

Act effective
immediately.
Applicability.

Section 2. This act shall take effect immediately, and the provisions thereof shall be applicable in determining the amount of taxable receipts with respect to any tax returns due to be filed hereafter, or any taxes paid or payable hereafter.

APPROVED—The 25th day of May, A. D. 1956.

GEORGE M. LEADER

No. 589

AN ACT

Amending the act of June five, one thousand nine hundred thirty-five (Pamphlet Laws 266), entitled "An act to protect trade-mark owners, distributors, and the public against injuries and uneconomic practices in the distribution of articles of standard quality under a distinguished trade-mark, brand or name," further regulating exceptions to contracts of sale and actions at law for unfair competition.

Sale of trade-
marked articles.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Sections 1 and 2,
act of June 5,
1935, P. L. 266,
amended June 12,
1941, P. L. 128,
further amended.

Section 1. Sections one and two, act of June five, one thousand nine hundred thirty-five (Pamphlet Laws 266), entitled "An act to protect trade-mark owners, distributors, and the public against injuries and uneconomic practices in the distribution of articles of standard quality under a distinguished trade-mark, brand or name," amended June twelve, one thousand nine hundred forty-one (Pamphlet Laws 128), are amended to read:

Section 1. Be it enacted, &c., That no contract relating to the sale or resale of a commodity which bears, or the label or content of which bears, or the vending equipment from which said commodity is sold to the consumer bears the trade-mark, brand or the name of the producer or owner of such commodity, and which is in fair and open competition with commodities of the same general class produced by others, shall be deemed in violation of any law of the State of Pennsylvania by reason of any of the following provisions which may be contained in such contract:

(a) That the buyer will not resell such commodity, except at the price stipulated by the vendor.

(b) That the buyer of such commodity require upon his resale of such commodity that the purchaser from him agree that such purchaser will not in turn resell except at the price stipulated by the vendor of the buyer.

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

(a) In closing out the owners stock for the purpose of discontinuing delivering any such commodity.

(b) When the goods are damaged or deteriorated in quality, or removed from the fair trade price schedule of the producer or owner of the trade-mark, brand or name, and notice is given the public thereof.

(c) By any officer acting under orders of any court or in the execution of any writ or distress.

Section 2. Wilfully and knowingly advertising, offering for sale, or selling any commodity at less than the price stipulated in any contract entered into pursuant to the provisions of section one of this act, whether the person so advertising, offering for sale, or selling is, or is not, a party to such contract, is unfair competition and is actionable at the suit of such vendor, buyer or purchaser of such commodity. *It shall, however, be a complete defense to such an action for the defendant to prove that the party stipulating such price, after at least seven days written notice given by the defendant prior to the commencement of such action, has failed to take reasonable and diligent steps to prevent the continuation of such advertising, offering for sale or selling, by those in competition with the defendant, who were specified in such notice.*

APPROVED—The 25th day of May, A. D. 1956.

GEORGE M. LEADER

No. 590

AN ACT

Amending the act of June twenty, one thousand nine hundred nineteen (Pamphlet Laws 521), entitled, as amended, "An act providing for the imposition and collection of certain taxes upon the transfer of property passing from a decedent who was a resident of this Commonwealth at the time of his death, and of property within this Commonwealth of a decedent who was a nonresident of the Commonwealth at the time of his death; defining and taxing transfers made in contemplation of death; defining as a transfer and taxing the right of survivorship in property as to which such right exists; and making it unlawful for any corporation of this Commonwealth, or national banking association located therein, to transfer the