



## **Federal Court finds that Techtronic Industries has breached the *Competition and Consumer Act 2010* (Cth)**

The Federal Court of Australia has ordered that Techtronic Industries, supplier of Milwaukee-branded products, pay \$15 million in penalties for engaging in resale price maintenance between January 2016 and July 2021, by:

- entering into 97 agreements with reseller dealers which included a term that the dealer would not sell or offer to sell power tools under the Milwaukee brand for a price less than a price specified by Techtronic, and
- taking action to enforce that term on 31 occasions, including by issuing oral and written warnings to dealers who offered to sell or did sell Milwaukee-branded products below the price specified by Techtronic and suspending the trading and/or rebate entitlements of some of those dealers.

Resale price maintenance is prohibited by s 48 of the *Competition and Consumer Act 2010* (Cth) (CCA). It is illegal for a supplier to specify a price below which a business such as a retailer must not advertise or sell products.

Retailers are free to advertise, offer for sale and sell goods supplied by Techtronic at a price below the minimum price which Techtronic specified to them in their agreements. Techtronic cannot:

1. impose minimum prices for the resale of their goods; or
2. withhold the supply of goods for the reason that a retailer has not agreed to sell, has sold, or is likely to sell goods, at a price less than a minimum price specified by

As part of its orders, the Court:

- ordered that Techtronic pay a penalty of \$15 million;
- restrained Techtronic from seeking to rely on or enforce a term in any of its agreements with Dealers that a Dealer not advertise for sale or sell goods below a price specified by Techtronic;
- restrained Techtronic from engaging in similar conduct for five years;
- required Techtronic to upgrade its competition and consumer law compliance program; and
- required Techtronic to publish this corrective notice on its website and send corrective letters to dealers.

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