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AUST. COMPETITION &  
CONSUMER COMMISSION  
SYDNEY

14 OCT 2010

## Form G

Commonwealth of Australia

*Trade Practices Act 1974 — subsection 93 (1)*

### NOTIFICATION OF EXCLUSIVE DEALING

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with subsection 93 (1) of the *Trade Practices Act 1974*, of particulars of conduct or of proposed conduct of a kind referred to subsections 47 (2), (3), (4), (5), (6), (7), (8) or (9) of that Act in which the person giving notice engages or proposes to engage.

PLEASE FOLLOW DIRECTIONS ON BACK OF THIS FORM

#### 1. Applicant

- (a) Name of person giving notice:  
(Refer to direction 2)

N95057 Hewlett-Packard Australia Pty Ltd (ACN 004 394 763)

- (b) Short description of business carried on by that person:  
(Refer to direction 3)

Snapfish is a website driven service for Photographic and digital image processing, developing and printing services and custom imprinting of digital and photographic images onto photographic paper and merchandise.

- (c) Address in Australia for service of documents on that person:  
410 Concord Road, Rhodes, NSW 2138  
Facsimile: 61 2 9022-5345  
Attention: Nerida Pearse

#### 2. Notified arrangement

- (a) Description of the goods or services in relation to the supply or acquisition of which this notice relates:

Snapfish Products and Services:

Set of twenty 10x20cm photocards with envelopes

Pacific Magazines ("Pacific Magazines") Products

New Idea magazine

- (b) Description of the conduct or proposed conduct:  
(Refer to direction 4)

#### Background

Pacific Magazines is running the "New Idea Reader Gift Offer" ("Promotion") in its New Idea magazine which will offer readers a set of twenty 10x20cm photocards with envelopes from Snapfish.

The New Idea magazine referred to above will be sold through their normal retail outlets from 8 November till 14 November 2010 with the promotion running from 8 November till 22 November 2010 ("Promotion Period").

## **Conduct**

HP proposes to offer Reader a choice of one complimentary set of twenty 10x20cm photocards with envelopes. This offer is to be limited to one per household.

Postage and handling (P&H) will be payable by the Reader, based on the normal charges on [www.snapfish.com.au](http://www.snapfish.com.au) (the "Snapfish Website"), applicable to the selected choice of postage and handling chosen by the Reader, when electing to take advantage of this offer and order the free set of twenty 10x20cm photocards with envelopes.

The Reader visits the entry website ([www.snapfish.com.au/newidea\\_enter](http://www.snapfish.com.au/newidea_enter)) to register as a Snapfish member, or logs in if an existing Snapfish member and confirms their residential address. Snapfish will send an email to all Readers containing a Snapfish unique redemption code and instructions to the claimant via email. Reader clicks on the link in the email which takes them to the redemption website. Reader logs in as they are now a Snapfish member, and enters their unique redemption pin code. This applies a credit for one set of twenty 10x20cm photocards with envelopes to their Snapfish account. Consumer logs in to the Snapfish Website, uploads their photos, creates their photocards, pays any postage and handling fees and places their order. The redemption of the set of twenty 10x20cm photocards with envelopes will be subject to the ordinary terms and conditions applicable to the Snapfish Website.

Customers have until 31 December 2010 to redeem their pin code through the redemption flow. Consumers have until 31 January 2011 to create and order their set of twenty 10x20cm photocards with envelopes otherwise the product credit will expire. The Snapfish account needs to remain active during this period.

### **3. Persons, or classes of persons, affected or likely to be affected by the notified conduct**

- (a) Class or classes of persons to which the conduct relates:  
(Refer to direction 5)

Consumers who have read the relevant New Idea magazine and have entered the Promotion.

- (b) Number of those persons:

- (i) At present time:

None.

- (ii) Estimated within the next year:  
(Refer to direction 6)

Unknown number, but estimated to be significantly more than 50.

- (c) Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses:

Not applicable.

