Distribution Law Center
DRIVEN BY CONTRAST

Modzelewska & Paśnik
COMPETITION REGULATION LITIGATION

NEWS | 16 January 2023

Polish Competition Authority fines Karcher for a long-standing price fixing agreement

Decision

On 11 January 2023, the Polish Office of Competition and Consumer Protection ('UOKiK', the Polish Competition Authority) announced that it imposed a fine amounting to 26 million PLN (ca. 5.5 million EUR) on Karcher sp. z o.o., an undertaking operating in Poland and member of a capital group manufacturing cleaning equipment. UOKiK found that Karcher set minimum and fixed resale prices of its products with its distributors.

Prohibited practice

The infringement started as early as at the end of the 1990s. Karcher's contracts with distributors included provisions according to which distributors had the right to set resale prices only on terms determined by Karcher. Distributors selling products at lower prices were sanctioned – Karcher revoked rebates, deprived distributors of marketing support, and in extreme cases, terminated distribution agreements.

Leniency programme

The fine imposed on Karcher would have been significantly higher, had the company not benefited from the leniency programme. Karcher filed a leniency application and cooperated with UOKiK during the investigation, providing additional information and evidence. Karcher was not granted full immunity, as it had encouraged other undertakings to participate in the agreement, and the evidence in UOKiK's possession would have allowed UOKiK to launch antitrust proceedings even in the absence of the leniency application.

Possible next steps

Karcher may now challenge UOKiK's decision before the Court of Competition and Consumer Protection in Warsaw.