



**Australian
Competition &
Consumer
Commission**

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Our Ref: C2009/1426
Contact Officer: Clare McGinness
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24 August 2009

Mr Greg Hipwell
Partner
Deacons
Level 15, 485 Bourke Street
Melbourne VIC 3000

Sent via email: greg.hipwell@deacons.com.au

Dear Mr Hipwell

Third line forcing notification N94059 lodged by The Noodle Box Franchising (Aust) Pty Ltd

I refer to the above third line forcing notification lodged with the Australian Competition and Consumer Commission (the ACCC) on 3 August 2009. The notification has been placed on the ACCC's public register.

Under the notified arrangement Noodle Box will supply its services as franchisor under the Franchise Agreement on condition that Franchisees acquire sauces, branded packaging, noodles and uniforms from nominated suppliers/distributors.

Legal immunity conferred by the notifications commenced on 17 August 2009.

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

As with any notification, 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.

This assessment has been made on the basis that Noodle Box will disclose all relevant terms and conditions to current and prospective franchisees. In particular I note that Noodle Box is required to comply with the disclosure requirements of the Franchising Code of Conduct in relation to the notified arrangement. Among other things, these

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 Clare McGinness on (02) 6243 1049.

Yours sincerely



Dr Richard Chadwick
General Manager
Adjudication Branch