#### **4. Public benefit claims**

- (a) Arguments in support of notification:  
(Refer to direction 7)

The proposed conduct will be of benefit to the public as it will:

1. reduce the costs to customers of the Snapfish website for the purchase of the photo gifts;
2. promote competition in the photographic printing market by exerting downward pressure on prices offered by competitors of the Snapfish website to offer discounts;
3. provide customers of the Snapfish website with the opportunity to obtain the selected Snapfish photo gifts at the list price charged for postage and handling for such goods;
4. provide customers of Pacific Magazines with additional benefits after having purchased New Idea magazine;

- (b) Facts and evidence relied upon in support of these claims:

- Cost reduction equal to the value of one set of twenty 10x20cm photocards with envelopes with a total value \$19.95 per claim.
- See 2(b) for description of other offered benefits.

#### **5. Market definition**

Provide a description of the market(s) in which the goods or services described at 2 (a) are supplied or acquired and other affected markets including: significant suppliers and acquirers; substitutes available for the relevant goods or services; any restriction on the supply or acquisition of the relevant goods or services (for example geographic or legal restrictions):

(Refer to direction 8)

1. The national market in Australia for the supply of digital photo printing.
2. The national market for the weekly and monthly magazines.

The market for digital photo printing and photo gifts is highly competitive both online and offline. HP is constrained in this market by a number of national and multinational competitors including: Fujifilm; Kodak; Fotofast; Photomax; Expressphoto, Momento, other suppliers and retailers such as Big W, Harvey Norman, Bing Lee etc.

The market for the supply of weekly and monthly magazines included in this promotion is also highly competitive. Pacific Magazines is constrained in this market by a number of competitors including News Magazines and ACP Magazines Ltd,

#### **6. Public detriments**

- (a) Detriments to the public resulting or likely to result from the notification, in particular the likely effect of the notified conduct on the prices of the goods or services described at 2 (a) above and the prices of goods or services in other affected markets:  
(Refer to direction 9)

HP does not believe that the notified conduct will result in, or is likely to result in, any public detriment.

(b) Facts and evidence relevant to these detriments:

- The conduct will not result in any degradation in the ability of consumers to choose between suppliers of photographic products or services.
- The conduct will not result in any limitation on the ability of consumers to acquire photographic products from other suppliers that offer such products.
- The conduct will not result in consumers being forced to acquire product from the Snapfish website.
- The consumer is free to purchase Pacific Magazines from any retail outlet, with other discounts applying, where offered by retailers.

**7. Further information**

(a) Name, postal address and contact telephone details of the person authorised to provide additional information in relation to this notification:

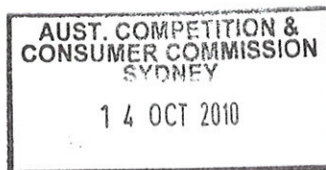
Nerida Pearse  
Partnerships Marketing Manager, Australia & NZ  
Snapfish by HP  
Hewlett-Packard Australia Pty Ltd  
410 Concord Road, Rhodes, NSW 2138  
0427 902 428

Dated..... *October 11, 2010* .....

Signed by/on behalf of the applicant

*Daniel P. Reardon*

(Signature)



Daniel Reardon  
(Full Name)

Hewlett-Packard Australia Pty Ltd  
(Organisation)

Director, Snapfish Asia Pacific  
(Position in Organisation)

## DIRECTIONS

1. In lodging this form, applicants must include all information, including supporting evidence that they wish the Commission to take into account in assessing their notification.

Where there is insufficient space on this form to furnish the required information, the information is to be shown on separate sheets, numbered consecutively and signed by or on behalf of the applicant.

