COMMISSION DECISION

of 23 July 1974

relating to a proceeding under Article 85 of the EEC Treaty (IV/426 — Papiers peints de Belgique)

(Only the French text is authentic)

(74/431/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the Euro- 6 February 1962, and in particular Articles 1, 3, 6 and 15 thereof;

Having regard to Council Regulation No 17 [1] of 6 February 1962, and in particular Articles 1, 3, 6 and 15 thereof;

Having regard to the notification submitted on 30 October 1962 by the Groupement des Fabricants de Papiers peints de Belgique;

Having regard to the applications under Article 3 of Regulation No 17 by respectively the Interessengemeinschaft der Deutschen Tapetenfabrikanten, Mr Jean-Marie Pex of Brussels and G.B. Entreprises S.A. of Antwerp;

Having regard to the Decision by the Commission on 14 June 1973 to initiate a proceeding in this case;

Having heard the undertakings concerned, in accordance with Article 19 [1] of Regulation No 17 and with Regulation No 99/63 [2];

Having regard to the Opinion dated 26 June 1974 obtained by the Advisory Committee on Restrictive Practices and Monopolies pursuant to Article 10 of Regulation No 17,

WHEREAS:

I. Facts

A. *Groupement des Fabricants de Papiers peints de Belgique*

1. The Groupement des Fabricants de papiers peints de Belgique, founded in 1922, comprises the following four undertakings:

— S.C. Usines Peters Lacroix S.A.,

— Les Papeteries de Genval S.A.,

— Etablissements Vanderborght Frères S.A.,

— Les Papiers peints Brepols S.A.

2. The current operations of the group are governed by the *Règlement d'ordre intérieur* of July 1971, the relevant provisions of which are as follows:

3. Only wallpaper manufacturers established in Belgium may be members (Point 02 of the *Règlement).*

4. A trustee is appointed to supervise the implementation of the *Règlement* (Point 07 of the *Règlement).*

5. For the purpose of harmonizing the marketing of wallpaper, the group decides every two years on a *barème-cadre,* which lays down *inter alia* price ranges and qualities (Point 10 of the *Règlement*).

6. To the *barème-cadre* corresponds a *barème de prix,* which lays down the ex-factory prices for the two types of sale — (*prix de voyage* and *prix de carte*) and final retail prices (Point 11 of the *Règlement*).

7. To ensure compliance with the *barème-cadre,* all members are required to submit, at least five days before the start of the marketing year, details of their entire range of products, grouped according to price, quality (weight of paper) and colour (Point 12 of the *Règlement).*

8. Members undertake to standardize their General Conditions of Sale.

These are to be based on the following principles:

— the fixing of sale and re-sale prices,

— the introduction of a rebate, known as a '*prime de coopération*', the level of which depends on the amount of total annual purchases from all members (Point 20 of the *Règlement*).

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[1] OJ No 13, 21. 2. 1962, p. 204/62.
[2] OJ No 127, 20. 8. 1963, p. 2268/63.

9. The General Conditions of Sale are to regulate, *inter alia*, the following:

— terms of delivery,

— conditions for the free supply of sample books,

— terms of payment,

— refusal to accept returns,

— conditions under which purchasers' claims will be accepted,

— conditions governing the *prime de coopération*,

— length of rolls,

— obligation to comply with re-sale prices in labelling and advertising,

— fixing of clearance sale prices,

— obligation on the purchaser to impose the obligations under the General Conditions of Sale on his customers,

— penalties for infringements

(Point 210 of the *Règlement*).

10. For large-scale customers, a special circular is published, which extends the *prime de coopération* and lays down the terms on which ranges are made up for wholesalers (Point 211 of the *Règlement*).

11. No cash discounts may be granted (Point 22 of the *Règlement*).

12. The period allowed for payment is thirty days from the end of the month of sale. Depending on the size of the order, it may be extended to sixty, ninety, or one hundred and twenty days (Point 23 of the *Règlement*).

13. The reduction on sales by way of self-user is fixed at 33⅓%. The amount of such sales is restricted and is checked by the trustee (Point 30 of the *Règlement*).

14. Where a member provides a customer with finance, the rate of interest is fixed at a uniform 0·5% above the Banque National discount rate (Point 31 of the *Règlement*).

15. No goods may be sold, whether directly or indirectly, to joint purchasing groups, with the exception of those whose names appear on a list held by the trustee (Point 32 of the *Règlement*).

