall include the inspection, study, or copying of any such material, and the taking of testimony under oath or acknowledgment in respect of any such documentary material or copy thereof.

(4) "Person" means natural persons, corporations, trusts, partnerships, incorporated or unincorporated associations, and any other legal entity except bodies or officers acting under statutory authority of this state or the United States.

(5) "Prosecuting attorney" means the Attorney General or the district attorney of any county in which a violation of ORS 646.605 to 646.652 is alleged to have occurred.

(6) "Appropriate court" means the district or circuit court of a county:

(a) Where one or more of the defendants reside; or

(b) Where one or more of the defendants maintain a principal place of business; or

(c) Where one or more of the defendants are alleged to have committed an act prohibited by ORS 646.605 to 646.652; or

(d) With the defendant's consent, where the prosecuting officer maintains his office.

(7) "Real estate, goods or services" means those which are or may be used or bought primarily for personal, family or household purposes, and includes franchises, distributorships and other similar business opportunities, but does not include insurance.

(8) A wilful violation occurs when the person committing the violation knew or should have known that his conduct was a violation.

[1965 c.490 §2; 1967 c.599 §1; 1971 c.744 §5; 1973 c.235 §1]

646.608 Unlawful business, trade practices; proof; Attorney General's rules. (1) A person engages in a practice hereby declared to be unlawful when in the course of his business, vocation or occupation he:

(a) Passes off real estate, goods or services as those of another;

(b) Causes likelihood of confusion or of misunderstanding as to the source, sponsorship, approval, or certification of real estate, goods or services;

(c) Causes likelihood of confusion or of misunderstanding as to affiliation, connection, or association with, or certification by, another;

(d) Uses deceptive representations or designations of geographic origin in connection with real estate, goods or services;

(e) Represents that real estate, goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, or qualities that they do not have or that a person has a sponsorship, approval, status, qualification, affiliation, or connection that he does not have;

(f) Represents that real estate or goods are original or new if they are deteriorated, altered, reconditioned, reclaimed, used or second-hand;

(g) Represents that real estate, goods or services are of a particular standard, quality, or grade, or that real estate or goods are of a particular style or model, if they are of another;

(h) Disparages the real estate, goods, services, property or business of the buyer or another by false or misleading representations of fact;

(i) Advertises real estate, goods and services with intent not to sell them as advertised or with intent not to supply reasonably expectable public demand, unless the advertisement discloses a limitation of quantity;

(j) Makes false or misleading representations of fact concerning the reasons for, existence of, or amounts of price reductions;

(k) Makes false or misleading representations concerning the availability of credit or the nature of the transaction or obligation incurred;

(L) Makes false or misleading representations relating to commissions or other compensation to be paid in exchange for permitting property to be used for model or demonstration purposes or in exchange for submitting names of other purchasers to the seller;

(m) Performs service on or dismantles any household furnishings, appliance or fixture or any machinery, mechanical device or vehicle at a residence when not authorized by the owner or apparent owner;

(n) Solicits by telephone or door to door as a seller unless the seller, within 30 seconds after beginning the conversation, identifies himself, whom he represents and the purpose of his call;

(o) In a sale of real estate, goods or services, gives or offers to give a rebate or discount or otherwise pays or offers to pay value to the buyer in consideration of the buyer giving to the seller the names of prospective purchasers, lessees, or borrowers, or otherwise aiding the seller in making a sale, lease, or loan to another person, if the earning of the rebate, discount or other value is contingent upon the occurrence of an event subsequent to the time the buyer enters into the transaction;

(p) Makes any false or misleading statement about a prize, contest or promotion used to publicize a product, business or service;

(q) Promises to deliver real estate, goods or services within a certain period of time with intent not to deliver them as promised;

(r) Organizes or induces or attempts to induce membership in a pyramid club; or

(s) Engages in any other unfair or deceptive conduct in trade or commerce.

(2) A representation under subsection (1) of this section may be any manifestation of any assertion by words or conduct, including, but not limited to, a failure to disclose a fact.

(3) In order to prevail in an action or suit under ORS 646.605 to 646.652, a prosecuting attorney need not prove competition between the parties or actual confusion or misunderstanding.

(4) No action or suit shall be brought under paragraph (s) of subsection (1) of this section unless the Attorney General has first established a rule in accordance with the provisions of ORS chapter 183 declaring the conduct to be unfair or deceptive in trade or commerce.

