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Lithuanian Competition Council imposed fines on skin care manufacturer and its distributors for resale price maintenance

Lithuanian Competition Council (LCC) found that the company 'Oda LT' and six companies distributing skin care products produced by it agreed not to sell 'Oda LT' products to consumers at prices lower than those specified by the manufacturer.

The companies 'Oda LT', 'Garban?', 'GSS Baltic', 'Permanent Makeup of Baltics' and the small associations 'Efektas' and 'Elektronin? shop' were fined a total of EUR 217,280.

One company 'Korola' which reported the infringement, was exempted from the fine. Such possibility is established under Lithuanian competition law.

The infringement was established based on the following activities of the manufacturer and its distributors:

- Agreements included the distributors' obligation not to sell at lower prices than specified.
- Agreements included the distributors' obligation not to apply discounts.
- The manufacturer submitted to the distributors price lists and carried out the monitoring of distributors' compliance with such price lists (evidence was gathered from e-mail correspondence).
- The distributors themselves warned the manufacturer about the prices applied by other competitors, they stated that skin care specialists selling the products shall not sell it with lower prices that other distributors because it is a "common strategy".
- The manufacturer applied less favourable conditions in the distribution agreements with distributors who applied discounts.