16. No sales may be made to purchasing or selling agents (Point 33 of the *Règlement*).

17. Orders at the special *vente voyage* prices must be for a minimum quantity (Point 40 of the *Règlement*).

18. The marketing year begins for all on 1 September (Point 410 of the *Règlement*). Ranges may not be delivered to customers in advance of this date (Point 411 of the *Règlement*).

19. Members exchange their ranges among themselves, at the headquarters of the *Groupement*, on the Monday following the start of the marketing year (Point 412 of the *Règlement*).

20. The marketing year ends on the last day of February (Point 413 of the *Règlement*).

21. Sample books are supplied free in quantities depending on the size of the order. They bear the trade mark of the *Groupement* (Point 420 of the *Règlement*). The standard price for additional sample books is Bfrs 250 per book (Point 421 of the *Règlement*).

22. Goods other than wallpaper may be accepted only if they originate from a member (Point 423 of the *Règlement*).

23. At the request of customers one member assumes sole responsibility for the manufacture of sample books (Point 424 of the *Règlement*).

24. Orders at the special *prix de voyage* must be met within the period from 2 November to the end of April (Point 44 of the *Règlement*). The *prix de voyage*, which applies in respect of larger orders only, will be fixed at the start of the marketing year.

25. All purchases which do not satisfy the conditions for the *prix de voyage* are to be effected at the *prix de carte* (Point 50 of the *Règlement*).

26. Goods are supplied only to customers whose annual purchases reach the following minimum levels:

— in the first year: Bfrs 4 000,

— in the second year: Bfrs 6 000,

— in the third year: Bfrs 10 000

(Point 52 of the *Règlement*).

27. The members undertake to make no deliveries on Saturdays. They arrange among themselves for the annual closing of their regional supply depots (Point 53 of the *Règlement*).

28. The *Groupement* lays down the following conditions for clearance sales:

— dates (Points 63 and 64 of the *Règlement*),

— prices and other terms (Point 62 of the *Règlement*),

— products which may be sold (Points 600, 601 and 602 of the *Règlement*).

29. A wholesaler is defined as one who is recognized as such by the *Groupement* and whose total annual purchases from all members amount to at least Bfrs 800 000 (Point 70 of the *Règlement*).

30. Recognized wholesalers are granted special advantages (Point 71 of the *Règlement*). Sample books are supplied to them at specially favourable prices. There is no charging among members. This advantage is also granted to the non-member Rath & Doodeheefver S.A. In return, the wholesalers are subject to special obligations. Thus they must comply with the prices and conditions of the *Groupement*, are responsible for ensuring that these are applied by their customers, and may not distribute their ranges before 15 January (Point 72 of the *Règlement*).

31. The special *prix de voyage* is granted only to those wholesalers whose names have since September 1964 been on a list hold by the trustee (Point 73 of the *Règlement*).

32. The *Groupement* carries out joint advertising under the DECORGROUP trademark, *inter alia* by the following means:

— distribution of publicity brochures,

— preparation and publication of illustrated press articles,

— participation in trade fairs,

— sales promotion among trade users of wallpaper,

— sales promotion among retailers,

— publicity campaigns in technical colleges

(Point 80 of the *Règlement*).

33. It is also the task of sales promotion to create a favourable attitude among customers towards the *Groupement* and in particular towards its policy of fixed selling prices (Point 80 of the *Règlement*).

34. Individual advertising by members is permitted only to a limited extent. At trade exhibitions it is allowed only in connection with other products produced by a member. Individual members may not take part in exhibitions which relate only to wallpaper. Any individual advertising must be under the joint DECORGROUP trade mark (Point 81 of the *Règlement*).

35. On the basis of the *Règlement d'ordre interieur* the *Groupement* adopted its General Conditions of Sale (Circular 619), which imposes on members' customers specific provisions as follows:

— provisions relating to the *prime de coopération*,

— an obligation to apply and display the prices fixed,

— a prohibition against displaying lower prices or announcing price reductions,

— an obligation to comply with clearance sale prices, even where the goods concerned have not been bought from members of the *Groupement*,

— a provision prohibiting the trimming of wallpaper free of charge and fixing the price of trimming,

— an obligation to impose the obligations under the General Conditions of Sale on their customers,

— a stipulation by the *Groupement* that a member may refuse to supply a customer without giving grounds for such refusal.

