

## Competing With an Existing Store

### **HaRav Chaim Weg, Dayan at the Bais HaVaad**

**Question:** Someone lives in a small town with only one pizza shop. He is unhappy with the service and food at that establishment and wishes to open a competing store. Is he permitted to do so?

**Answer:** The Gemara in Sanhedrin learns from a *pasuk* that somebody who does not adversely affect his friend's business by encroaching on his customers is a righteous man and will be rewarded in this world and the next. The Maharsha and Shulchan Aruch Harav learn this Gemara to be saying that this is a "*middas chasidus*" (pious conduct) that goes above and beyond the letter of the law. The Rambam in Hilchos Dayos lists this course of action to be amongst the behaviors of a scholar who is stringent in his interpersonal relationships. From all of these sources it seems that in many cases it is permitted to compete, although if one refrains from doing so, he is labeled righteous and upright.

However, there are times when it is actually forbidden to open a competing business. The Shulchan Aruch (Choshen Mishpat 156), based on a Gemara in Bava Basra, rules that someone who lives locally may open a competing business, provided that he is only lowering the profit margin of the existing business and will not be putting the store owner out of business completely.

If one does not live in the same city, he is not allowed to compete at all with a local business even if it only lowers the profits and doesn't put them out of business.