



Our Ref: C2006/1927
Contact Officer: Tina Pigliardo
Contact Number: (03) 9290 1481

**Australian
Competition &
Consumer
Commission**

31 October 2006

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Ms Elisabeth Ritchie
Baybridge Lawyers
Suite 106, Level 1
109 Pitt Street
Sydney NSW 2000

Dear Ms Ritchie

**Third line forcing notification N31737 lodged by
Gelattissimo Pty Ltd (Gelattissimo)**

I refer to the above third line forcing notification lodged with the Australian Competition and Consumer Commission (the ACCC) by Gelattissimo on 17 October 2006. This notification has been placed on the ACCC's public register.

In summary, Gelattissimo described the conduct the subject of the notification as follows:

Gelattissimo offers franchise licences *on condition* that franchisees purchase products from Gelattissimo and nominated and/or approved third party suppliers.

The current nominated supplier is Gelattissimo Manufacturing Pty Limited. As you are aware, third line forcing involves the supply of goods or services on condition that the customer acquires goods or services from a third party. In this case, to the extent that franchisees are required to purchase products from Gelattissimo Manufacturing Pty Limited such would, but for the notification, raise concern under the third line forcing provisions.

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

Legal immunity conferred by this notification will commence on 31 October 2006.

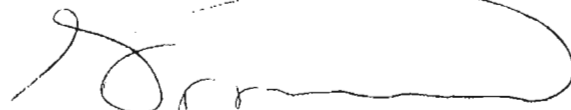


Please note that the ACCC may act to remove the immunity afforded by this notification at a later stage if it is satisfied that the likely benefit to the public from the conduct will not outweigh the likely detriment to the public from the conduct.

Finally, I bring your attention to the requirement under the Franchising Code of Conduct for a franchisor to disclose in the Franchise Disclosure document any commission or rebate received through an agreement with a third party supplier.

This letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter, please do not hesitate to contact Tina Pigliardo on (03) 9290 1481.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Scott Gregson', with a long horizontal flourish extending to the right.

Scott Gregson
General Manager
Adjudication Branch