

## CHAPTER 325D

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#### THE ACT AGAINST UNFAIR DISCRIMINATION AND COMPETITION

##### 325D.01 DEFINITIONS.

Subdivision 1. **Words, terms and phrases.** Unless the language or context clearly indicates that a different meaning is intended, the words, terms and phrases defined in this section, for the purposes of sections 325D.02 to 325D.08, shall be given the meanings subjoined to them.

Subd. 2. **Retailer.** The term "retailer" means any person, partnership, firm, corporation, or association, foreign or domestic, selling any commodity, article, goods, wares, or merchandise to the consumer and not for the purpose of resale in any form.

Subd. 3. **Wholesaler.** The term “wholesaler” means any person, firm, or corporation, partnership, association, business trust, or any unincorporated organization, selling or supplying any commodity, article, goods, wares, or merchandise to retailers, industrial buyers, restaurants, institutions, or the selling on the part of one wholesaler to another wholesaler.

Subd. 4. **Manufacturers or producers.** Creameries, canneries, and other processors of agricultural products are defined to be manufacturers or producers and are not included within the meaning of the term “wholesaler”.

Subd. 5. **Cost.** The term “cost”, as applied to the wholesale or retail vendor, means:

(1) The actual current delivered invoice or replacement cost, whichever is lower, without deducting customary cash discounts, plus any excise or sales taxes imposed on such commodity, goods, wares or merchandise subsequent to the purchase thereof and prior to the resale thereof, plus the cost of doing business at that location by the vendor;

(2) Where a manufacturer publishes a list price and discounts, in determining such “cost” the manufacturer’s published list price then currently in effect, less the published trade discount but without deducting the customary cash discount, plus any excise or sales taxes imposed on such commodity, goods, wares or merchandise subsequent to the purchase thereof and prior to the resale thereof, plus the cost of doing business by the vendor shall be prima facie evidence of “cost”.

Subd. 6. **Customary cash discounts.** The term “customary cash discounts” means any allowance, not exceeding two percent, whether a part of a larger discount or not, made to the wholesale or retail vendor, where the wholesale or retail vendor pays for merchandise within a limited or specified time.

Subd. 7. **Cost of doing business or overhead expense.** The “cost of doing business” or “overhead expense” is defined as all current costs of doing business incurred in the conduct of such business and must include, without limitation, the following items of expense: Labor, including salaries and bonuses of executives and officers, rent, depreciation, selling costs, maintenance of equipment, delivery costs, all types of licenses, taxes, insurance, and advertising, and other fixed and incidental expenses.

The “cost of doing business” including, without limitation, these items of expenses incurred in the conduct of such business during the calendar year or the 12 months immediately preceding any alleged violation of sections 325D.02 to 325D.07; or, in the event any retailer or wholesaler shall have been engaged in business within the state for a shorter period of time, then such cost for such period of time immediately preceding any alleged violation thereof shall be prima facie evidence of “cost”.

Subd. 8. **Trade discount.** The term “trade discount” means all discounts made to the wholesale or retail vendee other than the customary cash discount.

Subd. 9. **Sub-jobber.** The term “sub-jobber” means any person, partnership, firm, corporation or association other than a wholesaler or retailer, who or which buys any commodity, article, goods, wares, or merchandise from a wholesaler and sells such merchandise directly to retailers, thereby performing the selling and delivering functions of a wholesaler.

Subd. 10. **Vending machines operator.** The term “vending machines operator” means any person, partnership, firm, corporation or association who or which owns, services and supplies ten or more merchandise vending machines placed in various locations for dispensing such merchandise to consumers.

**History:** 1937 c 116 s 2,3; 1937 c 456 s 1; 1939 c 403 s 2; 1941 c 326 s 2; 1955 c 339 s 1-4; 1980 c 509 s 124 (3976-42)

**325D.02 APPLICATION.**

Section 325D.03 shall apply only to the manufacture, production, or distribution of any commodity, article, goods, wares, or merchandise in general use or consumption. Sections 325D.04 to 325D.06 shall apply only to the selling, offering, or advertising for sale, giving away or offering or advertising the intent to give away of any commodity, article, goods, wares, or merchandise, in wholesale or retail trade.

**History:** 1937 c 116 pt 1 s 1; 1937 c 116 pt 2 s 1 (3976-37, 3976-40)

**325D.03 DISCRIMINATION UNLAWFUL.**

Any person, partnership, firm, or corporation, foreign or domestic, doing business in the state and engaged in the production, manufacture, or distribution of any printed or mimeograph matter, commodity, article, goods, wares, or merchandise in general use or consumption, who for the purpose or with the effect of injuring a competitor or destroying competition, shall discriminate between different sections, communities, or cities of this state by selling or furnishing such commodity, article, goods, wares or merchandise at a lower price, or rate in one section, community, or city, or any portion thereof, than such person, firm, or corporation, foreign or domestic, charges for such commodity, article, goods, wares, or merchandise in another section, community, or city, or any portion thereof, after making allowance for difference, if any, in the grade, quality, or quantity after equalizing the distance from the point of production, manufacture, or distribution and freight rates therefrom, shall be guilty of unfair discrimination; provided, that sections 325D.01 to 325D.07 shall not prevent any person, firm, or corporation from, in good faith, meeting local competition within any one section, community, or city. The inhibition hereof against locality discrimination shall embrace any scheme of special rebates, collateral contracts, or any device of any nature whereby such discrimination is, in substance or fact, effected in violation of the spirit and intent of sections 325D.01 to 325D.07.

**History:** 1937 c 116 pt 1 s 2; 1957 c 822 s 1; 1973 c 123 art 5 s 7 (3976-38)

**325D.04 SELLING BELOW COST FORBIDDEN.**

Any retailer, wholesaler, sub-jobber or vending machines operator engaged in business within this state, who sells, offers for sale or advertises for sale, any commodity, article, goods, wares, or merchandise at less than the cost thereof to such vendor, or gives, offers to give or advertises the intent to give away any commodity, article, goods, wares, or merchandise for the purpose or with the effect of injuring a competitor or destroying competition, shall be guilty of unfair discrimination; and, upon conviction, subject to the penalty therefor provided in section 325D.69, subdivision 2.

Any retailer, wholesaler, sub-jobber or vending machines operator who sells goods in any part of this state at prices lower than those exacted by the person elsewhere in the state for like qualities and grades and where the effect of such lower prices may be substantially to lessen competition or tend to create a monopoly in any line of business, or to injure, destroy, or prevent competition with the person selling at such lower prices, shall be guilty of unfair competition and subject to the penalties of section 325D.69, subdivision 2; provided, that nothing shall prevent differentials in prices in different localities which make only due allowances for differences in "cost of doing business" or "overhead expense" and in costs of delivery for such goods to different localities; nor differences in prices in an endeavor made in good faith to meet the legal prices of a competitor selling the same commodity, articles, goods, wares or merchandise in the same locality or trade area.

The inhibition against sales below cost or locality discrimination shall embrace any scheme of special rebates, collateral contracts, or any device of any nature whereby such discrimination is, in substance or fact, effected in violation of the spirit and intent of sections 325.01 to 325.07.

**History:** 1937 c 116 pt 2 s 2; 1939 c 403 s 1; 1941 c 326 s 1; 1957 c 822 s 2 (3976-41)

### **325D.05 BANKRUPT SALES NOT TO BE CONSIDERED IN FIXING COSTS.**

In establishing the cost of a given article, goods, wares, or merchandise to the vendor, the invoice cost of the article, goods, wares, or merchandise purchased at a forced, bankrupt, close-out, 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, goods, wares, or merchandise replaced through the ordinary channels of trade, unless the article, goods, wares, or merchandise is kept separate from goods purchased in the ordinary channels of trade and unless the article, goods, wares, or merchandise is advertised and sold as merchandise purchased at a forced, bankrupt, or close-out sale, or by means other than through the ordinary channels of trade, and the advertising shall state the conditions under which the goods were so purchased and the quantity of such merchandise to be sold or offered for sale.

**History:** 1937 c 116 pt 2 s 4 (3976-43)

### **325D.06 INAPPLICABLE SALES.**

The provisions of section 325D.01, subdivisions 2 to 6, and sections 325D.04 and 325D.05 shall 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, and in case of the sale of seasonal goods or merchandise where style is the paramount feature 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;

(2) When the goods are damaged or deteriorated in quality, and 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 commodity, articles, goods, wares, or merchandise in the same locality or trade area.

The price of a retail competitor which is less than eight percent above the manufacturer's published list price less his published trade discounts where the manufacturer publishes a list price, or in the absence of such a list price less than eight percent above the actual current delivered invoice or replacement cost without deducting customary cash discounts plus the amount of any excise or sales tax shall be prima facie evidence that it is not a legal price, within the meaning of this section.

