

eBay fined in France for selling upscale perfumes

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eBay logo

(AP) -- Online auction site eBay Inc. was fined euro1.7 million (\$2.5 million) by a Paris court on Monday for failing to stop the sale of famous perfume brands like Christian Dior, Guerlain, Givenchy and Kenzo - all of which are owned by luxury group LVMH.

The decision follows a ruling last year against eBay for not respecting the system championed by brand owners such as LVMH and Richemont SA, the Swiss maker of Cartier watches, which is called selective distribution.

The brand owners argue that luxury goods are valuable when they are exclusive and available in selected outlets - and not in an online free-for-all.

eBay, meanwhile, has been calling for a change in European antitrust rules that allow luxury manufacturers to choose who can sell their branded goods online.

Paris-based LVMH Moet Hennessy Louis Vuitton SA hailed the decision by the Paris commercial court, which it said "constitutes an important step in the fight against unlawful practices."

But Alex von Schirmeister, head of eBay in France, said the decision "hurts consumers" and that the company hopes the verdict is overturned on appeal.

"The injunction is an abuse of 'selective distribution'," he said in a statement.

"We believe that the higher courts will overturn this ruling and ensure that eCommerce companies such as eBay will continue to provide a platform for buyers and sellers to trade authentic goods," he said.

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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