

April 02, 2015

## **Bundeskartellamt also warns Booking.com for using anticompetitive MFN clauses**

**Today, the Bundeskartellamt formally warns the market leader in online hotel bookings Booking.com for using MFN clauses (“most favored nation clauses”) in its contracts with hotels in Germany. With such clauses Booking.com has obliged its hotel partners for many years to offer nowhere cheaper room rates or free capacity as on the online portal. “We extraordinary welcome the consistent intervention by the Bundeskartellamt. This is an important intermediate step towards regaining entrepreneurial freedom and will ensure fair competition in the increasingly important online distribution in the hospitality industry”, commented Markus Luthe, CEO of the German Hotel Association (IHA).**

Already on December 20, 2013 the Bundeskartellamt prohibited the hotel booking portal HRS from using MFN clauses. This decision was confirmed by the Higher Regional Court of Dusseldorf on January 09, 2015 and is now legally binding. In fall 2013, the Bundeskartellamt, on a complaint by the German Hotel Association (IHA), also started investigations against the Amsterdam based hotel portal Booking.com. Like already with the case against HRS the German Hotel Association (IHA) took officially part in the legal proceedings.

“With today's proceeding by the Bundeskartellamt we are fully confirmed in our legal opinion that MFN clauses imposed by hotel booking portals represent a clear and blatant restraint of competition. Competing booking portals have also been hindered unlawfully, as well as the direct distribution of the hotel industry”, commented Markus Luthe. The Hotel Association recommends consumers in the future even more than today, to scroll down in the search result lists of the booking portals to actually find the best deals - or to look up directly on the hotel website.

Luthe is relieved that the Bundeskartellamt was not impressed by the so called commitments offered by Booking.com to them and to other European antitrust authorities and doesn't take into account an acceptance of the commitments: “The controversial MFN clauses are generally to be banned from business and also can't be authorized by specious commitments through the back door”, said Luthe.

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### **About the German Hotel Association (IHA)**

The German Hotel Association (IHA) is the national trade association for the hotel industry in Germany. IHA represent more than 1.400 hotels in Germany ranging from all categories of individual hotels, chain hotels and hotel cooperations. The primary role is to lobby government across Germany and in Europe, representing the views of the hotel industry and promoting and protecting the interests of all operators in the industry. IHA also provides members with a wide range of services designed to keep them informed of industry issues, help grow their business and save them money and time.