The price of a wholesale or sub-jobbing competitor to a retailer, which is less than two percent above the manufacturer's published list price less his published trade discounts where the manufacturer publishes a list price, or in the absence of such a list price less than two percent above the actual current delivered invoice or replacement cost without deducting customary cash discounts plus the amount of any excise or sales tax shall be prima facie evidence that it is not a legal price, within the meaning of this section.

Any retailer, wholesaler, sub-jobber or vending machines operator may request the attorney general to ascertain and disclose to him, the current manu-

manufacturer's published list price less published trade discounts on any commodity, article, goods, wares, or merchandise, and it shall then be the duty of the attorney general, within 48 hours of such request, to ascertain and disclose to the person making such request, the current manufacturer's published list price less published trade discounts.

Failure to make such request by any person before reducing his price on any commodity, article, goods, wares, or merchandise below his cost shall be prima facie evidence of not acting in good faith within the meaning of this paragraph.

**History:** 1937 c 116 pt 2 s 6; 1939 c 403 s 3; 1941 c 326 s 3; 1957 c 822 s 3; 1967 c 302 s 2 (3976-45)

#### **325D.07 REMEDIES CUMULATIVE.**

The remedies herein provided shall be cumulative to all other remedies provided by law.

**History:** 1937 c 116 pt 3 s 3; 1939 c 403 s 6 (3976-48)

#### **325D.08 SALES PRIMA FACIE EVIDENCE OF VIOLATION; DENIAL OF LEGAL OR EQUITABLE RELIEF.**

Any sale made by the retail vendor at less than eight percent above the manufacturer's published list price, less his published trade discounts, where the manufacturer publishes a list price; or, in the absence of such list price, at less than eight percent above the actual current delivered invoice or replacement cost, without deducting customary cash discounts, plus, in either case, the amount of any excise or sales tax imposed on such merchandise subsequent to the purchase thereof and prior to the resale thereof, for the purpose or with the effect of injuring a competitor or destroying competition, shall be prima facie evidence of the violation of sections 325D.02 to 325D.07.

No prosecution shall be had nor any action at law for damages or injunctive relief shall lie where the vendor sells at a price not less than 15 percent above the manufacturer's published list price, less his published trade discounts, where the manufacturer publishes a list price; or, in the absence of such a list price, at not less than 15 percent above the current delivered invoice or replacement cost, without deducting customary cash discounts, plus, in either case, the amount of any excise or sales tax imposed on such merchandise subsequent to the purchase thereof and prior to the resale thereof.

Any sale made by a wholesale vendor, or a sub-jobber to a retailer at less than two percent above the manufacturer's published list price, less his published trade discounts, where the manufacturer publishes a list price; or, in the absence of such a list price, at less than two percent above the actual current delivered invoice or replacement cost, without deducting customary cash discounts, plus, in either case, the amount of any excise or sales tax imposed on such merchandise subsequent to the purchase thereof and prior to the resale thereof, for the purpose or with the effect of injuring a competitor or destroying competition, shall be prima facie evidence of the violation of sections 325D.02 to 325D.07.

Any sale made by a wholesaler to another wholesaler, sub-jobber or vending machines operator at less than the manufacturer's published list price less his published trade discounts, where the manufacturer publishes a list price; or, in the absence of such a list price, at less than the actual current delivered invoice or replacement cost, without deducting customary cash discounts, plus, in either case, the amount of any excise or sales tax imposed on such merchandise subsequent to the purchase thereof and prior to the resale thereof, for the purpose or with the effect of injuring a competitor or destroying competition, shall be prima facie evidence of the violation of sections 325D.02 to 325D.07.

**History:** 1937 c 116 pt 2 s 3; 1937 c 456 s 1; 1937 c 403 s 2; 1941 c 126 s 2; 1955 c 339 s 5; 1957 c 822 s 4 (3976-42)

### THE UNLAWFUL TRADE PRACTICES ACT

#### 325D.09 UNLAWFUL TRADE PRACTICES.

The legislature of the state of Minnesota hereby finds: that the trade practices defined and prohibited by sections 325D.09 to 325D.16 are detrimental to labor, destructive to employment, and injurious to the best interests of workmen; that they mislead the consumer into believing that he is buying merchandise at prices substantially below regular retail prices, when in fact he is not; that they mislead the consumer as to the quality, ingredients and origin of merchandise purchased by him; that they deprive the consumer of various customer services offered by regularly established and bona fide retail outlets without compensating advantage to the consumer; and that they constitute unfair and fraudulent competition and unsound and uneconomic methods of distribution. The legislature, acting in the exercise of the police power of the state, declares that the public policy of the state requires, and that the general welfare of the state will be benefited by, the suppression of the trade practices hereinafter defined.

**History:** 1943 c 144 s 1

#### 325D.10 DEFINITIONS.

When used in sections 325D.09 to 325D.16:

(a) The term "person" includes any individual, firm, partnership, corporation or other organization, whether organized for profit or not.

(b) The term "employer" includes any person acting directly or indirectly in the interest of an employer in relation to an employee.

(c) "Sale" or "sell" includes any sale, offer, or advertisement thereof or contract for the same.

(d) "Sale of merchandise at retail" includes any sale except (1) A sale for the purpose of re-sale or (2) a sale of a substantial quantity of merchandise for business use only.

**History:** 1943 c 144 s 2

#### 325D.11 CERTAIN UNLAWFUL TRADE PRACTICES.

It shall be an unlawful trade practice for any seller or transferor of any goods, wares, or merchandise to advertise, claim or imply that any sale or transfer of goods, wares, or merchandise is a sale or transfer at wholesale, unless such sale or transfer is made to a transferee for re-sale or is a sale of a substantial quantity of merchandise for business use only.

**History:** 1943 c 144 s 3

#### 325D.12 RETAILERS NOT TO MISREPRESENT NATURE OF BUSINESS.

(1) No person engaged in the sale of merchandise at retail shall, in connection with such business, misrepresent the true nature of such business, either by use of the words manufacturer, wholesaler, broker, or any derivative thereof or synonym therefor, or otherwise.

(2) No person shall, in connection with the sale of merchandise at retail misrepresent, directly or indirectly, that the price at which such merchandise is sold is an approximately wholesale price, or is less than the usual retail price, either by the use of any such expression, or of any expression having a similar meaning, or otherwise misrepresent the true nature of such sale.

(3) No person shall, in connection with the sale of merchandise at retail, or in, or in connection with the use of, samples, catalogs, or other forms of advertising listing merchandise for sale at retail, display price tags or price quotations in any form showing prices which are fictitiously in excess of the actual prices at which such merchandise is regularly and customarily sold at retail by such person or by the person issuing such samples, catalogs, or other forms of advertising.

**History:** 1943 c 144 s 4

### **325D.13 QUALITY, MISREPRESENTED.**

No person shall, in connection with the sale of merchandise, knowingly misrepresent, directly or indirectly, the true quality, ingredients or origin of such merchandise.

**History:** 1943 c 144 s 5

### **325D.14 EMPLOYER NOT TO DISPOSE OF OTHER THAN OWN PRODUCTS.**

No employer shall, directly or indirectly, by itself or through a subsidiary agency owned or controlled in whole or in part by such employer, sell, cause to be sold, or have in his possession or under his control for sale to his employees or to any other person, any merchandise not handled by such employer in the regular course of his business, nor shall any employer permit his name, his credit, or his premises to be used in connection with the sale or offer for sale of any such merchandise. This section shall not apply to purchases by an employer for the purpose of re-sale to his employees of such specialized equipment and paraphernalia as may be required for employees' safety and health, candy, chewing gum, tobacco, or meals consumed on the premises of such employer. The provisions of sections 325D.09 to 325D.16 shall not apply to any cooperative associations, duly established under the laws of the state of Minnesota, with respect to any merchandising transactions, which such cooperatives are authorized by their charters to conduct with their members.

**History:** 1943 c 144 s 6

### **325D.15 VIOLATIONS; RESTRAINING ORDERS.**

Any person violating the provisions of sections 325D.09 to 325D.16 shall be deemed guilty of a misdemeanor. Each act prohibited by sections 325D.09 to 325D.16 shall constitute a separate violation and offense thereunder.

In addition to the penalties provided in sections 325D.09 to 325D.16 the courts of this state are hereby vested with jurisdiction to prevent and restrain violation of sections 325D.09 to 325D.16. Any person damaged or who is threatened with loss, damage, or injury by reason of a violation of sections 325D.09 to 325D.16 shall be entitled to sue for and have injunctive relief in any court of competent jurisdiction against any damage or threatened loss or injury by reason of a violation of sections 325D.09 to 325D.16 and for the amount of the actual damages to him, if any. In order to obtain such injunctive relief, it shall not be necessary to allege or prove that an adequate remedy at law does not exist.

