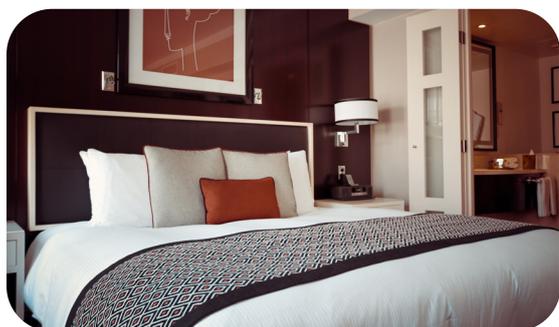


## German Supreme Court ruling prohibiting ‘narrow’ price parity clauses is a breath of fresh air for hoteliers

On 19 May, the German Federal Court of Justice declared the ‘narrow’ best price clauses imposed by booking portal Booking.com on hotels as incompatible with antitrust law.



The overwhelming European hotel booking portal market leader Booking.com **will not be allowed to prevent hotels in Germany from advertising lower room prices on their own websites anymore**. Hotels in Germany will now be in a position to offer better prices via their own websites on, should they wish to do so, to the benefit of hotels and consumers.

*“The verdict By the German Court sets the record straight: narrow price parity clauses are incompatible with competition law. This is a breath of fresh air for hoteliers in Germany, who will have much-needed freedom to determine their own pricing strategies and see a disincentive to their digitalisation lifted. Hopefully the verdict will set an important precedent for other European*

*markets”*, said HOTREC Director General Marie Audren.

She added: *“Throughout the past decade, HOTREC has actively made the case against price parity clauses, both wide and narrow. We hope that yesterday’s verdict resonates in the European Parliament and Council as they review the Digital Markets Act proposal and is also considered by the European Commission as it prepares a review of the Vertical Block Exemption Regulation.”*

**Hotelverband Deutschland** (IHA) had triggered the Cartel Office proceedings against Booking.com with a complaint in autumn 2013. In a cease-and-desist order issued on December 22, 2015, the Federal Cartel Office prohibited the booking portal from further use of best-price clauses – both in the form of broad rate parity (no more favorable rates on any other booking channel) and in the form of narrow rate parity (no more favorable rates on the hotel’s own website).

The German Federal Cartel Office was the first competition authority worldwide to rightly classify the narrow parity clauses used by Booking.com since summer 2015 as being in violation of antitrust law. Booking.com’s appeal against this decision was surprisingly successful at first instance before the Düsseldorf Higher Regional Court on June 4, 2019. The Federal Cartel Office has now succeeded in obtaining a review of the Düsseldorf ruling before the Federal Court of Justice via a non-admission appeal that was decided positively on July 14, 2020.

In Europe, bans on narrow price parity clauses have been banned by law in Austria, Belgium, France and Italy. Hotel booking portals and Booking.com in particular have **maintained strong and healthy business in these countries** nonetheless. Switzerland is expected to be the next European country to outlaw such practices.

HOTREC warmly congratulates its Member organisation IHA for its resolute and determined action throughout this legal saga. HOTREC also applauds the German Federal Cartel Office for ensuring that competition law is upheld and developing **through evidence** to demonstrate the anti-competitive nature of price parity clauses.

For further information: [www.hotrec.eu](http://www.hotrec.eu)

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### What is HOTREC?

HOTREC represents the hotel, restaurant and café industry at European level. The sector counts in total around 1.8 million businesses, being 99,5% small and medium-sized enterprises (91% are micro-enterprises, i.e. employing less than 10 people). These businesses make up some 60% of value-added. The industry provides some 10 million jobs in the EU alone. Together with the other tourism industries, the sector is the 3rd largest industry in Europe. HOTREC brings together 44 national associations representing the interest of this industry in 33 different European countries.