



Australian Competition & Consumer Commission

PO Box 1199
Dickson ACT 2602
470 Northbourne Ave
Dickson ACT 2602
Australia

Ph (02) 6243 1123
Fax (02) 6243 1122

Our Ref: C2002/1353
Your Ref: CSB 20207
Contact Officer: Mark Fitt
Contact Number: (02) 6243 1217

18 September 2002

Ms Angela Hoban
Senior Associate
Wallmans Lawyers
GPO Box 1018
ADELAIDE SA 5001

Dear Ms Hoban

**Notifications of Exclusive Dealing – Third Line Forcing- lodged by
CIBO ESPRESSO (SA) Pty Ltd, ACN 100 507 819 (N60034)**

I refer to the above exclusive dealing - third line forcing conduct lodged by Cibo Espresso (SA) Pty Ltd (N60034).

Notification N60034 was lodged with the Australian Competition and Consumer Commission (the Commission) on 11 September 2002 and has been placed on the Commission's public register. Legal immunity provided by the exclusive dealing - third line forcing notification will commence on 25 September 2002.

The notification details a proposed franchise arrangement whereby Cibo Espresso will offer franchises for the establishment and operation of café outlets utilising the Cibo Espresso registered trade and service marks.

You have described the notified third line forcing conduct as a requirement for franchisees to purchase unique products, eg coffee, gelati, muesli etc and certain fit-out from nominated suppliers.

In respect of this conduct, I bring to your attention the requirement under the Franchising Code of Conduct for a franchisor to disclose in the Franchise Disclosure Document any commission or rebate that it may receive through an agreement with a third party supplier.

EXECUTIVE OFFICE



On the basis of the information that you have provided, it is not intended that further action be taken in this matter at this stage.

Please note that the Commission may act to remove the immunity afforded by this third line forcing notification at a later stage if it is satisfied that the public benefit arising from the notified conduct does not outweigh the public detriment arising from the conduct.

This letter has been placed upon the Commission's public register. If you wish to discuss any aspect of this matter further, please do not hesitate to contact Mark Fitt on (02) 6243 1217.

Yours sincerely

Handwritten signature of Tim Grimwade, consisting of a stylized 'T' and 'G'.

Tim Grimwade
General Manager
Adjudication Branch