**History:** 1943 c 144 s 7,8

### **325D.16 APPLICATION.**

Nothing in sections 325D.09 to 325D.16 shall be deemed to prohibit the sale by an employer to his employees of his own products or property at any price.

**History:** 1943 c 144 s 9

**AUTOMOBILE DEALERS'  
ANTICOERCION ACT****325D.17 DEFINITIONS.**

Subdivision 1. **Words, terms and phrases.** Unless the language or context clearly indicates that a different meaning is intended, the words, terms and phrases defined in this section, for the purposes of sections 325D.18 to 325D.29, shall be given the meanings subjoined to them.

Subd. 2. **Person.** "Person" means any individual, firm, corporation, partnership, association, trustee, receiver, or assignee for the benefit of creditors.

Subd. 3. **Sell, sold, buy, and purchase.** "Sell", "sold", "buy", and "purchase" include exchange, barter, gift, and offer of contract to sell or buy.

**History:** 1937 c 412 s 13; 1980 c 509 s 124 (3976-83)

**325D.18 MOTOR VEHICLES, MANUFACTURER FORBIDDEN TO FINANCE SALES.**

It shall be unlawful for any person who is engaged, directly or indirectly, in the manufacture or wholesale distribution of motor vehicles to sell, or enter into a contract to sell motor vehicles to any person who is engaged, or intends to engage, in the business of selling such motor vehicles at retail in this state, on the condition, or with the agreement or understanding, expressed or implied, that such person so engaged in selling motor vehicles at retail shall in any manner finance the purchase or sale of any one or number of motor vehicles only with or through a designated person or class of persons, or shall sell and assign the conditional sales contracts, chattel mortgages, or leases arising from the sale of motor vehicles, or any one or number thereof, only to a designated person or class of persons, when the effect of the condition, agreement, or understanding so entered into may be to lessen or eliminate competition, or create or tend to create a monopoly in the person or class of persons who is designated, by virtue of such condition, agreement, or understanding, to finance the purchase or sale of motor vehicles or to purchase such conditional sales contracts, chattel mortgages, or leases, and any such condition, agreement, or understanding is hereby declared to be void and against the public policy of this state.

**History:** 1937 c 412 s 1 (3976-71)

**325D.19 CERTAIN THREATS, STATEMENTS, OR PROMISES TO BE PRIMA FACIE EVIDENCE.**

Any threat, statement, or promise, expressed or implied, made to any person engaged in the business of selling motor vehicles at retail in this state by any person engaged, directly or indirectly, in the manufacture or distribution of motor vehicles, that such person will discontinue or cease to sell, or refuse to enter into a contract to sell, or will terminate a contract to sell motor vehicles, to such person who is so engaged in the business of selling motor vehicles at retail, unless such person finances the purchase or sale of any one or number of motor vehicles only with or through a designated person or class of persons, or sells and assigns the conditional sales contracts, chattel mortgages, or leases arising from his retail sales of motor vehicles or any one or number thereof only to a designated person or class of persons, shall be prima facie evidence of the fact that such person so engaged in the manufacture or distribution of motor vehicles has sold or intends to sell the same on the condition or with the agreement or understanding prohibited in section 325D.18.

**History:** 1937 c 412 s 2 (3976-72)



**325D.20 WHEN PRESUMPTION MAY BE PRIMA FACIE EVIDENCE.**

Any threat, statement, or promise, expressed or implied, made to any person engaged in the business of selling motor vehicles at retail in this state by any person, or any agent of any such person, who is engaged in the business of financing the purchase or sale of motor vehicles or of buying conditional sales contracts, chattel mortgages, or leases on motor vehicles in this state, or any person, or any agent of any such person, who is engaged in the business of financing the purchase or sale of motor vehicles, or of buying conditional sales contracts, chattel mortgages, or leases on motor vehicles in this state and is affiliated with or controlled by any person engaged, directly or indirectly, in the manufacture or distribution of motor vehicles, that such person so engaged in such manufacture or distribution shall terminate his contract with or cease to sell motor vehicles to such person engaged in the sale of motor vehicles at retail in this state unless such person finances the purchase or sale of any one or number of motor vehicles only with or through a designated person or class of persons or sells and assigns the conditional sales contracts, chattel mortgages, or leases arising from his retail sale of motor vehicles, or any one or any number thereof, only to such person so engaged in financing the purchase or sale of motor vehicles or in buying conditional sales contracts, chattel mortgages, or leases on motor vehicles, shall be presumed to be made at the direction of and with the authority of such person so engaged in such manufacture or distribution of motor vehicles, and shall be prima facie evidence of the fact that such person so engaged in the manufacture or distribution of motor vehicles has sold, or intends to sell, the same on the condition or with the agreement or understanding prohibited in section 325D.18.

**History:** 1937 c 412 s 3 (3976-73)

**325D.21 UNLAWFUL FOR MANUFACTURER TO GIVE SUBSIDIES.**

It shall be unlawful for any person who is engaged, directly or indirectly, in the manufacture or wholesale distribution of motor vehicles to pay or give or to contract to pay or give any thing of value or subsidy to any person, other than an automobile dealer or automobile distributor, who is engaged in the business of financing the purchase or sale of motor vehicles, or of buying conditional sales contracts, chattel mortgages, or leases on motor vehicles sold at retail within the state, or to discriminate in favor of or against any person, other than an automobile dealer or automobile distributor, engaged in the business of financing the purchase or sale of motor vehicles or of buying conditional sales contracts, chattel mortgages, or leases on motor vehicles sold at retail within the state, if the effect of such payment or contract to pay or give any thing of value or subsidy or discrimination may be to lessen or eliminate competition or to create or tend to create a monopoly in the person or class of persons who receives such thing of value or subsidy, or who is benefited by such discrimination.

**History:** 1937 c 412 s 4 (3976-74)

**325D.22 UNLAWFUL TO RECEIVE SUBSIDIES.**

It shall be unlawful for any person, other than an automobile dealer or automobile distributor, who is engaged in the business of financing the purchase or sale of motor vehicles or of buying conditional sales contracts, chattel mortgages, or leases on motor vehicles sold at retail within this state, to accept or receive or contract or agree to accept or receive directly or indirectly any thing of value or subsidy or the benefit resulting from any discrimination, as set forth in section 325D.21, from any person engaged, directly or indirectly, in the manufacture or wholesale distribution of motor vehicles if the effect of the acceptance or receipt of any such thing of value or subsidy or benefit may be to lessen

or eliminate competition or to create or tend to create a monopoly in the person or class of persons who receives such thing of value or subsidy, or who is thus benefited by such discrimination.

**History:** 1937 c 412 s 5 (3976-75)

### **325D.23 PERSONS RECEIVING SUBSIDIES FORBIDDEN TO ENGAGE IN FINANCE OF SALES.**

It shall be unlawful for any person, other than an automobile dealer or automobile distributor, who hereafter so accepts or receives, directly or indirectly, any thing of value or subsidy or the benefit resulting from any discrimination, as set forth in section 325D.22, or hereafter so contracts, directly or indirectly, to receive any such thing of value or subsidy or benefit, to thereafter finance, or attempt to finance, the purchase or sale of any motor vehicle, or buy or attempt to buy any conditional sales contracts, chattel mortgages, or leases on motor vehicles sold at retail in this state.

**History:** 1937 c 412 s 6 (3976-76)

### **325D.24 PROCEEDINGS INSTITUTED.**

For a violation of any of the provisions of sections 325D.17 to 325D.26 by any corporation or association mentioned therein, it shall be the duty of the attorney general, or the county attorney of the proper county, to institute proper suits or quo warranto proceedings in any court of competent jurisdiction for the forfeiture of its charter rights, franchises, or privileges and powers exercised by such corporation or association, and for the dissolution of the same under the general statutes of the state.

**History:** 1937 c 412 s 7 (3976-77)

### **325D.25 FOREIGN CORPORATIONS MAY BE PROHIBITED FROM DOING BUSINESS IN THE STATE.**

Every foreign corporation, as well as every foreign association, exercising any of the powers, franchises, or functions of a corporation in this state, violating any of the provisions of sections 325D.18 to 325D.26, is hereby denied the right to do and prohibited from doing any business in this state. It shall be the duty of the attorney general to enforce this provision by bringing proper proceedings by injunction or otherwise. The secretary of state shall be authorized to revoke the license of any such corporation or association heretofore authorized by him to do business in this state.

**History:** 1937 c 412 s 8 (3976-78)

### **325D.26 PROVISIONS CUMULATIVE.**

The provisions of sections 325D.17 to 325D.26 shall be held cumulative of each other and of all other laws in any way affecting them now in force in this state.