36. In addition, Circular 619 contains the following scale of rebates:

3·75% on total purchases of at least Bfrs 32 250

+ 4·75%	on total purchases of between	Bfrs 32 251 and 43 000
+ 5·50%		Bfrs 43 001 and 64 500
+ 6·50%		Bfrs 64 501 and 86 000
+ 7·50%		Bfrs 86 001 and 107 500
+ 8·50%		Bfrs 107 501 and 129 000
+ 9·50%		Bfrs 129 001 and 150 500
+ 10·50%		Bfrs 150 501 and 172 000
+ 11·50%		Bfrs 172 001 and 193 500
+ 12·50%		Bfrs 193 501 and 215 000
+ 13·50%		Bfrs 215 001 and 236 500
+ 14·50%		Bfrs 236 501 and 258 000
+ 15·50%		Bfrs 258 001 and 279 500
+ 16·50%		Bfrs 279 501 and 301 000

37. Circular 620 for large-scale customers contains the following additional scale of rebates

+ 16%	on total purchases of between	Bfrs 301 000 and 1 075 000
+ 17%		Bfrs 1 075 001 and 2 150 000

+ 18·50%	on total purchases of between	Bfrs 2 150 001 and 3 225 000
+ 19%		Bfrs 3 225 001 and 4 300 000
+ 20·50%		Bfrs 4 300 001 and 5 375 000
+ 21·50%		Bfrs 5 375 001 and 6 450 000

18·50% on a turnover of over Bfrs 6 450 000

and also the conditions for the purchase of sample books on special terms.

38. Circular 617 V contains a *barème cadre* of *prix de voyage* for Qualities A1 to R3, exclusive of value added tax, and also a scale of retail prices, including 18% value added tax.

39. Circular 617 C contains a *barème cadre* of *prix de carte,* likewise for Qualities A1 to R3 and graduated for purchases of up to 6, 7 or more, on 24 rolls, exclusive of value added tax, and also a scale of retail prices, including 18% value added tax.

40. An independent Brussels wallpaper dealer, Mr Jean-Marie Pex, purchased from members of the *Groupement,* with the exception of Establissements Vanderborght Freres S.A., wallpaper which he resold to G.B. Entreprises S.A. The later displayed these goods at prices which included the discount customary in their self-service stores.

On 4 October 1971, Papiers peints de Brepols S.A. took individual action by sending a circular to all its customers, in which it stated that, on account of price undercutting by G.B. Entreprises S.A. of between 10 and 15%, it had severed business connections with a wholesaler (meaning thereby Pex). This was followed on 29 October 1971 by a circular from the *Groupement* to all its customers, in which it reminded them in connection with the Pex case of their obligation under the general conditions of sale to impose compliance with the fixed prices on their customers.

Ever since then, the members of the Group have refused to supply Mr Pex or the Brussels-based firm International Decor working with him. At the hearing held on 18 December 1973 both the Group and its members stated that they intended to maintain their ban on supplies to Mr Pex as long as he refused to comply with the general conditions of sale and to settle an account outstanding with Papiers peints Brepols S.A.

41. In a self-service store belonging to G.B. Entreprises S.A. the *Groupement* found that wallpapers of its members were being sold at prices higher than those permitted under the price lists.

42. On 30 October 1962 the lawyers De Coninck and Laine, acting on behalf of the four members of the *Groupement,* sent to the Commission a Form B, notifying it as follows:

(a) a copy had been sent to Rath & Doodeheefver S.A. informing them of the notification (Section 1, 2, of the Form),

(b) Section II, 1, of the Form was deleted,

(c) Section II, 2, contained the following entries:

— 'fixing of quality standards,

— fixing of prices, rebates and reductions on sale and resale,

— fixing of the number of goods to be accepted in each category,

— joint publicity'.

(d) Section II, 3 contained the following entries:

under (a), 'Basic agreement concluded in 1922';

under (b), '1922 — renewed in whole or in part from year to year';

under (c), 'Manufacture and distribution of wallpaper';

under (d), 'Improvement in the manufacture and distribution of products'.

(e) In Section III, 1, the first question was answered as follows: 'Yes — compliance with sale prices, scale of rebates, the total scale of aggregated rebates and the General Conditions of Sale'.

The other questions were answered with a clear 'No'.

(f) Copies of empowering instruments executed by the four members of the *Groupement* accompanied the notification, but there was no copy of the *Règlement,* the General Conditions of Sale, or the price lists.

B. *Arguments by the undertakings concerned in reply to the Objections of the Commission*

1. The *Groupement* points out that it sells less than 50% of the wallpapers marketed in Belgium. Imports have increased continuously since 1962, particularly from Germany; thus in 1962 imports from that country totalled 610 000 kg with a value of Bfrs 15 750 000, while in 1972 they reached 3 044 000 kg and Bfrs 155 191 000. Total imports from the eight Member States of the Community rose from 1 689 000 kg (Bfrs 42 527 000) in 1962 to 7 877 200 kg (Bfrs 424 133 000) in 1972.

