



Decision CPC: 33/2022

Case Number: 08.05.001.022.022

**THE CONTROL OF CONCENTRATIONS BETWEEN ENTERPRISES LAW
No. 83(I)/2014**

**Notification of concentration regarding the acquisition of the share capital of
Maui Jim Inc. by Kering Eyewear S.p.A., via Huipu Corp.**

Commission for the Protection of Competition:

Mrs. Loukia Christodoulou	Chairperson
Mr. Andreas Karydis	Member
Mr. Panayiotis Ousta	Member
Mr. Aristos Aristeidou Palouzas	Member
Mr. Polynikis-Panagiotis Charalambides	Member

Date of Decision: 31st of May 2022

SUMMARY OF THE DECISION

On 06/05/2022, the Commission for the Protection of Competition (hereinafter the “Commission”) received on behalf of Kering S.A, a notification of a proposed concentration. The notification was filed according to Section 10 of the Control of Concentrations between Enterprises Law 83(I)/14 (hereinafter the “Law”).

The notification concerns a concentration, according to which Kering Eyewear S.p.A. (hereinafter the “Kering Eyewear”) intend to acquire all the Common Shares of Maui Jim Inc. (hereinafter the “Maui Jim” or the “Target”), via Huipu Corp.

The parties involved in the transaction are the following:

- Kering Eyewear S.p.A. is a company duly registered under the laws of Italy. Its business activities include the wholesale of sunglasses, prescription frames and general products and materials in the field of glasses and optical accessories. In particular, products are developed, distributed, promoted and sold by Kering Eyewear under the company's portfolio brands such as Gucci, Cartier, Saint Laurent, Bottega Veneta, Balenciaga, Chloé, Alexander McQueen, Montblanc, Brioni, Dunhill, Boucheron, Pomellato, Alaïa, McQ, Puma and Lindberg. Kering Eyewear is part of the global Kering Group, led by Kering S.A.. Kering S.A. is a multinational company based in France that specializes in luxury goods and in particular owns a number of luxury brands in the field of fashion, leather goods, jewelry and watches Gucci, Saint Laurent, Bottega Veneta, Balenciaga, Alexander McQueen, Brioni, Boucheron, Pomellato, Dodo, Qeelin, Ulysse Nardin, Girard-Perregaux and Kering Eyewear.
- Huipu Corp. is a special purpose company, duly registered under the laws of Delaware, USA. It is directly an exclusive subsidiary of Kering Eyewear S.p.A. and was formed for the sole purpose of acquiring Maui Jim Inc. by Kering Eyewear S.p.A..
- Maui Jim Inc. is a corporation duly registered under the laws of Illinois, USA. It is a private eyewear manufacturer focused on the American premium eyewear market. In particular, it is mainly engaged in the design and distribution of sunglasses while at the same time designing and selling underwater glasses, optical lenses and frames.

This concentration is based on an Agreement and Plan of Merger dated 13/03/2022, (hereinafter the "Agreement"). Pursuant to the Agreement, the acquisition of Maui Jim by Kering Eyewear will take place in two stages:

- Huipu Corp. will initially acquire all Common Shares held by Maui Jim shareholders.
- Welina Inc. will be a subsidiary of Huipu Corp.. It will merge with Maui Jim to create a single company, the "Surviving Company". The directors of Welina will become directors of the Surviving Company. Therefore, Maui Jim will not exercise any control over the Surviving Company.

The Commission, taking into account the facts of the concentration, has concluded that upon completion of this merger, Kering Eyewear will acquire the sole control

over the Target, via Huipu Corp, in accordance with the provisions of section 6 (1)(a)(ii) of the Law.

Furthermore, based on the information contained in the notification, the Commission found that the criteria set by section 3 (2) (a) of the Law were satisfied and therefore the notified concentration was of major importance falling within the scope of the Law.

The relevant product/services market in this case were defined as (1) the trading market of (a) optical frames and (b) sunglasses. In addition, the Commission concluded that the geographical market is defined, for the relevant markets under reference, as that of the territory of the Republic of Cyprus.

Horizontal Relationship

The Purchaser and the Target are both active in the wholesale market of sunglasses and optical frames in the Republic of Cyprus. Therefore, there is a horizontal relationship between them.

According to the participants and the information from the Statistical Service regarding optical frames, the Purchaser has a market share [5-10%] in the Republic of Cyprus and the Target has a market share [0-5%] in the Republic of Cyprus. Consequently, there does not appear to be an affected market based on the definition in Annex I of the Law, since the combined shares of the parties do not exceed 15% in the optical frames market.

With regard to sunglasses, the Purchaser according to the data of the notification has a market share [5-10%] in the Republic of Cyprus and the Target has a market share [0-5%] in the Republic of Cyprus. Therefore, no affected market exists based on the definition in Annex I of the Law, since the combined shares of the parties do not exceed 15% in the sunglasses market.

Vertical relationship and/or neighbor relationship

With respect to any vertical relationship, based on the details of the notification, there are no current vertical relationships between the companies involved.

According to the provisions of the Law, specifically articles 20 and 21, the criterion on the basis of which a concentration is declared compatible or incompatible with the requirements of the competitive market concerns the significant hindrance of effective competition in the Republic or in a significant part of it, in particular as a result of creating or strengthening a dominant position in the affected markets.

The relevant market shares of the participating companies do not exceed the limit set by the Law for the existence of an affected market at a horizontal level. Nor do any vertical relationships arise between the participating companies.

Based on the above and all the elements of the administrative file, the Commission concludes that there are no other markets in which the notified concentration may have significant effects, based on the provisions of the Law.

The Commission, on the basis of the factual and legal circumstances, unanimously decided that this concentration does not create or strengthen a dominant position as there is no affected market and therefore the concentration does not raise serious doubts as to its compatibility with the operation of the competition in the market.

Therefore, the Commission, acting in accordance with section 22 of the Law, unanimously decided not to oppose the notified concentration and declare it as being compatible with the operation of the competition in the market.

Mrs. Loukia Christodoulou,
Chairperson of the Commission for the Protection of Competition