European Commission - Press release





Antitrust: Commission opens investigation into licensing and distribution practices of fashion house Pierre Cardin and its licensee Ahlers

Brussels, 31 January 2022

The European Commission has launched a formal antitrust investigation to assess whether Pierre Cardin and its licensee the Ahlers Group may have breached EU competition rules by restricting cross-border and online sales of Pierre Cardin-licensed products, as well as sales of such products to specific customer groups.

Executive Vice-President Margrethe **Vestager**, in charge of competition policy, said: "One of the key benefits of the EU's single market is that consumers can shop around for a better deal. Barriers erected to prevent parallel imports lead to undue fragmentation of the single market. This is why we are going to investigate whether the licensing and distribution practices of Pierre Cardin and its largest licensee Ahlers may be restricting offline and online sales of consumer goods such as garments, shoes and accessories in the EU."

Fashion house **Pierre Cardin** licenses its trademark for the manufacture and distribution of Pierre Cardin products. German clothing manufacturer **Ahlers** is the largest licensee of Pierre Cardin products in the European Economic Area.

The Commission is concerned that Pierre Cardin and Ahlers may have breached EU competition rules by restricting the ability of Pierre Cardin's licensees to sell Pierre Cardin-licensed products cross-border, including offline and online, as well as to specific customer groups. More specifically, the Commission will investigate whether Pierre Cardin and Ahlers have developed a strategy against parallel imports and sales to specific customer groups of Pierre Cardin-branded products by enforcing certain restrictions in the licensing agreements.

If proven, the companies' behaviour may breach EU competition rules that prohibit anti-competitive agreements between companies (<u>Article 101 of the Treaty on the Functioning of the European Union</u>).

The Commission will now carry out its in-depth investigation as a matter of priority. An opening of a formal investigation does not prejudge its outcome.

Background

As part of its own-initiative investigation of suspected anti-competitive practices covering the EU, the Commission carried out unannounced inspections in the manufacturing and distribution of garments sector on 22 June 2021.

Procedural background

Article 101 of the Treaty on the Functioning of the European Union prohibits agreements between undertakings and decisions of associations of undertakings that prevent, restrict or distort competition within the EU's Single Market. The implementation of this provision is defined in the Antitrust Regulation (Council Regulation No 1/2003), which can also be applied by national competition authorities.

Article 11(6) of the Antitrust Regulation provides that the opening of proceedings by the Commission relieves the competition authorities of the Member States of their competence to also apply EU competition rules to the practices concerned. Article 16(1) further provides that national courts must avoid adopting decisions which would conflict with a decision that would conflict with a decision contemplated by the Commission in proceedings it has initiated.

The Commission has informed the companies and the competition authorities of the Member States that it has opened proceedings in this case.

There is no legal deadline for bringing an antitrust investigation to an end. The duration of an investigation depends on a number of factors, including the complexity of the case, the cooperation of the companies with the Commission and the exercise of the rights of defence.

The opening of formal proceedings does not prejudge the outcome of the investigation. It relieves the competition authorities of EU Member States of their competence to apply EU competition rules to the practices concerned.

More information on the investigations will be available on the Commission's <u>competition website</u>, in the public <u>case register</u> under the case number 40642.

IP/22/682

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