



**Australian  
Competition &  
Consumer  
Commission**

Our Ref: C2009/65  
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15 June 2009

Fleur Gibbons  
Partner  
DLA Phillips Fox  
100 King William Street  
Adelaide SA 5000

Dear Ms Gibbons

**Third line forcing notifications N93727, N93728, N93729 & N93779 lodged by  
Cartridge World Australia Pty Ltd and others**

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

Under the notified arrangements Cartridge World Pty Ltd, Austcart Pty Ltd, Pacific Oasis Pty Ltd and Ink Mark Pty Ltd will allow a person to become a franchisee of the Cartridge World Network, and to remain a franchisee of that network, on the condition that the franchisees acquire stock and equipment only from a selection of nominated suppliers.

Legal immunity conferred by the notifications commenced on 1 January 2009 for N93727-N93729 and 27 February 2009 for N93779.

**Summary of ACCC considerations**

Having considered the notifications and submissions from Cartridge World and interested parties, the ACCC does not intend to take further action in this matter at this stage. This decision has been made on the basis that it is not apparent that the likely benefit to the public from the notified conduct would not outweigh the likely detriment to the public resulting from the conduct.

In reaching this position the ACCC accepted that there is a public benefit in arrangements that promote consistency in quality of products across franchise networks. In this instance Cartridge World has sought to achieve this through its approved supplier arrangements which it considers to be a cost effective means of ensuring that standards with respect to quality and consistency are met.

The ACCC noted Cartridge World's submission that the approved supplier arrangements may facilitate relevant products being supplied more cheaply than would otherwise be

I note that Cartridge World requested that the Commission inform it if it is of the view that the notifications lodged by the master franchisees do not suffice to eliminate any potential liability of Cartridge World Australia for any contravention of the third line forcing prohibition by the franchise agreements other than the tripartite agreements. The ACCC is not in a position to provide legal advice and it is a matter for each party to seek their own independent legal advice.

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 Tess Macrae on (03) 9290 1835.

Yours sincerely

A handwritten signature in black ink, appearing to be 'R Chadwick', with a long horizontal stroke extending to the right.

Dr Richard Chadwick  
General Manager  
Adjudication Branch