**History:** 1937 c 412 s 11 (3976-81)

### **325D.27 CONTRACTS OR AGREEMENTS IN VIOLATION VOID.**

Any contract or agreement in violation of the provisions of sections 325D.17 to 325D.26 shall be absolutely void and shall not be enforceable either in law or equity.

**History:** 1937 c 412 s 10 (3976-80)

**325D.28 DAMAGES RECOVERABLE.**

In addition to the criminal and civil penalties provided in sections 325D.17 to 325D.26, any person who shall be injured in his business or property by any other person, corporation, association, or partnership, by reason of anything forbidden or declared to be unlawful by sections 325D.17 to 325D.26, may sue therefor in any court having jurisdiction thereof in the county where the defendant resides or is found, or where any agent resides or is found, or where service may be obtained, without respect to the amount in controversy, and recover two-fold the damages by him sustained and the costs of the suit. Whenever it shall appear to the court before which any proceedings under sections 325D.17 to 325D.26 may be pending, that the ends of justice require that other parties be brought before the court, the court may cause them to be made parties defendant and summoned, whether they reside in the county where such action is pending or not.

**History:** 1937 c 412 s 12 (3976-82)

**325D.29 AUTOMOBILE DEALERS' ANTICOERCION ACT.**

Sections 325D.17 to 325D.29 shall be known and cited as the automobile dealers' anticoercion act.

**History:** 1937 c 412 s 14 (3976-84)

**THE MINNESOTA UNFAIR  
CIGARETTE SALES ACT**

**325D.30 MINNESOTA UNFAIR CIGARETTE SALES ACT; FINDINGS AND POLICY.**

The legislature finds that unfair, dishonest and fraudulent business practices exist in transactions involving the sale of, or offer to sell, cigarettes in the wholesale and retail trades in this state and are demoralizing and disorganizing the said trades.

Offering for sale, or sale of cigarettes below cost in the wholesale and retail trade is declared by the legislature to have the intent or effect of injuring a competitor, destroying or lessening competition, and is deemed an unfair and deceptive business practice and an unfair method of competition.

Such practices affect collection of taxes and license fees imposed on distributors, wholesalers, retailers, and persons engaged in the sale of cigarettes.

It is hereby declared to be the policy of the state of Minnesota and the purposes of sections 325D.30 to 325D.42 to protect the public by prohibiting such sales.

**History:** 1967 c 600 s 1

**325D.31 CITATION.**

Sections 325D.30 to 325D.42 shall be known as the "Minnesota Unfair Cigarette Sales Act".

**History:** 1967 c 600 s 2

**325D.32 DEFINITIONS.**

Subdivision 1. For the purpose of sections 325D.30 to 325D.42, the words, terms and phrases defined in this section have the meanings ascribed to them except where the context clearly indicates a different meaning.

Subd. 2. "Cigarettes" means and includes any roll for smoking, made wholly or in part of tobacco, irrespective of size and shape and whether or not such tobacco is flavored, adulterated or mixed with any other ingredient, the wrapper or cover of which is made of paper or any other substance or material except tobacco.

Subd. 3. "Person" means and includes any individual, firm, trade association, company, partnership, nonprofit corporation, corporation, joint stock company, club agency, syndicate, or anyone engaged in the sale of cigarettes.

Subd. 4. "Wholesaler" means and includes any person who acquires cigarettes for the purpose of sale to retailers or to other persons for resale, and who maintains an established place of business when any part of the business is the sale of cigarettes at wholesale to persons licensed to sell cigarettes by the state or any municipality, and where at all times a stock of cigarettes is available to retailers for resale, or any cigarette manufacturer or manufacturer's representative who sells to retailers or to other persons for resale, and any person defined as a "distributor" under section 297.01, subdivision 7. The term "wholesaler" shall also include a "subjobber" as defined by section 297.01, subdivision 14.

Subd. 5. "Retailer" means any person who is engaged in this state in the business of selling, or offering to sell, cigarettes at retail.

Subd. 6. "Sale" and "sell" mean and include any transfer for a consideration, exchange, barter, gift, offer for sale, and distribution in any manner or by any means whatsoever.

Subd. 7. "Sell at wholesale", "sale at wholesale" and "wholesale sales" mean and include any sale or offer for sale made in the course of trade or usual conduct of the wholesaler's business to a retailer for the purpose of resale.

Subd. 8. "Sell at retail", "sale at retail", and "retail sales" mean and include any sale or offer for sale for consumption or use made in the ordinary course of trade of the seller's business.

Subd. 9. "Basic cost of cigarettes" means whichever of the two following amounts is lower, namely (1) the gross invoice cost of cigarettes to the wholesaler or retailer, as the case may be, or (2) the lowest replacement cost of cigarettes to the wholesaler or retailer in the quantity last purchased, plus the full face value of any stamps which may be required by any cigarette tax act of this state, unless included by the manufacturer in his list price.

Subd. 10. (1) "Cost to wholesaler" means the basic cost of the cigarettes plus the cost of doing business by the wholesaler, as defined in sections 325D.30 to 325D.42.

(2) The cost of doing business by the wholesaler is presumed to be four percentum of the basic cost of said cigarettes, plus cartage to the retail outlet, if furnished or paid for by the wholesaler, in the absence of proof of a lesser or higher cost, except that the cost of doing business by the wholesaler is two percent of the basic cost of said cigarettes, when such cigarettes are sold to a wholesaler, in the absence of proof of a lesser or a higher cost. Such cartage cost is presumed to be one-half of one percent of the basic cost of the cigarettes in the absence of proof of a lesser or higher cost.

Subd. 11. (1) "Cost of the retailer" means the basic cost of the cigarettes involved to the retailer plus the cost of doing business by the retailer as defined in sections 325D.30 to 325D.42.

(2) The cost of doing business by the said retailer is presumed to be eight percentum of the basic cost of cigarettes in the absence of proof of a lesser or a higher cost.

(3) If any retailer in connection with his purchase of any cigarettes shall receive the discounts ordinarily allowed upon purchases by a retailer and in whole or in part discounts ordinarily allowed upon purchases by a wholesaler, the cost of doing business by the retailer with respect to the said cigarettes shall be, in the absence of a lesser or a higher cost of doing business, the sum of the cost of doing business by the retailer and, to the extent that he shall have received the full discounts allowed to a wholesaler, the cost of doing business by a wholesaler as defined in subdivision 10, clause (2).

Subd. 12. "Subjobber" means any person who buys stamped cigarettes and sells them to persons other than ultimate consumers, and any licensed distributor who delivers to and sells or distributes stamped cigarettes from a place of business other than that for which he has obtained his distributor's license; who does not use a distributor's license for any plan or scheme to circumvent the Minnesota unfair cigarette sales act or any other law relating to the sale of cigarettes, who does not use such subjobber's license for the principal purpose of selling cigarettes to retail cigarette licensees in which such subjobber has an ownership interest, and who sells at least 75 percent of his total cigarette volume to retail outlets in which the subjobber has no more than a ten percent ownership interest, directly or indirectly, and who sells to at least 25 retail customers. Notwithstanding the foregoing, "subjobber" shall also mean any person who is a vending machine operator. A vending machine operator is any person whose principal business is operating, or owning and leasing to operators, machines for the vending of merchandise or service.

**History:** 1967 c 600 s 3; 1969 c 759 s 1; 1971 c 371 s 1,2; 1973 c 607 s 1

### **325D.33 SALES AT LESS THAN COST; PENALTY.**

Subdivision 1. It shall be unlawful for any wholesaler, subjobber or retailer to offer to sell, or sell, at wholesale or retail, cigarettes at less than cost to such wholesaler, subjobber or retailer, as the case may be, as defined in sections 325D.30 to 325D.42 for the purpose or with the effect of injuring a competitor or destroying competition, or for a retailer to induce or to attempt to induce a wholesaler or subjobber to violate the provisions of the Minnesota unfair cigarette sales act. Any wholesaler, subjobber or retailer who violates the provisions of this section shall be guilty of a misdemeanor.

Subd. 2. Evidence of advertisement, offering to sell or sale of cigarettes by any wholesaler, subjobber or retailer at less than cost to him as defined by sections 325D.30 to 325D.42 shall be prima facie evidence of a violation of sections 325D.30 to 325D.42 in civil cases.

**History:** 1967 c 600 s 4; 1969 c 759 s 2; 1971 c 371 s 3; 1973 c 607 s 2

### **325D.34 COMBINATION SALES.**

In all offers for sale or sales involving cigarettes and any other item at a combined price and in all offers for sale, or sales, involving the giving of any gift or concession of any kind whatsoever, and which are not given by the wholesaler or retailer with all sales made by him in the ordinary course of his trade or business, the wholesaler's or retailer's combined selling price shall not be below the cost to the wholesaler or the cost to the retailer, respectively, of the total of all articles, products, commodities, gifts, and concessions included in such transactions, except that if any such articles, products, commodities, gifts or concessions, shall not be cigarettes, the basic cost thereof shall be determined in like manner as provided in section 325D.32, subdivision 9.