2. The *Groupement* claims that certain of the provisions referred to by the Commission in its statement of objections of 26 October 1973 were either of minor importance or else no longer applied. The *Groupement* has, however, at no time stated that it has revoked these provisions.

3. The *Groupement* no longer insisted on adherence to their prescribed retail prices but only forbade the display or announcement of price reductions. However this claim is at variance with the express provisions of the price list and also with a letter of 22 October 1973, in which the *Groupement* wrote to G.B. Entreprises S.A. as follows:

'Your Company is aware that members of our *Groupement* fix sale and resale prices, yet your company intentionally undercuts those prices ....'

4. The *Groupement* explained that the reason that the notification was incomplete was that in 1962 it was as yet uncertain exactly what particulars were required. The *Groupement* did not, however, take up the Commission's suggestion that one of the two lawyers responsible for preparing the notification should appear at the hearing to give an explanation of the position.

II. Consideration under Article 85 (1) of the EEC Treaty

A. *The Règlement d'ordre intérieur du Groupement*

1. The *Règlement* is an agreement between the four members of the *Groupement* and therefore an agreement between undertakings within the meaning of Article 85 (1).

2. The following provisions of the *Règlement* have as their object the restriction of competition in respect of the sale of wallpapers in Belgium:

(a) restriction of membership to undertakings established in Belgium: in this way undertakings from other States which have no establishment in Belgium find difficulty of access to the Belgian market;

(b) the fixing in the *barème-cadre* of prices, price ranges and qualities;

(c) the fixing of *prix de voyage* and *prix de carte;*

(d) the exchange of ranges to check compliance with the *barème-cadre;* this exchange serves as a check and thereby to maintain and strengthen the combined restriction of competition;

(e) the requirement that the General Conditions of Sale must be standardized;

(f) the agreement on aggregated rebates;

(g) the prohibition on cash discounts;

(h) the standardization of the duration of credit;

(i) the fixing of the reduction in respect of self-user;

(j) the fixing of the interest rate for customer financing; By reason of the restrictions (e) to (j) the individual formation of prices and conditions by the members of the *Groupement* is excluded.

(k) the prohibition on supplying joint purchasing groups or purchasing or selling agents; thereby hampering undertakings with a tendency to cut prices;

(l) the joint fixing of a minimum quantity for *prix de voyage* sales;

(m) the agreements on the opening, other details and closing of marketing years;

(n) the agreement on the provision of sample books, whether against payment or free of charge ;

(o) the centralization of sample book production;

(p) the agreements on the definitions of *prix de voyage* and *prix de carte;*

(q) the fixing of a minimum amount to be purchased by customers;

(r) the prohibition on Saturday deliveries and the understanding on the annual closing of supply depots;

(s) the fixing of dates, prices and conditions for clearance sales;

(t) the definition of a wholesaler, including the agreement on the supply of sample books to such wholesalers;

Obligations (l) to (t) regulate conduct on the market other than that in respect of prices and conditions. They prevent a member of the *Groupement* from individually offering customers better services or extra advertising material.

(u) the carrying out of joint advertising, including joint use of the DECORGROUP trademark, and the concomitant limitation on individual advertising by the various members.

This obligation prevents the individual members of the *Groupement* from seeking to obtain a competitive advantage through their own advertising.

B. *Circular 619 on the marketing years 1971-73 (General Conditions of Sale) and Circular 620 for large-scale customers*

1. The *Groupement* is an association of undertakings and Circulars 619 and 620 are decisions by associations of undertakings within the meaning of Article 85 (1).

2. As soon as the provisions of Circular 619 or 620 are included in a contract between a member of the *Groupement* and a customer, there is an agreement between undertakings within the meaning of Article 85 (1).

3. The following provisions of Circular 619 have as their object the restriction of competition in the respect of the sale of wallpapers in Belgium:

(a) the obligation to apply and display the fixed prices;

(b) the prohibition on displaying lower prices or announcing price reductions;

(c) the requirement that clearance sale prices must be adhered to;

(d) the prohibition on trimming wallpaper free of charge and the fixing of the price for trimming;

(e) the obligation to impose compliance with the obligations under the General Conditions of Sale on all customers;

4. Moreover, the object and effect of the scale of aggregated rebates in both Circulars 619 and 620, whose percentages are calculated on the sum of all purchases from members of the *Groupement* during a given year, is to restrict competition from other wallpaper producers who are not members of the *Groupement*. The aggregated rebate system leads to a concentration of orders with members of the *Groupement*. The fact that the rate of rebate varies with quantities purchased encourages those who have already covered part of their requirements from members of the *Groupement* to buy their entire requirements from those members, in order to obtain the highest possible rebate (cf. Commission Decision of 29 December 1970, OJ No L 10, 13 January 1971).

