

## Guidelines For Competitors

### HaRav Chaim Weg

**Question:** We know that it is permitted for a local resident to open a competing business, even if it will cause a loss in profits for an existing business, but forbidden to completely destroy the other person's business. However, most business owners would claim that causing them a loss in profits would be considered destroying their business. How does halacha define this distinction?

**Answer:** The Abir Yaakov discusses the halacha that states that one may not totally ruin an existing business. He gives an example of someone that opens a new business at the beginning of a one-way street, while the established business is at the end of the street. Anyone who walks on this street will encounter the new store first, making the existing store superfluous and unnecessary. This is his illustration of a case where an existing business will be completely destroyed by the opening of a competing store, which is forbidden by halacha – even for someone living in the same city.

A teshuva was sent to the Rema regarding the printing of the Rambam. The *Maharam Padwa* had exerted much time, money, research and effort to print a new edition of the Rambam's *Yad Hachazakah*. After his product hit the market, a competitor simply copied it and was selling it a fraction of the price. The Rema wrote that it would be forbidden to buy from this person, as he would take away all the sales from the *Maharam Padwa* and would be putting him out of business completely. That would be another example of completely destroying an existing business.

The Chasam Sofer adds that even if an existing business sells many products and the new competitor is only taking away all his sales in one area, it still is forbidden, even though the existing business will still be able to earn profits from his other items.

Rav Moshe Feinstein extends the prohibition to an instance where there is not enough business in one town to support two stores within the same industry. For example, if a small town has one existing sefarim store and someone wants to open a competing store, it would only be permitted if there is enough business in town to support two stores and give them both enough profits to remain sustainable.

If the competitors disagree whether there is enough business for them both, they should speak with a competent Dayan who can determine if the new store will be ruining the existing business or will only be taking away some of his profits.