**History:** 1967 c 600 s 5

### **325D.35 SALES BY A WHOLESALER TO A WHOLESALER.**

When one wholesaler sells cigarettes to any other wholesaler, the former shall not be required to include in his selling price to the latter, the cost of doing business to the wholesaler, as defined by section 325D.32, but the latter wholesaler, upon resale to a retailer, shall be subject to the provisions of the said section.

**History:** 1967 c 600 s 6; 1969 c 759 s 3

**325D.36 SALES EXCEPTIONS.**

The provisions of sections 325D.30 to 325D.42 shall not apply to a sale at wholesale or a sale at retail made (a) in an isolated transaction; (b) where cigarettes are offered for sale, or sold in a bona fide clearance sale for the purpose of discontinuing trade in such cigarettes and said offer to sell, or sale shall state the reason thereof and the quantity of such cigarettes offered for sale, or to be sold; (c) where cigarettes are offered for sale, or sold as imperfect or damaged, and said offer to sell, or sale shall state the reason therefor and the quantity of such cigarettes offered for sale, or to be sold.

**History:** 1967 c 600 s 7

**325D.37 TRANSACTIONS PERMITTED TO MEET LAWFUL COMPETITION.**

Subdivision 1. Any wholesaler may advertise, offer to sell or sell cigarettes at a price made in good faith to meet the price of a competitor who is selling the same article at the cost to the competing wholesaler as defined by sections 325D.30 to 325D.42. Any retailer may offer to sell or sell cigarettes at a price made in good faith to meet the price of a competitor who is selling at the cost to the said competing retailer as defined in sections 325D.30 to 325D.42. The price of cigarettes offered for sale, or sold under the exceptions specified in section 325D.36 shall not be considered the price of a competitor and shall not be used as a basis for establishing prices below cost, nor shall the price established at a bankrupt or forced sale be considered the price of a competitor within the purview of this section.

Subd. 2. In the absence of proof of the actual cost to a competing wholesaler or to a competing retailer, as the case may be, such cost shall be the lowest cost to wholesalers or the lowest cost to retailers, as the case may be, within the same trading area as determined by a cost survey made pursuant to section 325D.38, subdivision 2.

**History:** 1967 c 600 s 8

**325D.38 ADMISSIBLE EVIDENCE.**

Subdivision 1. **Cost to wholesalers and retailers.** In determining cost to the wholesaler and cost to the retailer the court shall receive and consider as bearing on the bona fides of such cost, evidence that any person complained against under any of the provisions of sections 325D.30 to 325D.42 purchased the cigarettes involved in the complaint before the court, at a fictitious price, or upon terms, or in such a manner, or under such invoices, as to conceal the true cost, discounts, or terms of purchase, and shall also receive and consider as bearing on the bona fides of such cost, evidence of the normal, customary and prevailing terms and discounts in connection with other sales of a similar nature in the trade area or state.

Subd. 2. **Cost survey.** Where a cost survey pursuant to recognized statistical and cost accounting practices has been made for the trading area in which a violation of sections 325D.30 to 325D.42 is committed or charged, to determine and establish the lowest cost to wholesalers or the lowest cost to retailers within the area, the cost survey shall be deemed competent evidence in any action or proceeding under sections 325D.30 to 325D.42 to establish actual cost to the wholesaler or actual cost to the retailer complained against. In such surveys to determine cost to the wholesaler or retailer there shall be included in the cost of doing business without limitation, labor, rent, depreciation, sales costs, compensation, maintenance of equipment, cartage, licenses, taxes, insurance, or other expenses.

**History:** 1967 c 600 s 9

### **325D.39 SALES OUTSIDE ORDINARY CHANNELS OF BUSINESS; EFFECT.**

In establishing the basic cost of cigarettes to a wholesaler or a retailer, it shall not be permissible to use the invoice cost or the actual cost of any cigarettes purchased at a forced, bankrupt, or close-out sale, or other sale outside of the ordinary channels of trade, including purchases from the wholesale distributors who do not have their principal place of business within the state of Minnesota.

**History:** 1967 c 600 s 10

### **325D.40 REMEDIES; SALES OF GOVERNMENT AGENCIES.**

Subdivision 1. Any corporation, partnership, trade association, or any person or persons who would suffer injury from any threatened violation of sections 325D.30 to 325D.42 may maintain an action to enjoin such actual or threatened violation and proof of actual damages need not be alleged or proved in cases of threatened violation. If a violation or threatened violation of the Minnesota unfair cigarette sales act shall be established, the court shall enjoin such violator or threatened violator, and, in addition thereto, the court shall assess in favor of the plaintiff and against defendant the injuries of the suit including reasonable attorneys fees. Where alleged and proved, the plaintiff, in addition to such injunctive relief and cost of suit including reasonable attorneys fees, shall be entitled to recover from defendant the actual damages sustained by him.

Subd. 2. All state, municipal and other governmental agencies shall be governed by the Minnesota Unfair Cigarette Sales Act, and no such agency of government shall accept any bid offer which is below the "cost to wholesaler" as defined by section 325D.32, subdivision 10, clause (1) nor shall sell such cigarettes at a cost less than provided for in section 325D.32, subdivision 11.

**History:** 1967 c 302 s 2; 1967 c 600 s 11; 1969 c 759 s 4; 1973 c 607 s 3; 1978 c 793 s 72

### **325D.41 CIGARETTES; WHOLESALERS AND SUBJOBBER FEES.**

Each cigarette wholesaler as defined herein, and subjobber as defined in section 297.01, subdivision 14, shall pay the respective amounts of \$100 and \$43.75, in one sum yearly after January 1, 1972 and \$50 and \$21.88, respectively, in one sum for the period from July 1, 1971 to December 31, 1971. Such amounts shall be collected by the commissioner of revenue, deposited forthwith in the state treasury and credited to the general fund.

**History:** 1967 c 302 s 2; 1967 c 600 s 12; 1969 c 399 s 1; 1969 c 759 s 5,6; 1971 c 235 s 1; 1971 c 371 s 4; 1973 c 582 s 3; 1973 c 607 s 4-6

### **325D.42 PARTIAL UNCONSTITUTIONALITY.**

The provisions of sections 325D.30 to 325D.42 shall be deemed to be severable and if for any reason any provisions shall be determined to be unconstitutional or invalid, such determination shall not be held to affect any other provisions hereof. And no such determination shall be deemed to invalidate or render ineffectual any of the other provisions of sections 325D.30 to 325D.42.

**History:** 1967 c 600 s 14

**UNIFORM DECEPTIVE  
TRADE PRACTICES**

**325D.43 DEFINITIONS.**

Subdivision 1. As used in sections 325D.43 to 325D.48, unless the context otherwise requires, the terms defined in this section have the meanings ascribed to them.

Subd. 2. "Article" means a product as distinguished from its trademark, label, or distinctive dress in packaging.

Subd. 3. "Certification mark" means a mark used in connection with the goods or services of a person other than the certifier to indicate geographic origin, material, mode of manufacture, quality, accuracy, or other characteristics of the goods or services or to indicate that the work or labor on the goods or services was performed by members of a union or other organization.

Subd. 4. "Collective mark" means a mark used by members of a cooperative, association, or other collective group or organization to identify goods or services and distinguish them from those of others, or to indicate membership in the collective group or organization.

Subd. 5. "Mark" means a word, name, symbol, device, or any combination of the foregoing in any form or arrangement.

Subd. 6. "Service mark" means a mark used by a person to identify services and to distinguish them from the services of others.

Subd. 7. "Trademark" means a mark used by a person to identify goods and to distinguish them from the goods of others.

Subd. 8. "Trade name" means a word, name, symbol, device, or any combination of the foregoing in any form or arrangement used by a person to identify his business, vocation, or occupation and distinguish it from the business, vocation, or occupation of others.

**History:** 1973 c 216 s 1

**325D.44 DECEPTIVE TRADE PRACTICES.**

Subdivision 1. A person engages in a deceptive trade practice when, in the course of his business, vocation, or occupation, he:

- (1) passes off goods or services as those of another;
- (2) causes likelihood of confusion or of misunderstanding as to the source, sponsorship, approval, or certification of goods or services;
- (3) causes likelihood of confusion or of misunderstanding as to affiliation, connection, or association with, or certification by, another;
- (4) uses deceptive representations or designations of geographic origin in connection with goods or services;
- (5) represents that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities that they do not have or that a person has a sponsorship, approval, status, affiliation, or connection that he does not have;
- (6) represents that goods are original or new if they are deteriorated, altered, reconditioned, reclaimed, used, or secondhand;
- (7) represents that goods or services are of a particular standard, quality, or grade, or that goods are of a particular style or model, if they are of another;
- (8) disparages the goods, services, or business of another by false or misleading representation of fact;
- (9) advertises goods or services with intent not to sell them as advertised;



(10) advertises goods or services with intent not to supply reasonably expectable public demand, unless the advertisement discloses a limitation of quantity;

(11) makes false or misleading statements of fact concerning the reasons for, existence of, or amounts of price reductions; or

(12) engages in any other conduct which similarly creates a likelihood of confusion or of misunderstanding.

