

Brussels, 17 May 2001

Commission approves selective distribution system for Yves Saint Laurent perfume

The Competition Directorate-General of the European Commission has decided not to raise any objections to the selective distribution system of Yves Saint Laurent Parfums (YSLP). The distribution system, which authorises approved retailers to sell via the Internet as well, is compatible with Community competition rules.

Yves Saint Laurent Parfums submitted its distribution system for Commission approval in 1997 when an earlier exemption expired. As is commonly the case for perfume and many other luxury items, the system authorises YSLP to sell its products via a network of selected sales points where customers can receive advice and personal attention.

Since 1 June 2000, a new general legal framework has existed for distribution agreements in Regulation 2790/99 and the guidelines on "vertical restraints". This regulation covers, for the first time, selective distribution.

In these guidelines the Commission stressed the importance of the Internet for the competitiveness of the European economy and encouraged widespread use of this modern means of communication and marketing. In particular it believes that a ban on Internet sales, even in a selective distribution system, is a restraint on sales to consumers which could not be covered by the 1999 regulation.

The YSLP system satisfies the exemption conditions set by this regulation. YSLP has applied selection criteria authorising approved retailers already operating a physical sales point to sell via the Internet as well.

Background

In 1991 the Commission granted the YSLP distribution system individual exemption from the competition rules for the period from 1 June 1991 to 31 May 1997. In a judgment dated 12 December 1996, the Court of First Instance of the European Communities largely confirmed this exemption decision in a case brought by the Leclerc supermarket chain.

The Court did annul part of the decision which raised indirect obstacles to sales in supermarkets. The Yves Saint Laurent system, like those of its competitors, was altered to allow the sale of perfume in multi-product sales points.

In the light of the Commission's practice in its decisions and of judgments by the Court of First Instance on such decisions, the Commission's authorisation also covers the period between 1997, when the exemption expired, and the entry into force of the new Regulation 2790/99.