[1971 c.744 §7 (enacted in lieu of 646.615; 1973 c.235 §2; 1973 c.513 §1]

646.609 "Pyramid club" defined. As used in paragraph (r) of subsection (1) of ORS 646.608, "pyramid club" means a sales device whereby a person, upon condition that he make an investment, is granted a license or right to solicit or recruit for economic gain one or more additional persons who are also granted such license or right upon condition of making an investment and who may further perpetuate the chain of persons who are granted such license or right upon such condition. A limitation as to the number of persons who may participate, or the presence of additional conditions affecting eligibility for such license

or right to recruit or solicit or the receipt of economic gain therefrom, does not change the identity of the scheme as a pyramid club. As used herein, investment means any acquisition, for a consideration other than personal services, of property, tangible or intangible, and includes without limitation, franchises, business opportunities and services. It does not include sales demonstration equipment and materials furnished at cost for use in making sales and not for resale.

[1973 c.513 §3]

646.610 [Repealed by 1953 c.391 §2]

646.612 Application of ORS 646.608. ORS 646.608 does not apply to:

(1) Conduct in compliance with the orders or rules of, or a statute administered by a federal, state or local governmental agency.

(2) Acts done by the publisher, owner, agent or employe of a newspaper, periodical or radio or television station in the publication or dissemination of an advertisement, when the publisher, owner, agent or employe did not have knowledge of the false, misleading or deceptive character of the advertisement.

[1971 c.744 §10]

646.615 [1965 c.490 §3; 1967 c.144 §1; 1967 c.599 §2; repealed by 1971 c.744 §6 (646.608 enacted in lieu of 646.615)]

646.618 Investigative demand; petition to modify. (1) When it appears to the prosecuting attorney that a person has engaged in, is engaging in, or is about to engage in any act or practice declared to be unlawful by ORS 646.608, he may execute in writing and cause to be served an investigative demand upon any person who is believed to have information, documentary material or physical evidence relevant to the alleged or suspected violation. The investigative demand shall require such person, under oath or otherwise, to appear and testify, to answer written interrogatories, or to produce relevant documentary material or physical evidence for examination, at such reasonable time and place as may be stated in the investigative demand, or to do any of the foregoing, concerning the advertisement, sale or offering for sale of any real estate, goods or services or the conduct of any trade or commerce which is the subject matter of the investigation.

(2) At any time before the return date specified in an investigative demand, or with-

in 20 days after the demand has been served, whichever period is shorter, a petition to extend the return date, or to modify or set aside the demand, stating good cause including privileged material, may be filed in the appropriate court.

[1971 c.744 §14; 1973 c.235 §3]

646.620 [Repealed by 1953 c.391 §2]

646.622 Method of serving investigative demand. Service of any investigative demand under ORS 646.618 shall be made personally within this state. If personal service cannot be made, substituted service therefor may be made in the following manner:

(1) Personal service thereof without this state;

(2) The mailing thereof by registered or certified mail to the last-known place of business, residence or abode within or without this state of such person for whom the same is intended;

(3) As to any person other than a natural person, in the manner provided for service of summons in an action or suit; or

(4) Such service as the court may direct in lieu of personal service within this state.

[1971 c.744 §15]

646.625 [1965 c.490 §1; repealed by 1971 c.744 §27]

646.626 Effect of failure to obey investigative demand. (1) If any person after being served with an investigative demand under ORS 646.622, fails or refuses to obey an investigative demand issued by the prosecuting attorney, the prosecuting attorney may, after notice, apply to an appropriate court and, after hearing thereon, request an order:

(a) Granting injunctive relief to restrain the person from engaging in the advertising or sale of any real estate, goods or services or the conduct of any trade or commerce that is involved in the alleged or suspected violation;

(b) Granting such other relief as may be required, until the person obeys the investigative demand.

(2) Any disobedience of any final order of a court under this section shall be punished as a contempt of court.

[1971 c.744 §16; 1973 c.235 §4]

646.630 [Repealed by 1953 c.391 §2]

646.632 Enjoining unlawful trade practices; notice to defendant; voluntary compliance; temporary order; attorney fees. (1) Whenever the prosecuting attorney has probable cause to believe that a person is engaging

in, has engaged in, or is about to engage in an unlawful trade practice, he may bring suit in the name of the State of Oregon in the appropriate court to restrain such person from engaging in the alleged unlawful trade practice.

(2) Before filing a suit under subsection (1) of this section, the prosecuting attorney shall in writing notify the person charged of the alleged unlawful trade practice and the relief to be sought. Such notice shall be served in the manner set forth in ORS 646.622 for the service of investigative demands. The person charged thereupon shall have 10 days within which to execute and deliver to the prosecuting attorney an assurance of voluntary compliance. Such assurance shall set forth what actions, if any, the person charged intends to take with respect to the alleged unlawful trade practice. The assurance of voluntary compliance shall not be considered an admission of a violation for any purpose. If the prosecuting attorney is satisfied with the assurance of voluntary compliance, it may be submitted to an appropriate court for approval and if approved shall thereafter be filed with the clerk of the court. Violation of an assurance of voluntary compliance which has been approved by and filed with the court shall constitute a contempt of court. The notice of the prosecuting attorney under this subsection shall not be deemed a public record until the expiration of 10 days from the service of the notice.