Subd. 2. In order to prevail in an action under sections 325D.43 to 325D.48, a complainant need not prove competition between the parties or actual confusion or misunderstanding.

Subd. 3. This section does not affect unfair, deceptive, or misleading trade practices otherwise actionable at common law or under other statutes of this state.

**History:** 1973 c 216 s 2

### 325D.45 REMEDIES.

Subdivision 1. A person likely to be damaged by a deceptive trade practice of another may be granted an injunction against it under the principles of equity and on terms that the court considers reasonable. Proof of monetary damage, loss of profits, or intent to deceive is not required. Relief granted for the copying of an article shall be limited to the prevention of confusion or misunderstanding as to source.

Subd. 2. Costs shall be allowed to the prevailing party unless the court otherwise directs. The court may award attorneys' fees to the prevailing party if (1) the party complaining of a deceptive trade practice has brought an action which he knew to be groundless, or (2) the party charged with a deceptive trade practice has willfully engaged in the trade practice knowing it to be deceptive.

Subd. 3. The relief provided in this section is in addition to remedies otherwise available against the same conduct under the common law or other statutes of this state.

**History:** 1973 c 216 s 3

### 325D.46 APPLICATION.

Subdivision 1. Sections 325D.43 to 325D.48 do 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; or

(2) actions or appeals pending on July 1, 1973.

Subd. 1a. Sections 325D.43 to 325D.48 shall apply to publishers, broadcasters, printers, or other persons engaged in the dissemination of information or reproduction of printed or pictorial matters who publish, broadcast, or reproduce material only if the persons have either knowledge of the deceptive trade practice or a financial interest in the goods or services being deceptively offered for sale.

Subd. 2. Section 325D.44, subdivision 1, clauses (2) and (3) do not apply to the use of a service mark, trademark, certification mark, collective mark, trade name, or other trade identification that was used and not abandoned before July 1, 1973, if the use was in good faith and is otherwise lawful except for sections 325D.43 to 325D.48.

**History:** 1973 c 216 s 4; 1975 c 364 s 1,2

**325D.47 UNIFORMITY OF APPLICATION AND CONSTRUCTION.**

Sections 325D.43 to 325D.48 shall be so applied and construed as to effectuate its general purpose to make uniform the law with respect to the subject of sections 325D.43 to 325D.48 among those states which enact it.

**History:** 1973 c 216 s 5

**325D.48 CITATION.**

Sections 325D.43 to 325D.48 may be cited as the uniform deceptive trade practices act.

**History:** 1973 c 216 s 6

**COMBINATIONS IN RESTRAINT  
OF TRADE**

**325D.49 CITATION.**

Sections 325D.49 to 325D.66 may be cited as the Minnesota Antitrust Law of 1971.

**History:** 1971 c 865 s 1

**325D.50 DEFINITIONS.**

Subdivision 1. Unless a different meaning is clearly indicated by the context, for the purposes of sections 325D.49 to 325D.66, the terms defined in this section have the meanings ascribed to them.

Subd. 2. "Commodity" means any goods, merchandise, wares, produce, chose in action, land, article of commerce, or any other tangible or intangible property, real, personal, or mixed, for use, consumption, enjoyment, or resale.

Subd. 3. "Service" means any kind of activity performed in whole or in part for financial gain.

Subd. 4. "Contract, combination, or conspiracy" means any agreement, arrangement, collusion, or understanding. "Contract" includes a purchase, a contract to purchase, a sale, a contract to sell, a lease, a contract to lease, a license, or a contract to license. "Combination" includes a trust, common selling or purchasing agent, pool, or holding company.

Subd. 5. "Person" means any individual, corporation, firm, partnership, incorporated and unincorporated association, or any other legal or commercial entity.

Subd. 6. "Trade or commerce" means any economic activity of any type whatsoever involving any commodity or service whatsoever.

**History:** 1971 c 865 s 2

**325D.51 UNREASONABLE RESTRAINT OF TRADE OR COMMERCE.**

A contract, combination, or conspiracy between two or more persons in unreasonable restraint of trade or commerce is unlawful.

**History:** 1971 c 865 s 3

**325D.52 ESTABLISHMENT, MAINTENANCE, OR USE OF MONOPOLY POWER.**

The establishment, maintenance, or use of, or any attempt to establish, maintain, or use monopoly power over any part of trade or commerce by any person or persons for the purpose of affecting competition or controlling, fixing, or maintaining prices is unlawful.

**History:** 1971 c 865 s 4

**325D.53 PRICE FIXING; PRODUCTION CONTROL; ALLOCATION OF MARKETS; COLLUSIVE BIDDING; AND CONCERTED REFUSALS TO DEAL; DISCRIMINATORY ACTS.**

Subdivision 1. Without limiting section 325D.51, the following shall be deemed to restrain trade or commerce unreasonably and are unlawful:

(1) A contract, combination, or conspiracy between two or more persons in competition:

(a) for the purpose or with the effect of affecting, fixing, controlling or maintaining the market price, rate, or fee of any commodity or service;

(b) affecting, fixing, controlling, maintaining, limiting, or discontinuing the production, manufacture, mining, sale or supply of any commodity, or the sale or supply of any service, for the purpose or with the effect of affecting, fixing, controlling, or maintaining the market price, rate, or fee of the commodity or service; or

(c) allocating or dividing customers or markets, functional or geographical, for any commodity or service.

(2) A contract, combination, or conspiracy between two or more persons whereby, in the letting of any public contract, (a) the price quotation of any bid is fixed or controlled, (b) one or more persons refrains from the submission of a bid, or (c) competition is in any other manner restrained.

(3) A contract, combination, or conspiracy between two or more persons refusing to deal with another person, except a refusal to deal by associations, trading boards, or exchanges when predicated upon a failure to comply with rules of membership.

Subd. 2. Without limiting section 325D.51, the following, when performed by a person within the jurisdiction of this state, and directly affecting business in this state (excluding any business employing, controlling, controlled by or under common control with such person), shall be deemed to restrain trade or commerce unreasonably and are unlawful:

(1) Requiring any United States person to be excluded from a business transaction on the basis of that person's sex, race, color, religion, ancestry or national origin or on the basis that the person conducts or has conducted business with persons of a particular race, sex, color, religion, ancestry or national origin, or on the basis that the person has done business in a particular country.

(2) Giving, as part of any business transaction, any statement, certification or other document to the effect that the giver of the statement, certification or other document has complied with a policy imposed by any person, nation, or international organization requiring exclusion from any business transaction, or discrimination against, any United States person on the basis of his race, sex, color, religion, ancestry or national origin or on the basis that the person conducts or has conducted business with persons of a particular race, sex, color, religion, ancestry or national origin, or on the basis that the person has done business in a particular country.

(3) Granting, accepting or processing any letter of credit or other document which evidences the transfer of funds or credit, or entering into any contract for the exchange of goods or services, where the letter of credit, contract, or other document contains any provision which requires any person to discriminate against or to certify that he has not dealt with any other United States person on the basis of race, sex, color, religion, ancestry or national origin, or on the basis that the person conducts or has conducted business with persons of a particular race, sex, color, religion, ancestry or national origin, or on the basis that the person has done business in a particular country.

(4) As part of any business transaction, complying, or agreeing to comply, or certifying or giving other assurance that he complies or agrees to comply, with a policy imposed by another party requiring discrimination against, or refusal to deal with, any United States person, group of United States persons, or list of United States persons, on the basis of race, sex, color, religion, ancestry or national origin or on the basis that the person, group of persons or list of persons conducts or has conducted business with persons of a particular race, sex, color, religion, ancestry or national origin, or on the basis that the person has done business in a particular country.

