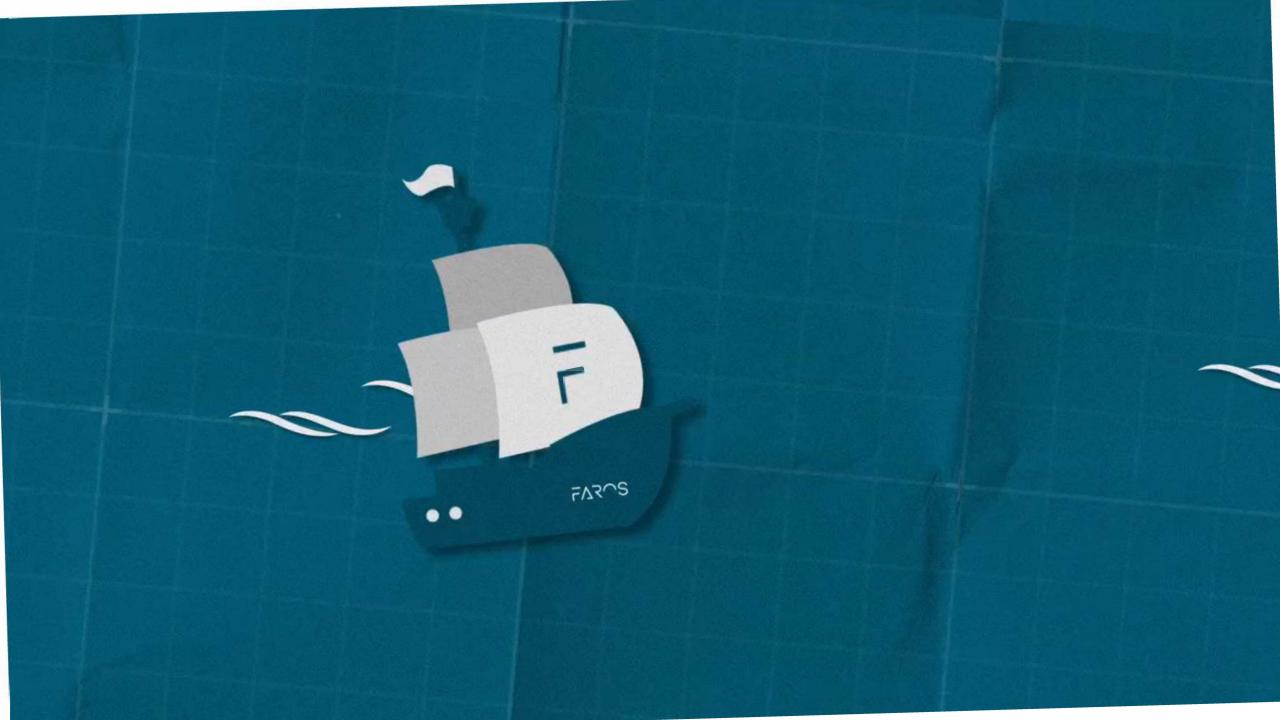
FAROS

Speed dating with Regulation 2022/720 ("VBER")

