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COMMISSION DECIDES HUMMEL-ISBECQUE EXCLUSIVE DEALING AGREEMENT

EXEMPT FROM ROME TREATY BAN ON CARTELS

THE COMMISSION OF THE EUROPEAN ECONOMIC COMMUNITY HAS ADOPTED
A FURTHER DECISION DECLARING THE TREATY'S BAN ON CARTELS (ARTICLE
85 (1) INAPPLICABLE (ARTICLE 85(3)).

THE DECISION CONCERNS AN AGREEMENT UNDER WHICH THE GERMAN FIRM
OF LUDWIG HUMMEL OF HEITERSHEIM (BADEN), WHICH PRODUCES TRACTORS
AND OTHER FARM EQUIPMENT, HAS GRANTED THE BELGIAN FIRM OF EDMOND
ISBECQUE OF BRUSSELS SOLE SELLING RIGHTS FOR THESE PRODUCTS. HUMMEL
HAS UNDERTAKEN NOT TO SELL TO OTHER PERSONS OR FIRMS IN BELGIUM,
BUT HAS GIVEN NO UNDERTAKING TO PREVENT INDIRECT DELIVERIES (RIVAL
IMPORTS) INTO THE AREA COVERED BY THE CONTRACT. ISBECQUE, ON THE
OTHER HAND, IS NOT FORBIDDEN TO RE-EXPORT THE GOODS TO COUNTRIES
OUTSIDE BELGIUM .

ISBECQUE, WHICH BUYS AND SELLS ON ITS OWN ACCOUNT, FIXES ITS
SELLING PRICES ITSELF. ISBECQUE ARRANGES TO DEMONSTRATE AND
SERVICE THE TECHNICALLY COMPLEX AND RELATIVELY EXPENSIVE PRODUCTS W
WHICH IT IMPORTS FROM HUMMEL, AND KEEPS A STOCK OF SPARE PARTS.
AS THE ACCESSORIES MANUFACTURED BY HUMMEL ARE NOT ALL SUITABLE FOR
SOIL AND WORKING CONDITIONS IN BELGIUM, ISBECQUE HAS SUITABLE
ACCESSORIES MADE, IN PARTICULAR PLOUGHS, CULTIVATORS AND HARROWS.

IN ITS DECISION THE COMMISSION HAS AGAIN STATED THAT IN ITS OPINION SUCH EXCLUSIVE DEALING CONTRACTS, ALTHOUGH FALLING WITHIN THE SCOPE OF THE BAN ON CARTELS, CAN NEVERTHELESS BE APPROVED. IN CONTRAST TO THE GRUNDI-CONSTEN CASE (SEE PRESS RELEASE IP (64) 149 OF 25 SEPTEMBER 1964), THE EXCLUSIVE DEALING AGREEMENT BETWEEN HUMMEL AND ISBECQUE CONTAINS NO BROAD CLAUSES DESIGNED TO RESTRICT COMPETITION AND, IN PARTICULAR, NO BAN ON EXPORTS TO CUT OFF THE MARKETS OF MEMBER STATES.

THE DECISION, WHICH IS BROADLY SIMILAR, TO THE DECISION OF JULY 1965 CONCERNING THE AGREEMENT BETWEEN THE DUTCH FIRM OF DIEPENBROOK AND REIGERS AND BLONDEL OF PARIS, REPRESENTS A FURTHER STEP IN PREPARATION FOR BLOCK EXEMPTIONS FROM THE BAN ON EXCLUSIVE DEALING AGREEMENTS (SEE PRESS RELEASE IP (65) 134 OF 12 JULY 1965).