



Review of the Vertical Restraints Regime: Online Distribution

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Key Questions to Answer



1. Why is eBay part of this discussion?
2. Why is e-commerce such a big part of this review?
3. Do the Commission's drafts support e-commerce?
4. If eBay could change two things...?

Q1: Why is eBay part of this discussion?



UK Seller Survey from eBay's Summer 2009 Online Business Index

eBay's Petition "Demand an End to Unfair Trade Practices"

www.consumerchoice.eu



Q2: Why is e-commerce such a big part of this review?

1. Opportunities for business, especially SMEs
2. The empowered user – expects choice, value and high-quality service



eBay creates a transparent market place - encourages fierce competition between sellers

- allows consumers to exercise real choice

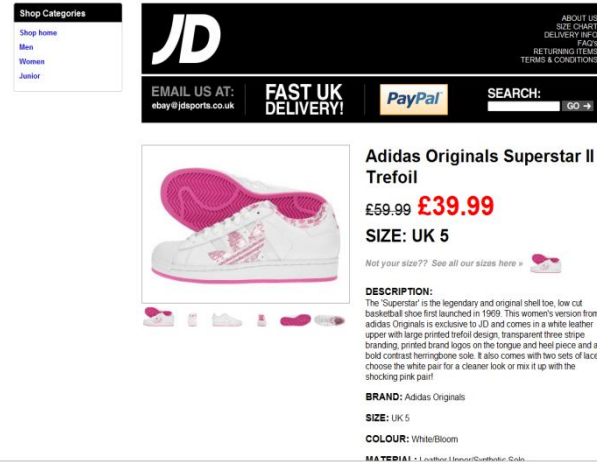
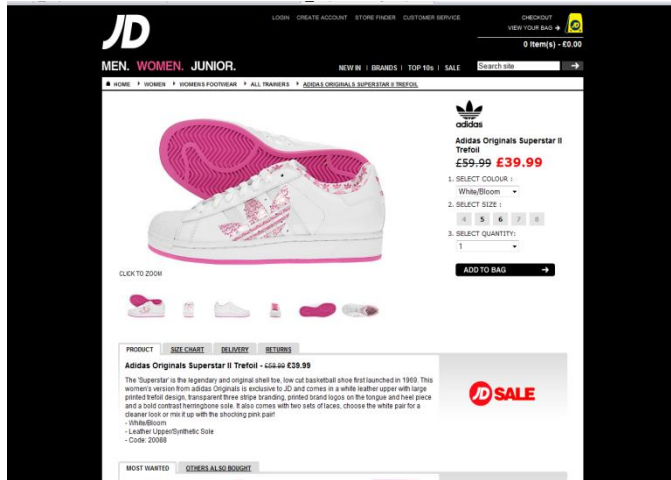
Q3: Do the Commission's drafts support e-commerce?



Many positive clarifications, for example:

- (i) Clarification of the general rule that Internet bans are hardcore restrictions, with clear examples (para 52 G/lines)
- (ii) Non-discrimination between offline and online channels (para 57 G/lines)
- (iii) Clarification of the objective justification term (para 50 G/lines)
- (iv) Clarifications to the burden of proof (para 47 G/lines)
- (v) Clarifications that prevent “eBay bans”

eBay bans are not “qualitative criteria”



Q4: If eBay could change two things...?

1. The possibility for suppliers to require distributors have a brick-and-mortar store before they sell online (para 54 G/lines)
2. Clarity on the “new brands” exemption (para 56 G/lines)
 - *provisions to guard against a “risk of free-riding”*
 - Do online retailers really “free-ride” on offline retailers?
 - Recent surveys find that consumers research product and pricing information online and then purchase offline (and spend more).
 - Free-riding or consumer choice?
 - Online retailers have significant costs and compete on service.



Thank you

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