Frank Wijckmans





FINISH Art. 5 Art. 4 Art. 3 Art. 8 Art. 2 Art. 9



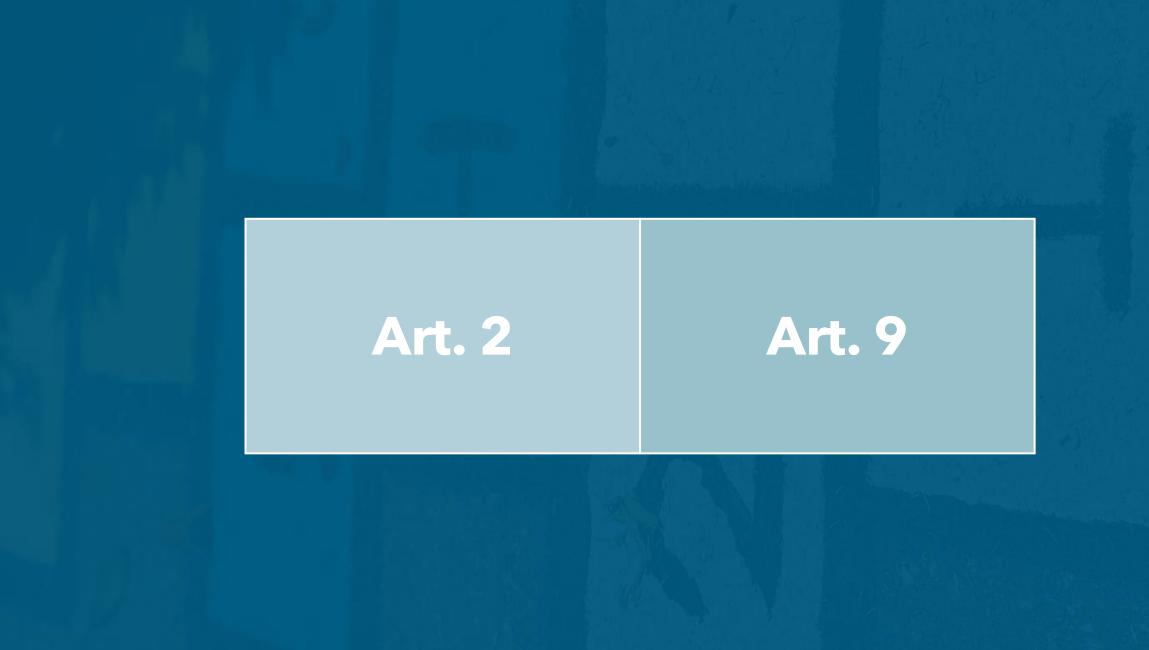
Article 1 - Definitions

Critical importance!

- Exclusive distribution Selective distribution
- Online intermediation services Active sales Passive sales Non-compete obligations...



FINISH Art. 5 Art. 4 Art. 3 Art. 8 Art. 2 Art. 9



Article 2(1) - All covered unless...

- VBER applies to any restriction of competition in vertical agreements unless:
 - Outside scope (Art. 2)
 - Market shares too high (Art. 3)
 - On hardcore list (Art. 4)
 - On list of excluded restrictions (Art. 5)



Article 2 - Limitations to VBER scope

- Association of retailers (Art. 2(2) and Art. 9)
- **IPR involved** (Art. 2(3))
- Other BER (Art. 2(7))
- = nothing new



Article 2 - Limitation to VBER scope

Dual distribution (art. 2(4))

- Extension of scope for products
- Status quo for services



Article 2 - Limitation to VBER scope

Dual distribution (art. 2(5))

- Information exchange covered if:
 - Directly related to implementation of vertical agreement; and
 - Necessary to improve production or distribution of goods

See: Vertical Guidelines (paras 99-100)



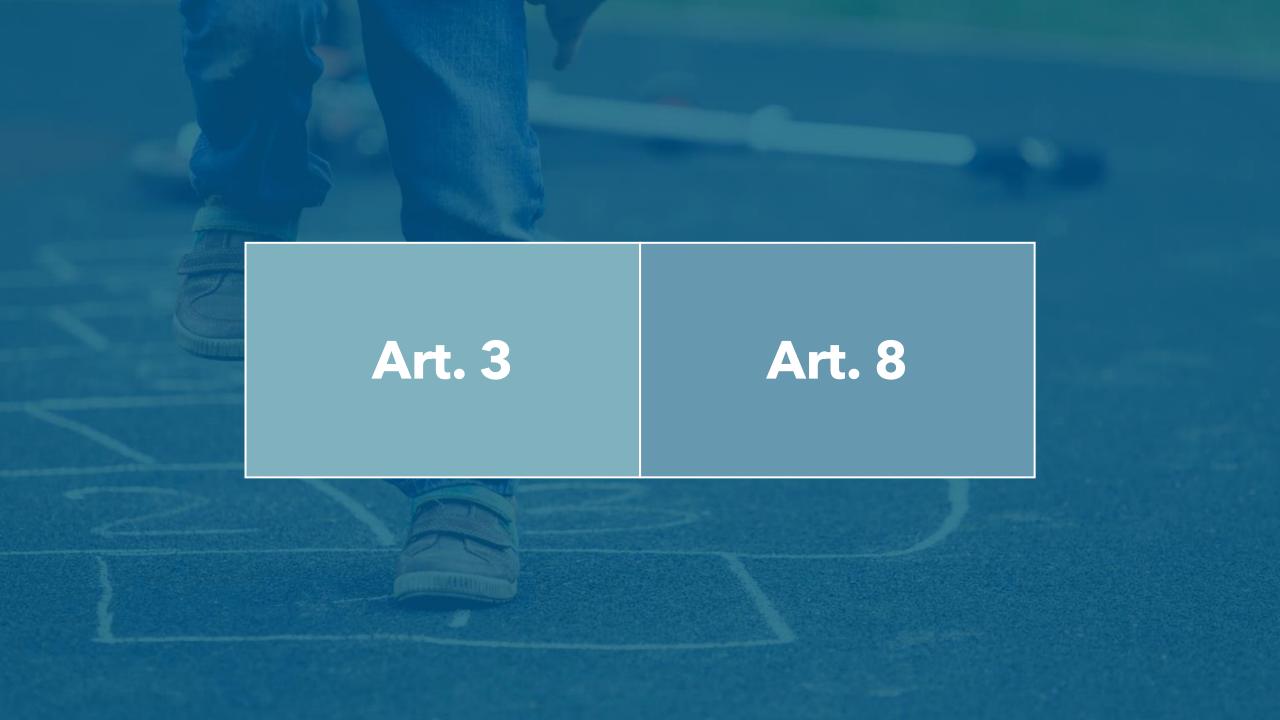
Article 2 - Limitation to VBER scope

Online intermediation services (art. 2(6))