2. If the notice is given by or on behalf of a corporation, the name of the corporation is to be inserted in item 1 (a), not the name of the person signing the notice, and the notice is to be signed by a person authorised by the corporation to do so.
3. Describe that part of the business of the person giving the notice in the course of the which the conduct is engaged in.
4. If particulars of a condition or of a reason of the type referred to in section 47 of the *Trade Practices Act 1974* have been reduced in whole or in part to writing, a copy of the writing is to be provided with the notice.
5. Describe the business or consumers likely to be affected by the conduct.
6. State an estimate of the highest number of persons with whom the entity giving the notice is likely to deal in the course of engaging in the conduct at any time during the next year.
7. Provide details of those public benefits claimed to result or to be likely to result from the proposed conduct including quantification of those benefits where possible.
8. Provide details of the market(s) likely to be affected by the notified conduct, in particular having regard to goods or services that may be substitutes for the good or service that is the subject matter of the notification.
9. Provide details of the detriments to the public which may result from the proposed conduct including quantification of those detriments where possible.

## Form G

Commonwealth of Australia  
*Trade Practices Act 1974 — subsection 93 (1)*

### NOTIFICATION OF EXCLUSIVE DEALING

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with subsection 93 (1) of the *Trade Practices Act 1974*, of particulars of conduct or of proposed conduct of a kind referred to subsections 47 (2), (3), (4), (5), (6), (7), (8) or (9) of that Act in which the person giving notice engages or proposes to engage.

PLEASE FOLLOW DIRECTIONS ON BACK OF THIS FORM

#### 1. Applicant

- (a) Name of person giving notice:  
*(Refer to direction 2)*

N95058 Hewlett-Packard Australia Pty Ltd (ACN 004 394 763)

- (b) Short description of business carried on by that person:  
*(Refer to direction 3)*

Snapfish is a website driven service for Photographic and digital image processing, developing and printing services and custom imprinting of digital and photographic images onto photographic paper and merchandise.

- (c) Address in Australia for service of documents on that person:  
410 Concord Road, Rhodes, NSW 2138  
Facsimile: 61 2 9022-5345  
Attention: Nerida Pearse

#### 2. Notified arrangement

- (a) Description of the goods or services in relation to the supply or acquisition of which this notice relates:

Snapfish Products and Services:

Glitter snow globe, gift tags, star Christmas ornament

ACP Magazines Ltd (“ACP”) Products

Woman’s Day magazine

- (b) Description of the conduct or proposed conduct:  
*(Refer to direction 4)*

#### Background

ACP is running the “Woman’s Day Reader Gift Offer” (“Promotion”) in its Woman’s Day magazine which will offer readers a choice of one of three photo gifts being a glitter snow globe, gift tags or star Christmas ornament from Snapfish.

The Woman’s Day magazine referred to above will be sold through their normal retail outlets from 22 November till 28 November 2010 with the promotion running from 22 November till 17 December 2010 (“Promotion Period”).

## **Conduct**

HP proposes to offer Reader a choice of one complimentary glitter snow globe, set of gift tags or a star Christmas ornament. This offer is to be limited to one per household.

Postage and handling (P&H) will be payable by the Reader, based on the normal charges on [www.snapfish.com.au](http://www.snapfish.com.au) (the "Snapfish Website"), applicable to the selected choice of postage and handling chosen by the Reader, when electing to take advantage of this offer and order the free photo gift (glitter snow globe, set of gift tags or star Christmas ornament).

The Reader visits the entry website ([www.snapfish.com.au/womansday\\_xmas2010](http://www.snapfish.com.au/womansday_xmas2010)) to register as a Snapfish member, or logs in if an existing Snapfish member and confirms their residential address. Snapfish will send an email to all Readers containing a Snapfish unique redemption code and instructions to the claimant via email. Reader clicks on the link in the email which takes them to the redemption website. Reader logs in as they are now a Snapfish member, and enters their unique redemption pin code. This applies a credit for their selected gift (glitter snow globe, set of gift tags or star Christmas ornament) to their Snapfish account. Consumer logs in to the Snapfish Website, uploads their photos, creates their photo gift, pays any postage and handling fees and places their order. The redemption of the photo gift (glitter snow globe, set of gift tags or star Christmas ornament) will be subject to the ordinary terms and conditions applicable to the Snapfish Website.

