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[redacted]

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Fine to Danish manufacturer of children's products for RPM

The Danish manufacturer of children's clothes and furniture, Konges Sloejd ApS, has accepted a fine notice of DKK 1.8 million for having unlawfully asked a reseller to stick to the recommended retail price without giving any discounts. In addition, a managing employee has accepted a personal fine notice of DKK 100,000.

In 2020, the Danish Competition and Consumer Authority received an inquiry indicating that Konges Sloejd had violated the Danish Competition Act. The Competition Council reported the matter to the Public Prosecutor for Serious Economic and International Crime, which has investigated the matter.

The violation

The case documents show that Konges Sloejd has attempted to make a reseller stick to the recommended retail prices without giving any discounts. The company has thus violated the prohibition of the Competition Act against binding resale prices, according to which resellers must be free to set their sale prices. The violation took place from the end of 2018 to the beginning of 2020.

Size of the fine

Resale price maintenance is a serious infringement of the Danish Competition Act. In general, it will result in a basic fine of DKK 4 million for companies and DKK 100,000 as personal fines. Therefore, the fine of DKK 1.8 million to the company is low whereas the personal fine to a managing employee is equivalent to the basic amount. When setting the fine, regard is had to the gravity and duration of the violation as well as the company's turnover, which may have influence on the size of the fine. However, this does not appear from the case.