Provided, however, that the provisions of subdivisions 2 and 3 shall not apply to (a) any letter of credit, contract, or other document which contains any provisions pertaining to a labor dispute or an unfair labor practice if the other provisions of such letter of credit, contract, or other document do not violate the provisions of subdivisions 2 and 3; (b) the requiring of association with a particular employer or a particular group as a requisite to obtaining group rates or discount on insurance, recreational activities, or other similar benefits; (c) any act which is an unfair discriminatory practice under section 363.01, subdivision 9 and for which a remedy is provided under chapter 363; (d) persons exempted or acts excepted from the provisions of chapter 363 pursuant to section 363.02; (e) any agreement, letter of credit, contract or other document which contains any specification as to the country of origin of goods or services sold in a business transaction, or as to the vessels to carry the goods, or the route by which the goods may be shipped, if the other provisions of such agreement, letter of credit, contract, or other document do not violate the provisions of subdivisions 2 and 3; (f) compliance by a person resident in a foreign country, or agreement by such person to comply, with the export laws of that country with respect to activities exclusively therein; provided further, however, that the mere ownership of an entity located outside the United States by a person within the jurisdiction of this state shall not make such entity a person within the jurisdiction of this state.

The exemption contained in section 325D.55, subdivision 2 shall not apply to actions made unlawful under this subdivision. Provided, however, that the provisions of this subdivision shall not apply to any action made lawful by legislation of the United States of America or executive order of the President of the United States of America which affirmatively preempts the provisions of subdivisions 2 and 3.

Subd. 3. Any agreement containing a written or verbal term providing that one or more parties to the agreement will violate the previous subdivision 2 is null and void, and no party to such an agreement may recover in an action for goods or money due by reason of such an agreement or by reason of money paid or goods shipped pursuant to such an agreement.

**History:** 1971 c 865 s 5; 1977 c 173 s 1

#### **325D.54 SCOPE OF ACT.**

Sections 325D.49 to 325D.66 apply to:

- (a) any contract, combination, or conspiracy when any part thereof was created, formed, or entered into in this state; and
- (b) any contract, combination, or conspiracy, wherever created, formed, or entered into; any establishment, maintenance, or use of monopoly power; and any attempt to establish, maintain, or use monopoly power; whenever any of the foregoing affects the trade or commerce of this state.

**History:** 1971 c 865 s 6

**325D.55 EXEMPTIONS.**

Subdivision 1. Nothing contained in sections 325D.49 to 325D.66, shall be construed to forbid the existence or operation of labor, electrical, agricultural, or horticultural organizations instituted for the purpose of mutual help, and not conducted for profit, or to forbid or restrain individual members of such organizations from lawfully carrying out the legitimate objects thereof; nor shall such organizations, or the members thereof, be held or construed to be illegal combinations or conspiracies in restraint of trade under the provisions of sections 325D.49 to 325D.66, when lawfully carrying out the legitimate objects hereof.

Subd. 2. Nothing contained in sections 325D.49 to 325D.66, shall apply to actions or arrangements otherwise permitted, or regulated by any regulatory body or officer acting under statutory authority of this state or the United States.

Subd. 3. Nothing in sections 325D.49 to 325D.66, shall apply to agreements among employers or agreements among labor unions made for the purpose of furthering the position of any of the agreeing employers or agreeing unions in the course of the collective bargaining process.

**History:** 1971 c 865 s 7

**325D.56 PENALTIES FOR VIOLATION.**

Subdivision 1. Any person who is found to have violated sections 325D.49 to 325D.66, shall be subject to a civil penalty of not more than \$50,000. Any person who fails to comply with a final judgment or decree rendered by a court of this state issued for a violation of sections 325D.49 to 325D.66, shall be subject to a civil penalty of not more than \$100,000.

Subd. 2. Any person who is found to have willfully committed any of the acts enumerated in section 325D.53 shall be guilty of a felony and subject to a fine of not more than \$50,000 or imprisonment in the state penitentiary for not more than five years, or both.

**History:** 1971 c 865 s 8; 1977 c 173 s 2

**325D.57 DAMAGES.**

Any person, any governmental body, or the state of Minnesota or any of its subdivisions or agencies, injured by a violation of sections 325D.49 to 325D.66, shall recover three times the actual damages sustained, together with costs and disbursements, including reasonable attorneys' fees.

**History:** 1971 c 865 s 9

**325D.58 INJUNCTIVE RELIEF.**

In addition to other remedies provided by sections 325D.49 to 325D.66, the courts of this state shall have jurisdiction to grant such temporary, interlocutory, or permanent injunctive relief as is necessary to prevent and restrain violations of sections 325D.49 to 325D.66. Applications for such relief shall be made in accordance with the rules of the court to which application for relief is made and according to the manner prescribed by law.

**History:** 1971 c 865 s 10

**325D.59 AUTHORITY OF THE ATTORNEY GENERAL.**

The attorney general may investigate any alleged violation of sections 325D.49 to 325D.66 and if he has reasonable cause to believe that a violation is imminent, is occurring or has occurred, he may institute on behalf of the state of Minnesota, any of its departments and agencies, or any of its political subdivisions a court action seeking appropriate relief. The investigatory authority of the attorney general under sections 325D.49 to 325D.66 shall include, but not be limited to, the authority provided for in section 8.31.

**History:** 1971 c 865 s 11; 1974 c 524 s 1

### **325D.60 FORFEITURE OF CHARTER RIGHTS AND PRIVILEGE TO DO BUSINESS.**

Subdivision 1. Upon the failure of any person to comply with the terms of a final judgment or decree rendered by a court of this state issued for a violation of the provisions of sections 325D.49 to 325D.66, or to comply with a consent settlement approved by a court of this state concerning an alleged violation of sections 325D.49 to 325D.66, the attorney general may apply to the court:

(a) for the forfeiture of any charter rights, franchise privileges or powers of such corporation held by such person under the laws of this state;

(b) for dissolution, if the person is a corporation or limited partnership organized under the laws of this state; or

(c) for the suspension of the privilege to conduct business within this state.

The court, after giving due consideration to the public interest and to relevant competitive and economic circumstances, may grant so much of the requested relief as is deemed appropriate. A dissolution shall be conducted in accordance with the procedures specified by law for either voluntary or judicial dissolution of the particular type of corporation, association, firm or partnership.

Subd. 2. If any corporation, association, partnership, or limited partnership shall be dissolved or have its privilege to transact business in this state suspended or revoked as provided in subdivision 1, no assignee, transferee, or successor-in-interest of such corporation, association, partnership, or limited partnership, shall be permitted to incorporate or to transact business in this state without first applying to the court for and receiving an order permitting incorporation or transaction of business. No order shall be granted unless the applicant proves to the satisfaction of the court that it will conduct its affairs in accordance with the provisions of sections 325D.49 to 325D.66.

**History:** 1971 c 865 s 12

### **325D.61 ACTS OF OFFICERS, DIRECTORS, REPRESENTATIVES, OR AGENTS ACTING WITHIN THE SCOPE OF THEIR AUTHORITY.**

Subdivision 1. A corporation, association, firm, partnership, or limited partnership is liable for the acts of its officers, directors, representatives, or agents acting within the scope of their authority, whether they are acting on their own behalf and for their own benefit, or acting for the corporation, association, firm, partnership, or limited partnership in their representative capacity. Proof of the acts of any such officer, director, representative, or agent shall be received as prima facie proof of the acts of the corporation, association, firm, partnership, or limited partnership itself.

Subd. 2. When a corporation, association, firm, partnership, or limited partnership violates sections 325D.49 to 325D.66, such violation shall be deemed to be that of the individual directors, members, officers, managers, employees, or agents of the corporation, association, firm, partnership, or limited partnership who knowingly authorized, ordered, aided, abetted, or advised in the commission of any of the acts constituting in whole or in part the violation, whether the individuals acted on their own behalf and for their own benefit, or for the corporation, association, firm, partnership, or limited partnership and in their representative capacity.

The individuals, in their capacity as individuals, are subject to the provisions of sections 325D.49 to 325D.66, and may be joined, if subject to personal jurisdiction, as additional parties defendant in the proceedings against the corporation, association, firm, partnership, or limited partnership.

**History:** 1971 c 865 s 13

### **325D.62 JUDGMENT IN FAVOR OF STATE AS PRIMA FACIE EVIDENCE.**

A final judgment or decree rendered in any civil or criminal proceeding under sections 325D.49 to 325D.66 brought by or on behalf of the state of Minnesota, any of its departments or agencies, or any of its political subdivisions, to the effect that a defendant has violated sections 325D.49 to 325D.66, shall be prima facie evidence against such defendant in any action or proceeding brought by any other party against such defendant under said sections as to all matters respecting which said judgment or decree would be an estoppel as between the parties thereto: Provided, that this section shall not apply to consent judgments or decrees entered before any testimony has been taken.

**History:** 1971 c 865 s 14

### **325D.63 NOTIFICATION OF CIVIL ACTION.**

Upon commencement of any civil action by a person, other than the attorney general, for violation of sections 325D.49 to 325D.66, the clerk of the court shall mail a copy of the complaint to the attorney general.