Customers have until 17 December 2010 to redeem their pin code through the redemption flow. Consumers have until 14 January 2011 to create and order their photo gift otherwise the product credit will expire. The Snapfish account needs to remain active during this period.

### **3. Persons, or classes of persons, affected or likely to be affected by the notified conduct**

- (a) Class or classes of persons to which the conduct relates:  
(Refer to direction 5)

Consumers who have read the relevant Woman's Day magazine and have entered the Promotion.

- (b) Number of those persons:

- (i) At present time:

None.

- (ii) Estimated within the next year:  
(Refer to direction 6)

Unknown number, but estimated to be significantly more than 50.

- (c) Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses:

Not applicable.

#### 4. Public benefit claims

- (a) Arguments in support of notification:  
(Refer to direction 7)

The proposed conduct will be of benefit to the public as it will:

1. reduce the costs to customers of the Snapfish website for the purchase of the photo gifts;
2. promote competition in the photographic printing market by exerting downward pressure on prices offered by competitors of the Snapfish website to offer discounts;
3. provide customers of the Snapfish website with the opportunity to obtain the selected Snapfish photo gifts at the list price charged for postage and handling for such goods;
4. provide customers of ACP Magazines Ltd with additional benefits after having purchased Woman's Day magazine;

- (b) Facts and evidence relied upon in support of these claims:

- Cost reduction equal to the value of either one glitter snow globe currently with a total value of \$10.95 per claim, or one set of gift tags with a total value of \$9.95 per claim or one star Christmas ornament with a total value \$9.95 per claim.
- See 2(b) for description of other offered benefits.

#### 5. Market definition

Provide a description of the market(s) in which the goods or services described at 2 (a) are supplied or acquired and other affected markets including: significant suppliers and acquirers; substitutes available for the relevant goods or services; any restriction on the supply or acquisition of the relevant goods or services (for example geographic or legal restrictions):

(Refer to direction 8)

1. The national market in Australia for the supply of digital photo printing.
2. The national market for the weekly and monthly magazines.

The market for digital photo printing and photo gifts is highly competitive both online and offline. HP is constrained in this market by a number of national and multinational competitors including: Fujifilm; Kodak; Fotofast; Photomax; Expressphoto, Momento, other suppliers and retailers such as Big W, Harvey Norman, Bing Lee etc.

The market for the supply of weekly and monthly magazines included in this promotion is also highly competitive. ACP Magazines Ltd is constrained in this market by a number of competitors including News Magazines and Pacific Magazines,

#### 6. Public detriments

- (a) Detriments to the public resulting or likely to result from the notification, in particular the likely effect of the notified conduct on the prices of the goods or services described at 2 (a) above and the prices of goods or services in other affected markets:  
(Refer to direction 9)

HP does not believe that the notified conduct will result in, or is likely to result in, any public detriment.



(b) Facts and evidence relevant to these detriments:

- The conduct will not result in any degradation in the ability of consumers to choose between suppliers of photographic products or services.
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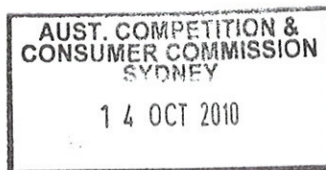
Nerida Pearse  
Partnerships Marketing Manager, Australia & NZ  
Snapfish by HP  
Hewlett-Packard Australia Pty Ltd  
410 Concord Road, Rhodes, NSW 2138  
0427 902 428

Dated..... *October 11, 2010* .....

Signed by/on behalf of the applicant

*Daniel P. Reardon*

(Signature)



Daniel Reardon  
(Full Name)

Hewlett-Packard Australia Pty Ltd  
(Organisation)

Director, Snapfish Asia Pacific  
(Position in Organisation)

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