

## EBay calls on EU to change luxury brand rules

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(AP) -- EBay Inc. called Thursday on the European Union to change antitrust rules that allow luxury manufacturers to choose who can sell their branded goods online.

Brand owners such as LVMH Moet Hennessy Louis Vuitton SA and Richemont SA, the Swiss maker of Cartier watches, argue that luxury goods are valuable when they are exclusive and available in selected outlets - and not in an online free-for-all.

The European Commission is currently weighing changes to rules that currently give luxury goods the right to choose who distributes their products. It appears to support the luxury industry by suggesting suppliers could require online retailers to sell a certain amount of goods in an actual, bricks-and-mortar store.

EBay says such distribution deals "unjustly block the online sale of legitimate products across Europe" and lead to consumers paying higher prices.

It gave a petition signed by 750,000 people to the <u>European Parliament</u> to ask lawmakers to press for reform. The petition says manufacturers should not be able to "insist that Internet retailers must have an offline retail store before they can sell online."

EBay has separately run into legal trouble with luxury goods and cosmetics manufacturers over the sale of bogus products on the site -



with mixed results in different courts.

Last year, a French court ordered eBay to pay more than \$61 million to LVMH over counterfeit sales. But in May, a British court rebuffed a L'Oreal suit that sought to hold eBay liable for the sale of fake fragrances and cosmetics. In February, eBay also won in a German legal case brought by the Rolex Group over the sale of counterfeit watches.

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