

Article - Commercial Law

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§11-505.

(a) Except as provided in subsection (b) of this section, a retailer or wholesaler with intent to injure a competitor or to destroy or substantially lessen competition may not:

(1) Sell cigarettes in combination with any other item of merchandise if the other item is given free of charge or sold at a price below its cost to the retailer or its cost to the wholesaler, respectively, as defined in Subtitle 4 of this title;

(2) Sell cigarettes in combination with any other item of merchandise if the total sale price for the cigarettes and all other items included in the sale is less than the sum of:

(i) The cost to the retailer or the cost to the wholesaler, respectively, of the cigarettes; and

(ii) The cost to the retailer or the cost to the wholesaler, respectively, as defined in Subtitle 4 of this title, of all other items included in the sale, including items given free of charge in connection with the sale;

(3) Give cigarettes free of charge, except in the case of specially packaged manufacturers' samples which are designated on the package as not to be sold; or

(4) Make any rebate, advertising allowance, or any other concession by any means or device in connection with the sale of cigarettes whereby the cigarettes are in effect sold below their cost to the retailer or their cost to the wholesaler, respectively.

(b) A retailer or wholesaler may pass on to a purchaser any reduction in cost which results from:

(1) Payment or compensation given by a manufacturer of cigarettes on a uniform and nondiscriminatory basis for promotional services; or

(2) Any coupon issued and ultimately redeemed by a cigarette manufacturer.

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