**History:** 1971 c 865 s 15

### **325D.64 STATUTE OF LIMITATIONS.**

Subdivision 1. An action under sections 325D.49 to 325D.66, shall be forever barred unless commenced within four years of the date upon which the cause of action arose. No cause of action barred under existing law on June 8, 1971 shall be revived by sections 325D.49 to 325D.66. For the purpose of this section, a cause of action for a continuing violation is deemed to arise at any time during the period of the violation.

Subd. 2. If any proceeding is commenced under sections 325D.49 to 325D.66, by the attorney general on behalf of the state of Minnesota, its departments or agencies, or its political subdivisions, the running of the statute of limitations in respect of every right of action arising under sections 325D.49 to 325D.66, and based in whole or in part on any matter complained of in the aforementioned proceeding shall be suspended during the pendency thereof and for one year thereafter. If the running of the statute of limitations is suspended, the action shall be forever barred unless commenced within the greater of either the period of suspension or four years after the date upon which the cause of action arose.

**History:** 1971 c 865 s 16

### **325D.65 VENUE.**

Actions or proceedings brought by the state or any private party for violations of the provisions of sections 325D.49 to 325D.66, may be brought in the district court in and for the county where the offense or any part thereof is committed, or where any of the defendants reside or is found, or where any agent of any defendant resides or is found, or where any defendant, corporation, association, firm, partnership, or limited partnership does business.

**History:** 1971 c 865 s 17

### **325D.66 ACTION NOT BARRED AS AFFECTING OR INVOLVING INTER-STATE OR FOREIGN COMMERCE.**

No action under sections 325D.49 to 325D.66 shall be barred on the ground that the activity or conduct complained of in any way affects or involves interstate or foreign commerce.

**History:** 1971 c 865 s 18

**PETROLEUM DISCRIMINATION  
BETWEEN LOCALITIES PROHIBITED**

**325D.67 PETROLEUM.**

**Subdivision 1. Discrimination between localities.** Any person, firm, company, association, or corporation, foreign or domestic, doing business in this state and engaged in the production, manufacture, or distribution of petroleum or any of its products that shall intentionally, or otherwise, for the purpose of destroying the business of a competitor or creating a monopoly in any locality, discriminate between different sections, communities, or cities of this state, by selling such commodity at a lower rate in one section, community, or city than is charged for such commodity by such party in another section, community, or city after making due allowance for the difference, if any, in the test or quality and in the actual cost of transportation from the point of production, if a raw product, or from the point of manufacture, if a manufactured product, shall be deemed guilty of unfair discrimination, which is hereby prohibited and declared to be unlawful.

**Subd. 2. Penalty.** Any person, firm, company, association, or corporation violating any of the provisions of subdivision 1, and any officer, agent, or receiver of any firm, company, association, or corporation, or any member of the same, or any individual found guilty of violation thereof, shall be guilty of a gross misdemeanor, and shall be fined not more than \$5,000, or be imprisoned in the county jail for not to exceed one year, or both.

**Subd. 3. Contracts void; recovery.** All contracts or agreements made in violation of any provisions of subdivisions 1 and 2 shall be void and any money or property paid or transferred for any such commodity under any such agreement shall be paid back within ten days after demand therefor, and on failure to so repay, then the purchasers may recover back, in a civil action, any such money or property, together with reasonable attorneys' fees not less than \$25.

**Subd. 4. Duty of county attorney.** It shall be the duty of the county attorneys in their counties, and the attorney general, to enforce the provisions of subdivisions 1 to 3 by appropriate actions in courts of competent jurisdictions.

**Subd. 5. Duty of secretary of state.** If complaint shall be made to the secretary of state that any corporation authorized to do business in this state is guilty of unfair discrimination, within the terms of subdivisions 1 to 8, it shall be the duty of the secretary of state to refer the matter to the attorney general, who may, if the facts justify it in his judgment, institute proceedings in the courts against such corporation.

**Subd. 6. Revocation of permit.** If any corporation, foreign or domestic, authorized to do business in this state, is found guilty of unfair discrimination, within the terms of subdivisions 1 to 8, it shall be the duty of the secretary of state to immediately revoke the permit of such corporation to do business in this state.

**Subd. 7. Continuance in business; ouster.** If after the revocation of its permit, such corporation or any other corporation (not having a permit and found guilty of having violated any of the provisions of subdivisions 1 to 8) shall continue or attempt to do business in this state, it shall be the duty of the attorney general, by a proper suit in the name of the state of Minnesota, to oust such corporation from all business of every kind and character in the state.

**Subd. 8. Remedies cumulative.** Nothing in subdivisions 1 to 8 shall be construed as repealing any other act, or part of an act, but the remedies herein provided shall be cumulative to all other remedies by law.



**History:** 1907 c 269 s 1-8 (10474-10481)

### MONOPOLIZATION OF FOOD PRODUCTS

#### 325D.68 MONOPOLIZATION OF FOOD PRODUCTS.

Subdivision 1. **Declared a criminal conspiracy.** Any combination of persons, either as individuals or as members or officials of any corporation, to monopolize the markets for food products in this state or to interfere with or restrict the freedom of such markets, is hereby declared to be a criminal conspiracy.

Subd. 2. **Penalty.** Any person found guilty of violating any provision of this section shall be punished by a fine of not less than \$50 nor more than \$100 or by imprisonment in the county jail for a period not to exceed 90 days.

**History:** 1917 c 381 s 1,2 (10485, 10486)

### PENALTIES; INJUNCTIVE RELIEF

#### 325D.69 VIOLATIONS; PENALTIES.

Subdivision 1. **Gross misdemeanors.** Any person who shall violate any of the provisions of sections 325D.18 to 325D.26, or any person who is a party to any agreement or understanding, or to any contract prescribing any condition prohibited by sections 325D.18 to 325D.26, any employee, agent, or officer of any such person who shall participate, in any manner, in making, executing, enforcing, performing, or in urging, aiding, or abetting in the performance of any such contract, condition, agreement, or understanding and any person who shall pay or give or contract to pay or give any thing or service of value prohibited by sections 325D.18 to 325D.26, and any person who shall receive or accept or contract to receive or accept any thing or service of value prohibited by sections 325D.18 to 325D.26 shall be deemed guilty of a gross misdemeanor; and, upon conviction thereof, punished by a fine not exceeding \$500; or be imprisoned in a county jail for not exceeding six months, or by both such fine and imprisonment. Each day's violation of any such provision shall constitute a separate offense.

The words "person", "employee", "agent", or "officer", as used in this section, shall not be construed to mean or apply to any person who is engaged, or intends to engage, in the business of selling motor vehicles at retail in this state, nor to the employee, agent, or officer of any person who is engaged, or intends to engage, in the business of selling motor vehicles at retail in this state.

Subd. 2. **Misdemeanors.** Any person, firm, or corporation, whether as principal, agent, officer, or director, for himself, or itself, or for another person, firm, or corporation, wilfully violating the provisions of sections 325D.03, 325D.04, 325D.05 and 325D.08 shall be guilty of a misdemeanor.

Any person who, either as director, officer, or agent of any firm or corporation or as agent of any person violating the provisions of sections 325D.03, 325D.04, 325D.05 and 325D.08, knowingly assists or aids directly or indirectly in such violation shall be responsible therefor equally with the person, firm, or corporation for whom or which he acts.

**History:** 1929 c 300 s 4; 1937 c 116 pt 3 s 1; 1937 c 196 s 4; 1937 c 412 s 9; 1939 c 403 s 4; 1941 c 326 s 4; 1961 c 561 s 10; 1973 c 151 s 3 (3976-17, 3976-46, 3976-79)

#### 325D.70 INJUNCTIVE RELIEF.

In addition to the penalties provided in section 325D.69, subdivision 2, the courts of this state are hereby vested with jurisdiction to prevent and restrain violations of sections 325D.02 to 325D.07. Any person, partnership, corporation, or association damaged, or who is threatened with loss or injury, by reason

of a violation of these sections shall be entitled to sue for and have injunctive relief in any court of competent jurisdiction against any damage or threatened loss or injury by reason of a violation thereof and for the amount of the actual damages to him, if any. In order to obtain such injunctive relief it shall not be necessary to allege or prove that an adequate remedy at law does not exist.

No person shall be excused from attending and testifying or from producing books, papers, contracts, agreements, and documents in any case or proceedings instituted or brought under the provisions of sections 325D.02 to 325D.08, 325D.69, and this section, or in obedience to a subpoena, in any such case or proceedings, on the ground or for the reason that the testimony or evidence, documentary or otherwise, required of him may tend to criminate him or subject him to a penalty or forfeiture; but no person shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he may testify, or produce evidence, documentary or otherwise, in any such case or proceedings, or in obedience to a subpoena, in any such case or proceedings.

**History:** 1937 c 116 pt 3 s 2; 1939 c 403 s 5; 1941 c 326 s 5 (3976-47)