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NEWS | 28 March 2022

RPM fine to manufacturer of babies' and children's products

HTS Besafe, a Danish branch of the Norwegian HTS Besafe AS, has accepted a fine notice of 8 million DKK for having unlawfully entered into resale price maintenance ('RPM') agreements with a number of resellers. The resellers were to stick to the recommended resale prices for some products. Further, HTS Besafe limited the resellers' online promotions on certain products.

The violation

The case documents show that HTS Besafe and a number of independent resellers have agreed to use the recommended resale prices on certain products. The resellers were prevented from selling car seats and sleeping bags for babies and children with discounts.

HTS Besafe also limited online promotions for certain products on the resellers' web shops.

The agreements regarding fixed resale prices and the limitation of online promotions were considered as violations of the Danish Competition Act, as independent resellers must be free to set their own selling prices. The violation took place from the beginning of 2015 to the end of 2020.

Size of the fine

Violations of the Danish Competition Act are considered a serious infringement. Such violations generally result in fines with a minimum of 4 million DKK for companies and 100,000 DKK in personal fines. The gravity and duration of the violation as well as the company's turnover is taken into account when setting the fine, which in this case may have influenced the size of HTS Besafe’s fine.

In setting the fine, the Danish Competition Authority took into account as a mitigating circumstance that HTS Besafe had actively made an effort to ensure that the employees in the future are compliant with the competition rules.