Nicolas Feuillatte champagne and two importer-distributors fined for having maintained exclusive import agreements in the French Antilles

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Background

Following a report sent by the French Directorate General for Competition Policy, Consumer Affairs and Fraud Control (DGCCRF), the Autorité handed out fines totalling €642,800 firstly to the Centre Vinicole Champagne Nicolas Feuillatte, and then to importers Financière Martin and Distillerie Dillon for having respectively granted and benefited from exclusive import rights for Nicolas Feuillatte and Palmes d'Or champagne on the islands of Saint-Martin, Saint-Barthélémy and in Martinique, after 22 March 2013, end date of the period granted to companies to comply with the provisions of the Lurel law.

The Lurel Law has prohibited exclusive import agreements since March 2013

The Law of 20 November 2012 on Economic Regulation in French overseas territories, known as the Lurel Law, has prohibited agreements or concerted practices having as their objective or effect to grant exclusive import rights that are not justified in overseas territories since 22 March 2013.

The companies contractually or de facto maintained exclusive import practices after March 2013

In this case, the Centre Vinicole Champagne Nicolas Feuillatte and the company Financière Martin continued to stipulate exclusive import rights in their distribution agreement for the islands of Saint-Martin and Saint-Barthélémy until 1 January 2015.

The exclusive distribution contract for Martinique between the Centre Vinicole Champagne Nicolas Feuillatte and Distillerie Dillon, lasted until 2015. The exclusive import practices nevertheless were extended until the end of June 2016, with the concerned companies agreeing to uphold them in practice. Nicolas Feuillatte, in agreement with Distillerie Dillon, has refused to sell to distributors in Martinique that did not work with the company Distillerie Dillon and has set up a system allowing to identify and thereby to limit imports of Nicolas Feuillatte champagne from competing wholesale-importers.

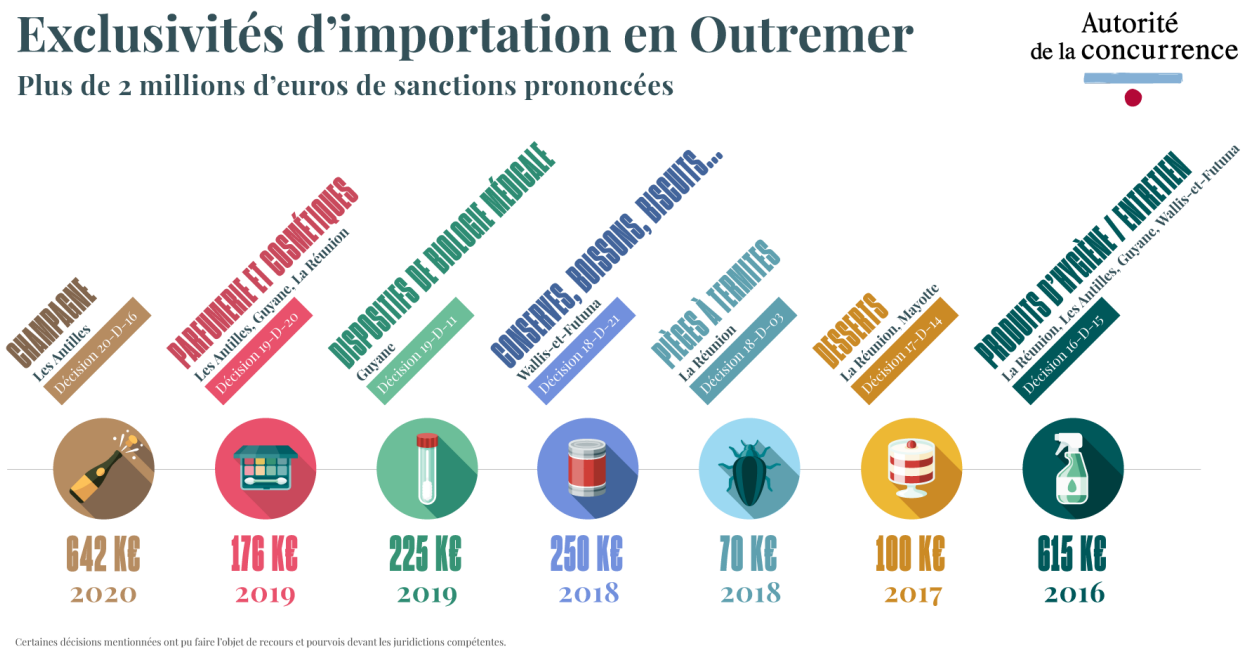
Penalties issued

These practices, which continued for several months, even years, after 22 March 2013, hindered the development of competing wholesale-importers and prevented retailers from benefiting from competition between wholesalers for their supplies of *Nicolas Feuillatte* and *Palmes d'Or* champagne. Despite the fact that the counter-bargaining power of mass-market retailers is significant, that there are many competing brands and frequent special offers, overseas consumers, whose purchasing power is lower than those in mainland France, have still suffered the consequences of these sanctioned behaviours.

In light of these details, the Autorité handed out the following fines:

Companies	Penalties in euros

Centre Vinicole Champagne Nicolas Feuillatte	216 600
Financière Martin	5 200
Distillerie Dillon jointly and severally with its parent companies Bardinet and Cofepp	421 000
Total	642 800



Exclusive imports: previous decisions

This is the 7th decision issued by the *Autorité de la concurrence* concerning exclusive import practices in French overseas territories:

19-D-20 (perfumes and cosmetics)/ press release of 8 October 2019
19-D-11 (chemical pathology) / press release of 29 May 2019
18-D-21 (consumer products) / press release of 8 October 2018
18-D-03 (termite traps) / press release of 20 February 2018
17-D-14 (desserts) / press release of 27 July 2017
16-D-15 (consumer products) / press release of 6 July 2016

DECISION 20-D-16 OF 29 OCTOBER 2020

regarding practices implemented in the sector for the sale of champagne in the French Antilles and Guiana.

See full text

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