- Situation: supplier of OIS distributes also products in competition with those for which it offers OIS
- Limitation:
 - OIS agreement not covered
 - Distribution agreement covered



FINISH Art. 5 Art. 4 Art. 3 Art. 8 Art. 2 Art. 9



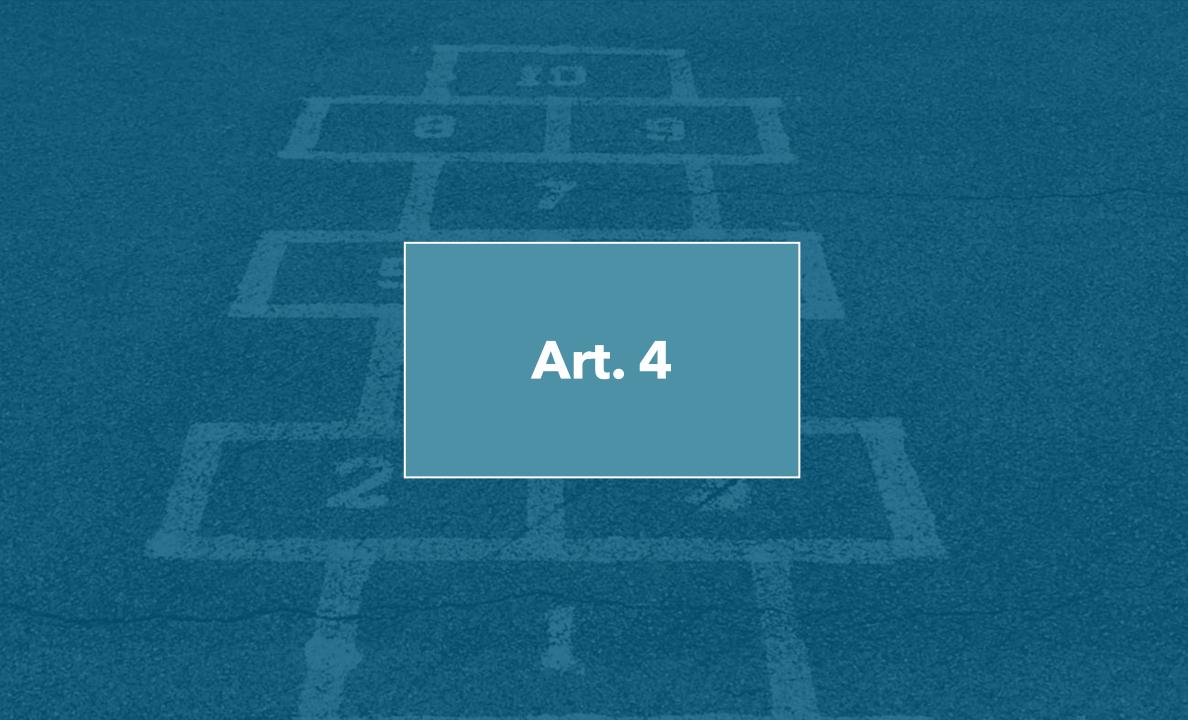
Article 3 and 8 - Market share limits

- Supplier = Max 30%
- Buyer = Max 30% → Watch out

→ More flexible temporary regime



FINISH Art. 5 Art. 4 Art. 3 Art. 8 Art. 2 Art. 9



General principles

- One mistake = out
- Hardcore = not necessarily art. 101(1) or by object
- Exhaustive list



Concept

- Resale price restrictions ("How much?")
- Territorial restrictions ("Where?")
- Customer restrictions ("To whom?")



Irrespective of distribution system

- RPM
 - No fixed or minimum resale price
 - OK for maximum or recommended resale price
- Restrictions imposed on supplier
 - One exception (art. 4(f))
- Location clauses
- Wholesaler-imposed limitations



Distribution system makes the difference, but...

