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French Competition Authority fines champagne maker and two wholesalers for import restrictions

On 8 March 2023, the French Competition Authority fined several Arvitis Group companies and two wholesale importers for violating the Lurel Act by maintaining exclusive import rights in French Guyana and Guadeloupe. The companies continued their exclusivity practices for several years after the Act was implemented, despite the prohibition of unjustified exclusive import agreements in overseas territories. The French Authority imposed fines totalling EUR 283,000 on the companies involved.

Prohibition on all exclusive import agreements since March 2013

Since 22 March 2013, the French Lurel Act prohibits agreements or concerted practices having as objective or effect to grant exclusive import rights in overseas territories. This prohibition, provided for in Article L.420-2-1 of the French Commercial Code, is intended to regulate overseas territories' markets and preserve the purchasing power of overseas consumers, which is lower than in mainland France. As a result, it has given rise to various cases from the French Competition Authority.

Infringement

In its decision n°23-D-02, the French Competition Authority found that the companies involved violated the Lurel Act by stipulating exclusive import rights in their distribution contracts until 31 December 2013. Furthermore, the companies maintained exclusive import practices until the end of December 2016, even though they were not contractually bound to do so. According to the French Competition Authority, the Arvitis Group refused to sell its 'Canard-Duchene' products directly to potential buyers in French Guyana and Guadeloupe, instead redirecting them to its exclusive local importer.

The French Competition Authority considered these practices to be serious, as they continued for more than three years after the Lurel Act was implemented and forced retailers to buy from two wholesalers appointed by the Arvitis Group to the detriment of potential competing wholesale importers.