



**Australian  
Competition &  
Consumer  
Commission**

GPO Box 3131  
Canberra ACT 2601

23 Marcus Clarke Street  
Canberra ACT 2601

tel: (02) 6243 1111  
fax: (02) 6243 1199

[www.accc.gov.au](http://www.accc.gov.au)

Contact Officer: Lauren Roy  
Contact Number: (03) 9290 1823

15 December 2009

Mr Peter Wood  
Wood Marshall Williams  
PO Box 443  
Brookvale NSW 2100

*By email: [pwood@wmw.com.au](mailto:pwood@wmw.com.au)*

Dear Mr Wood

**Third line forcing notifications N94333 & N94334 lodged by  
Taste Baguette Pty Ltd**

I refer to the above third line forcing notifications lodged with the Australian Competition and Consumer Commission (the ACCC) on 23 November 2009. The notifications have been placed on the ACCC's public register.

Under the notified arrangements, Taste Baguette Pty Ltd (Taste Baguette) proposes to require franchisees to:

- purchase all products, ingredients and consumables either from Taste Baguette, or an associate of Taste Baguette or from suppliers nominated by Taste Baguette (N94333);
- contribute to marketing or advertising promotions, designed to promote the Franchise System and its Franchisees, with services to be provided by an agency nominated by Taste Baguette (N94334).

Legal immunity conferred by the notification commenced on 7 December 2009.

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.

As with any notification, please note that the ACCC may act to remove the immunity afforded by the 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.

This assessment has been made on the basis that Taste Baguette will disclose all relevant terms and conditions to prospective franchisees. In addition, I note that Taste

Baguette is required to comply with disclosure requirements of the Franchising Code of Conduct in relation to the notified conduct. Among other things, these requirements specify that a franchisor must provide information to franchisees in its disclosure document about:

- any restrictions on acquisition of goods or services by the franchisee from other sources
- whether the franchisor or an associate will receive a rebate or other financial benefit from the supply of goods or services to franchisees, including the name of the business providing the rebate or financial benefit and
- whether any such rebate or financial benefit is shared directly or indirectly with franchisees.

More generally I would note that the Franchising Code of Conduct also requires disclosure of:

- ownership by a franchisor or an associate of a franchisor of an interest in any supplier from which the franchisee may be required to acquire goods or services
- any restrictions by a franchisor on the goods or services that a franchisee may supply and
- any restrictions on the persons to whom a franchisee may supply goods or services.

A copy of 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 Lauren Roy on (03) 9290 1823.

Yours sincerely



Dr Richard Chadwick  
General Manager  
Adjudication Branch