

Decision no: 38/2014

File no: 11.17.013.14

**THE PROTECTION OF COMPETITION LAW 2008
(Law no. 13(I)/2008)**

**Complaint filed by Great Minds Marketing & Public Relations Co. Ltd against
Crabtree & Evelyn (Overseas) Ltd**

Commission for the Protection of Competition:

Mrs. Loukia Christodoulou	Chairperson
Mrs. Eleni Karaoli	Member
Mr. Andreas Karides	Member
Mr. Charis Pastellis	Member
Mr. Christos Tsingis	Member

Date of decision: 4 September 2014

SUMMARY DECISION

The case concerned the complaint filed to the Commission for the Protection of Competition ("Commission") by Great Minds Marketing & Public Relations Co. Ltd ("Great Minds") against Crabtree & Evelyn (Overseas) Ltd ("Crabtree & Evelyn"), for an alleged infringement of the Protection of Competition Law 13(I)/2008 as amended by Law 41(I)/2014 ("Law"). In particular, the complaint referred to the allegations of unfair termination of the cooperation between Great Minds and Crabtree & Evelyn and the imposition of unfair terms included in the contract that was submitted for the continuance of the two party's corporation, in violation of section 6(2) of the Law.

Great Minds is a limited liability company incorporated on 10/10/2003 and has been the distributor of Crabtree & Evelyn products in Cyprus since 2003. The company

operates in both the retail and wholesale sale of Crabtree & Evelyn products and owns a shop in Limassol.

Crabtree & Evelyn was founded in 1979 and is a member of a group of companies operating worldwide with the brand name CRABTREE & EVELYN. This company is mainly engaged in the sales of homonymous products, mainly, toiletries, body products, fragrances, edibles, food and other related products. In the United Kingdom, Crabtree & Evelyn sells products to consumers through its own specialized retail stores (including online stores) and to retailers for resale to consumers. Outside the United Kingdom, Crabtree & Evelyn grants licenses to third parties for the operation of specialized retail stores under the brand CRABTREE & EVELYN and / or for distribution of CRABTREE & EVELYN products to retailers for resale to consumers.

In its decision, the Commission having taken into account all the evidence before it defined the relevant product market as the market of branded cosmetics and related products. Regarding the relevant geographic market, the Commission decided that this extends throughout the territory of the Republic of Cyprus.

The Commission, also, determined that for the provision of Section 6 (2) of the Law the following three parameters must concur, cumulatively:

- (a) the existence of a relation of economic dependence of a company by another company from which it obtains a certain type of product or service,
- (b) the absence of equivalent alternative, and
- (c) the existence of abuse of this dependence.

In its decision, the Commission concluded that Great Minds was economically depended on Crabtree & Evelyn, since the two parties had a long cooperation for ten consecutive years, and also the percentage of income of the retail sales of Crabtree & Evelyn products in relation to the total income of Great Minds, showed a relationship of economic dependence between Great Minds and Crabtree & Evelyn.

The Commission having examined whether there was an absence of equivalent alternative for Great Minds, concluded that there were a lot of alternative products in the market that Great Minds could have accessed to in order to continue its commercial activities.

The Commission also noted that no conditions requested by Crabtree & Evelyn, were unfair and also that reasonable time was given before the termination of the cooperation. Lastly, the Commission noted that Crabtree & Evelyn did not impose discriminatory terms to Great Minds.

The Commission, after having assessed all the evidence of the administrative file, unanimously concluded that the acts and / or omissions of Crabtree & Evelyn did not constitute an abuse of economic dependence, in violation of Section 6 (2) of the Law and rejected Great Minds complaint.

Loukia Christodoulou

Chairperson

Commission for the Protection of Competition