(3) Notwithstanding subsection (2) of this section, where the prosecuting attorney alleges that he has reason to believe that the delay caused by complying with the provisions of subsection (2) of this section would cause immediate harm to the public health, safety or welfare, the prosecuting attorney may immediately institute a suit under subsection (1) of this section.

(4) A temporary restraining order may be granted without prior notice to the person if the court finds there is a threat of immediate harm to the public health, safety or welfare. Such a temporary restraining order shall expire by its terms within such time after entry, not to exceed 10 days, as the court fixes, unless within the time so fixed the order, for good cause shown, is extended for a like period or unless the person restrained consents that it may be extended for a longer period.

(5) The court may award reasonable attorney fees to the prevailing party in a suit brought under this section. If the defendant

prevails in such suit and the court finds that the defendant had in good faith submitted to the prosecuting attorney a satisfactory assurance of voluntary compliance prior to the institution of the suit or that the prosecuting attorney, in a suit brought under subsection (3) of this section, did not have reasonable grounds to proceed under that subsection, the court shall award reasonable attorney fees to the defendant. If the state prevails, the reasonable expenses of investigation, preparation and prosecution shall be taxed against the defendant, upon application of the prosecuting attorney, in the same manner as costs are taxed and shall be in addition thereto.

[1971 c.744 §11]

646.635 [1965 c.490 §§4, 5; 1967 c.599 §3; repealed by 1971 c.744 §27]

646.636 Remedial power of court. The court may make such additional orders or judgments as may be necessary to restore to any person in interest any moneys or property, real or personal, of which he was deprived by means of any practice declared to be unlawful in ORS 646.608, or as may be necessary to insure cessation of unlawful trade practices.

[1971 c.744 §12]

646.638 Civil action by private party; damages; attorney fees; effect of prior injunction; time for commencing action; counterclaim. (1) Any person who purchases or leases real estate, goods or services and thereby suffers any ascertainable loss of money or property, real or personal, as a result of the wilful use or employment by another person of a method, act or practice declared unlawful by ORS 646.608, may bring an individual action in an appropriate court to recover actual damages or \$200, whichever is greater. The court or the jury, as the case may be, may award punitive damages and the court may provide such equitable relief as it deems necessary or proper.

(2) Upon commencement of any action brought under subsection (1) of this section the clerk of the court shall mail a copy of the complaint or other initial pleading to the Attorney General and, upon entry of any judgment or decree in the action, shall mail a copy of such judgment or decree to the Attorney General.

(3) In any action brought by a person under this section, the court may award, in addition to the relief provided in this section, reasonable attorney fees and costs.

(4) Any permanent injunction or final judgment or order of the court made under ORS 646.632 or 646.636 shall be prima facie evidence in an action brought under this section that the respondent used or employed a method, act or practice declared unlawful by ORS 646.608, but an assurance of voluntary compliance, whether or not approved by the court, shall not be evidence of such violation.

(5) Actions brought under this section shall be commenced within one year from the discovery of the unlawful method, act or practice. However, whenever any complaint is filed by a prosecuting attorney to prevent, restrain or punish violations of ORS 646.608, the running of the statute of limitations with respect to every private right of action under this section and based in whole or in part on any matter complained of in said proceeding shall be suspended during the pendency thereof.

(6) Notwithstanding subsection (5) of this section, in any action brought by a seller or lessor against a purchaser or lessee of real estate, goods or services, such purchaser or lessee may assert any counterclaim he has arising out of a violation of ORS 646.605 to 646.652.

[1971 c.744 §13; 1973 c.235 §5]

646.640 [Repealed by 1953 c.391 §2]

646.642 Civil penalties. (1) Any person who wilfully violates the terms of an injunction issued under ORS 646.632 shall forfeit and pay to the state a civil penalty of not more than \$25,000 per violation. For the purposes of this section, the court issuing the injunction shall retain jurisdiction and the cause shall be continued, and in such cases the prosecuting attorney acting in the name of the state may petition for recovery of civil penalties.

(2) Any person who by an assurance of voluntary compliance submitted under ORS 646.632 agrees not to engage in a particular act, method or practice made unlawful by ORS 646.608 and thereafter wilfully violates such assurance, shall forfeit and pay to the state a civil penalty of not more than \$25,000 per violation. The prosecuting attorney may apply to an appropriate court for recovery of such civil penalty.

