

**SUPPLIER**

Hi DLC, I have a couple of questions on what I am allowed to do in respect of sales of my distributors via online marketplaces.

Sure! How can I help?

**DLC****SUPPLIER**

Well, my distributors are often contacted by online marketplaces, which show great interest in selling my products.

... and I remember from our earlier conversations that you do not like your distributors selling your products via such online marketplaces. Am I right?

**DLC****SUPPLIER**

Indeed. I would prefer that they sell my products only in their own shops and online store. That way, I can better check the look and feel of their stores, both offline and online.

That is fine. As a rule, you can prohibit your distributors from selling your products via online marketplaces. The new EU distribution regime is clear on that.

**DLC****SUPPLIER**

Good to hear that!



But do remember that your distributors must remain free to operate their own online store and to advertise online.



DLC

That is fine. I will let you check the quality standards that I intend to impose on my distributors, just to be sure.



SUPPLIER

My second question is whether I can also prohibit my distributors to sell my products to online marketplaces?

I see. Online marketplaces are interested in distributing your products themselves? So, they would be customers of your distributors.



DLC



SUPPLIER

That is correct. But again, I would prefer that my products are not sold via online marketplaces.

I understand, but this is a different matter.



DLC



SUPPLIER

How so?



Here it is no longer a matter of *how* your distributors sell their products, but *to whom*. And you know that the law is strict when it comes to customer restrictions.



DLC



SUPPLIER

I know, but is there really no way? I mean, my products are widely available offline and online...

There is a way, and that is to operate a selective distribution system. In that case, you can keep online marketplaces outside the network and you are allowed to prohibit sales to online marketplaces.



DLC



SUPPLIER

I see.

In all other circumstances, you would be imposing an illegal customer restriction.

I understand that you would prefer not to see your products on these marketplaces, but outside selective distribution, I strongly advise you not to prohibit your distributors from selling to online marketplaces when they approach your distributors to buy your products.



DLC



# Distribution Talks



last seen today at 09:03



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Understood. Maybe we should consider implementing a selective distribution network...

We certainly can. Let's talk about that another time.



DLC

Our Distribution Talks are fictional conversations and not legal advice. If you have questions, please contact the Distribution Law Center. Our national contributors are happy to help you further.

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