- Not in vertical agreement in which imposed
- But target at which directed



Key distinction

- Selective distribution
- Non-selective distribution



Active sales restriction OK if:

- Imposed towards (shared 5!) exclusive territory or reserved territory
- Parallel imposition
- Max single tier roll-over



Active sales - Practical points

- Flexibility to scope territory
- Temporary non-compliance with parallel imposition requirement
- No need for parallel imposition in case of reserved territories



Active sales - Same regime for:

- Customer groups (1!)
- Combination of customer group with territory



 Prohibition of sales to unauthorised traders located in territory where selective distribution is applied

→ New! Complete protection



Quid exclusive purchasing?

- Non-selective = OK
- Selective \neq OK \rightarrow mandatory cross-supplies

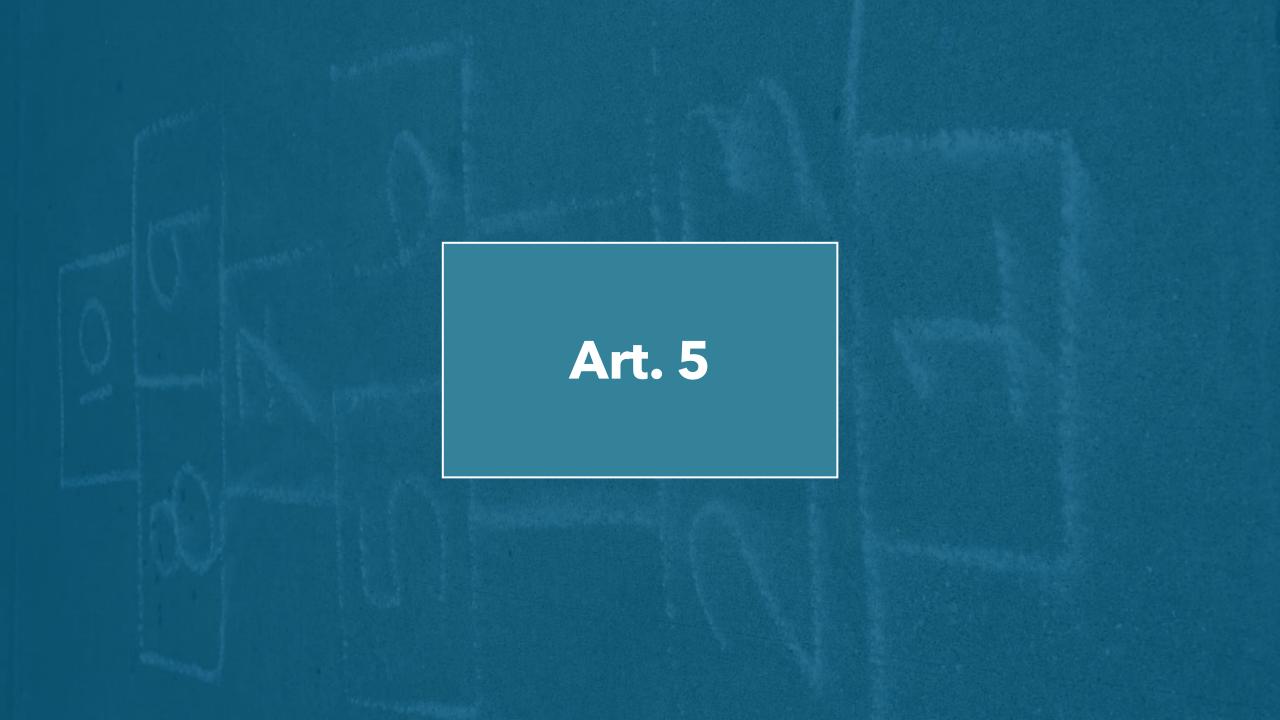


Online activities (Art. 4(e))

- Online sales
 - Own webshop (Pierre Fabre)
 - Third party platforms (Coty)
- Online advertising



FINISH Art. 5 Art. 4 Art. 3 Art. 8 Art. 2 Art. 9



General principles

- Only restriction affected
- Unless lack of severability



- Non-compete obligations
- Retail parity obligations



Non-compete obligations

- During term → tacit renewal (New!)
- Post term
- Selective distribution → boycott

Retail parity obligations

- Retail → B2C not B2B
- Parity → Not just price
- Narrow or wide?
- → Watch out: UK



FINISH Art. 5 Art. 4 Art. 3 Art. 8 Art. 2 Art. 9



Finish - Final observations

- VBER = helpful continuation of chosen approach
- Very technical
- Outside VBER = self-assessment



Vertical Block Exemption Regulation

Frank Wijckmans & Karolien Francken

TOOLBOOK FOR PRACTITIONERS



Buy our book 'Vertical Block Exemption Regulation'

Website LeA Publishers

FAR-