(3) In any suit brought under ORS 646.632, if the court finds that a person is wilfully using or has wilfully used a method, act or practice declared unlawful by ORS 646.608, the prosecuting attorney, upon petition to the court, may recover, on behalf of

the state, a civil penalty of not exceeding \$2,000 per violation.

[1971 c.744 §17]

646.645 [1965 c.490 §6; repealed by 1971 c.744 §27]

646.646 Loss of license or franchise by person violating injunction. Upon petition by the prosecuting attorney, the court may, in its discretion, order the dissolution or suspension or forfeiture of the license or franchise of any person who violates the terms of any injunction issued under ORS 646.632.

[1971 c.744 §18]

646.650 [Repealed by 1953 c.391 §2]

646.652 District attorney's reports to Attorney General; filing of voluntary compliances. A district attorney shall make a full report to the Attorney General of any action, suit, or proceeding prosecuted by such district attorney under ORS 646.605 to 646.652, including the final disposition of the matter, and shall file with the Attorney General copies of all assurances of voluntary compliance accepted under ORS 646.632.

[1971 c.744 §19]

646.655 [1967 c.599 §5; repealed by 1971 c.744 §27]

646.656 Remedies supplementary to existing statutory or common law remedies. The remedies provided in ORS 646.605 to 646.652 are in addition to all other remedies, civil or criminal, existing at common law or under the laws of this state.

[1971 c.744 §21a]

646.660 [Repealed by 1953 c.391 §2]

646.670 [Repealed by 1953 c.391 §2]

646.680 [Repealed by 1953 c.391 §2]

646.690 [Repealed by 1953 c.391 §2]

646.700 [Repealed by 1953 c.391 §2]

646.710 [Repealed by 1953 c.391 §2]

646.720 [Repealed by 1953 c.391 §2]

646.810 [Repealed by 1971 c.744 §27]

646.820 [Repealed by 1971 c.744 §27]

646.830 [Repealed by 1971 c.744 §27]

646.840 [Repealed by 1971 c.744 §27]

646.860 Tampering with odometer prohibited. (1) No person shall advertise for sale, sell, use or install on any part of a motor vehicle or on any odometer in a motor vehicle any device which causes the odometer to register any mileage other than the true

mileage driven. For the purposes of this subsection the true mileage driven is that mileage driven by the vehicle as registered by the odometer within the manufacturer's designed tolerance.

(2) No person shall with the intent to defraud operate a motor vehicle on any street or highway knowing that the odometer of such vehicle is disconnected or nonfunctional.

(3) No person shall replace, disconnect, turn back or reset the odometer of any motor vehicle with the intent to reduce the number of miles indicated on the odometer gauge.

(4) This section does not apply to the disconnecting of the odometer of a new motor vehicle being driven from the premises of a manufacturer, distributor or dealer to the premises of another manufacturer, distributor or dealer, incident to the sale of the motor vehicle.

[1969 c.395 §1]

646.870 Delivery of unrequested hazardous substances prohibited. No person shall deliver, or cause to be delivered, any hazardous substance, as defined in subsection (7) of ORS 453.005, to any residential premises without the prior consent of any occupant of such premises.

[1973 c.456 §2]

PENALTIES

646.990 Penalties. (1) Each violation of any of the provisions of ORS 646.010 to 646.180 by any person, firm or corporation, whether as principal, agent, officer or director, for himself or itself, or for another person, or for any firm or corporation, is punishable, upon conviction, by a fine of not less than \$100 nor more than \$500, or by imprisonment in the county jail not exceeding six months, or by both.

(2) Violation of ORS 646.260 is punishable, upon conviction, by a fine of not less than \$500 nor more than \$5,000, or by imprisonment in the county jail not exceeding one year, or by both.

(3) Violation of ORS 646.460 is punishable, upon conviction, by a fine of not more than \$5,000 or by imprisonment in the penitentiary for not more than five years or in the county jail for not more than one year, or by both such fine and imprisonment.

(4) Violation of ORS 646.860 is a misdemeanor.

[Amended by 1953 c.391 §2; 1967 c.144 §2; 1967 c.599 §4; subsection (8) enacted as 1969 c.395 §2; 1971 c.744 §24]

646.992 Penalty for unlawful delivery of hazardous substances. Violation of ORS 646.870 is a Class A misdemeanor.
[1973 c.456 §3]

CERTIFICATE OF LEGISLATIVE COUNSEL

Pursuant to ORS 173.170, I, Thomas G. Clifford, Legislative Counsel, do hereby certify that I have compared each section printed in this chapter with the original section in the enrolled bill, and that the sections in this chapter are correct copies of the enrolled sections, with the exception of the changes in form permitted by ORS 173.160 and other changes specifically authorized by law.
Done at Salem, Oregon,
on November 1, 1973.

Thomas G. Clifford
Legislative Counsel

