

THE GENERAL ASSEMBLY OF PENNSYLVANIA

**HOUSE BILL**  
**No. 1547** Session of  
1993

INTRODUCED BY DeLUCA, STABACK, SCRIMENTI, KELLER, KUKOVICH,  
TIGUE, BUXTON, BROWN, DALEY, KASUNIC, PRESTON, CARN, TRELLO,  
FAJT, RAYMOND, PISTELLA AND BELFANTI, MAY 5, 1993

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, MAY 5, 1993

AN ACT

1 Amending the act of December 17, 1968 (P.L.1224, No.387),  
2 entitled "An act prohibiting unfair methods of competition  
3 and unfair or deceptive acts or practices in the conduct of  
4 any trade or commerce, giving the Attorney General and  
5 District Attorneys certain powers and duties and providing  
6 penalties," further defining "unfair methods of competition"  
7 and "unfair or deceptive acts or practices."

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

10 Section 1. Section 2(4) of the act of December 17, 1968  
11 (P.L.1224, No.387), known as the Unfair Trade Practices and  
12 Consumer Protection Law, reenacted and amended November 24, 1976  
13 (P.L.1166, No.260), is amended to read:

14 Section 2. Definitions.--As used in this act.

15 \* \* \*

16 (4) "Unfair methods of competition" and "unfair or deceptive  
17 acts or practices" mean any one or more of the following:

18 (i) Passing off goods or services as those of another;

19 (ii) Causing likelihood of confusion or of misunderstanding  
20 as to the source, sponsorship, approval or certification of

1 goods or services;

2 (iii) Causing likelihood of confusion or of misunderstanding  
3 as to affiliation, connection or association with, or  
4 certification by, another;

5 (iv) Using deceptive representations or designations of  
6 geographic origin in connection with goods or services;

7 (v) Representing that goods or services have sponsorship,  
8 approval, characteristics, ingredients, uses, benefits or  
9 quantities that they do not have or that a person has a  
10 sponsorship, approval, status, affiliation or connection that he  
11 does not have;

12 (vi) Representing that goods are original or new if they are  
13 deteriorated, altered, reconditioned, reclaimed, used or  
14 secondhand;

15 (vii) Representing that goods or services are of a  
16 particular standard, quality or grade, or that goods are of a  
17 particular style or model, if they are of another;

18 (viii) Disparaging the goods, services or business of  
19 another by false or misleading representation of fact;

20 (ix) Advertising goods or services with intent not to sell  
21 them as advertised;

22 (x) Advertising goods or services with intent not to supply  
23 reasonably expectable public demand, unless the advertisement  
24 discloses a limitation of quantity;

25 (x.1) Advertising goods at discount or reduced prices,  
26 unless the advertisement discloses the exact number of items  
27 available for purchase at the discount or reduced price;

28 (xi) Making false or misleading statements of fact  
29 concerning the reasons for, existence of, or amounts of price  
30 reductions;

1       (xii) Promising or offering prior to time of sale to pay,  
2 credit or allow to any buyer, any compensation or reward for the  
3 procurement of a contract for purchase of goods or services with  
4 another or others, or for the referral of the name or names of  
5 another or others for the purpose of attempting to procure or  
6 procuring such a contract of purchase with such other person or  
7 persons when such payment, credit, compensation or reward is  
8 contingent upon the occurrence of an event subsequent to the  
9 time of the signing of a contract to purchase;

10       (xiii) Promoting or engaging in any plan by which goods or  
11 services are sold to a person for a consideration and upon the  
12 further consideration that the purchaser secure or attempt to  
13 secure one or more persons likewise to join the said plan; each  
14 purchaser to be given the right to secure money, goods or  
15 services depending upon the number of persons joining the plan.  
16 In addition, promoting or engaging in any plan, commonly known  
17 as or similar to the so-called "Chain-Letter Plan" or "Pyramid  
18 Club." The terms "Chain-Letter Plan" or "Pyramid Club" mean any  
19 scheme for the disposal or distribution of property, services or  
20 anything of value whereby a participant pays valuable  
21 consideration, in whole or in part, for an opportunity to  
22 receive compensation for introducing or attempting to introduce  
23 one or more additional persons to participate in the scheme or  
24 for the opportunity to receive compensation when a person  
25 introduced by the participant introduces a new participant. As  
26 used in this subclause the term "consideration" means an  
27 investment of cash or the purchase of goods, other property,  
28 training or services, but does not include payments made for  
29 sales demonstration equipment and materials for use in making  
30 sales and not for resale furnished at no profit to any person in

1 the program or to the company or corporation, nor does the term  
2 apply to a minimal initial payment of twenty-five dollars (\$25)  
3 or less;

4 (xiv) Failing to comply with the terms of any written  
5 guarantee or warranty given to the buyer at, prior to or after a  
6 contract for the purchase of goods or services is made;

7 (xv) Knowingly misrepresenting that services, replacements  
8 or repairs are needed if they are not needed;

9 (xvi) Making repairs, improvements or replacements on  
10 tangible, real or personal property, of a nature or quality  
11 inferior to or below the standard of that agreed to in writing;

12 (xvii) Engaging in any other fraudulent conduct which  
13 creates a likelihood of confusion or of misunderstanding.

14 Section 2. This act shall take effect in 60 days.