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Polish competition authority waive the imposition of a penalty after Trek amended its distribution policies

Investigation

In June 2019 the Poland's Office of Competition and Consumer Protection (UOKIK) has initiated a proceeding regarding Trek Bicycle Corporation suspecting that it may have restricted the possibility of online sale.

The prohibited practice

The authority found that Trek's distributors were only permitted to deliver bicycles and accessories to customers within traditional stores even if purchased online. Additionally, distributors could only sell bicycles solely in Poland and could not sell goods through third party online platforms. The company's policies resulted in dividing the market between distributors by limiting the dealer's sale territory.

UOKIK have decided to close the case without penalty

In response to the agency's concerns, the company amended its contracts with distributors so that they will not be limited either in their territory nor in their sales channels. The authority considered that this is an exceptional case in which it decided to refrain from punishment due to the constructive attitude of the company, which allowed for the rapid restoration of competition. In effect, the investigation was closed before even formally opening the antitrust proceedings.

Commentary

Although, passive territorial sales restrictions as well as restriction on online sales are commonly regarded as hardcore ones and normally would be enforced with full-fledged policy instruments (such as heavy fines), Polish authority decided to instigate "soft measures" against Trek. This is not the first time such measure is taken vis-à-vis online sales restrictions. In 2015 the Polish NCA adopted the decision against the baby strollers' producer Emmaljunga where it imposed commitments in a form of contractual obligation to abandon the restriction at stake in its distribution agreements ([here](#) in Polish only).