Brand competition and parallel trade in a post-Brexit world

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E-commerce in Europe

B2C E-Commerce Sales in Europe (€ billion)

- 2011
- 2012
- 2013
- 2014
- 2015
- 2016
- 2017
- 2018

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Selective Distribution Systems – a reminder:

• A distribution system that restricts the number of resellers by reference to certain criteria, such as quality, total number or location

• Approved resellers can only resell to other approved resellers or to end-users

• Traditionally used for complex or branded (luxury) products

• Distinction between quantitative and qualitative selective distribution
Selective Distribution Systems – online sales:

- You cannot prohibit online sales (passive sales, object restriction, Pierre Fabre)
- You may be able to prohibit online sales via an online marketplace (Final Report, Coty)
- You can require a reseller to have one or more brick and mortar stores
- You can require a reseller’s website to meet certain quality standards
- You can require a reseller to sell a certain amount (in value or volume) offline: this doesn’t have to be identical for all resellers, but must have an objective basis
- You can offer retailers a fixed fee to encourage in-store sales
- You cannot impose criteria for online sales which are not an overall equivalent to criteria for brick and mortar sales
How will Brexit change this?
1. Block parallel imports into the UK?
2. Resale price maintenance in the UK?
Prospects?
Thank you

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