The scale of aggregated rebates thus applies dissimilar conditions to similar transactions with other trading parties. A Belgian customer who buys a certain quantity of wallpaper from a member of the *Groupement* and they buys a further quantity of wallpaper from another member of the *Groupement* will get a higher rebate than the customer who buys the same amount and quality of wallpaper from the first manufacturer but who makes his further purchase from one not belonging to the *Groupement*. The purchase from the manufacturer not belonging to the *Groupement* is not taken into account when calculating the amount of the rebate due to the second customer.

The *Groupement*'s objection that the rises in its scale of rebates are far less steep than those on which the abovementioned Commission Decision of 29 December 1970 was based is in fact valid but cannot affect the Commission's overall findings. The *Groupement*'s scale of rebates must be seen in conjunction with the other restrictions on competition by the *Groupement*, which make up a comprehensive system of market controls excluding competition between the members of the *Groupement*.

The statement by the *Groupement* in a letter dated 26 April 1971 that it would be prepared to include purchases of wallpapers in Germany or in any Member State in the calculation of the aggregated rebate can likewise have no effect on the ultimate decision, since even an agreement on aggregated rebates under which all purchases, whether from members or from non-members, are taken into account is a restriction on competition contrary to Article 85 (1) and not saved by Article 85 (3) (cf. Commission Decision of 3 July 1973, OJ No L 217, 6 August 1973, p. 34).

C. *Circulars 617 V and 617 C*

1. Both these Circulars are also decisions by associations of undertakings and as soon as they are included in a contract between a member of the *Groupement* and a customer there is an agreement between undertakings within the meaning of Article 85 (1).

2. Circulars 617 V and 617 C have as their object the prevention of price competition between members of the *Groupement*.

3. Their object is also, by fixing resale prices, to abolish price competition between wallpaper dealers. There is no substance in the claim put forward by the *Groupement* and its members that they no longer fix their prices but only forbid the display and announcement of price reductions. And even if the

claim were valid it would not change the decision; for the mere fixing of a price, even if only as a guide, affects competition in that it gives all market participants sufficiently certain foreknowledge of their rivals' pricing policies (cf. Decision of the Court of Justice of the European Communities of 17 October 1972, Case 8/72, Reports: Volume XVIII, pp. 977 and 990).

D. *The boycott of Pex and International Decor*

1. The decision to cease supplying Pex and International Decor taken by the *Groupement* in October 1971 is a decision by an association of undertakings within the meaning of Article 85 (1).

2. This decision constitutes a restraint on Pex's and International Decor's competition since that time with other wallpaper dealers.

3. The claim by the *Groupement* and its members that they were justified in refusing to supply, because Pex would not comply with the General Conditions of Sale and charge the fixed prices, nor ensure that his customers would comply with them, is not a valid defence: the General Conditions of Sale and the collectively fixed prices are in violation of Article 85 (1). Pex is entitled to refuse to comply with them, because to do otherwise would result in his infringing Article 85 (1).

The further claim that Pex had debts outstanding with a member of the group, Papiers peints Brepols S.A., does not justify the other members of the group in refusing to supply him. Moreover, Pex's debts with Papiers peints Brepols S.A. date from a period when the latter was calling for a boycott of Pex in its circular of 4 October 1971, thus starting the process which led to the Group deciding on the boycott of 29 October 1971 (first unpaid account 29 June 1971, falling due on 30 September 1971; second unpaid account 30 August 1971, falling due on 30 November 1971).

The *Groupement's* last claim — that G.B. Entreprises S.A., which had been supplied by Pex, does not charge the prices fixed by the group or observe the prohibition on displaying price reductions — is without substance, even if in individual cases G.B. Entreprises S.A. has charged the public higher prices than those fixed, since G.B. Entreprises S.A. is free to set its prices at will.

E. *The effect on trade between Member States*

The agreement constituted by the *Règlement d'ordre intérieur*, and the decisions based on it, may also affect trade between Member States, since wallpaper manufactured outside Belgium and sold in Belgium by the members of the *Groupement* is also included. Apart from this the aggregated rebate scheme hinders the importation of wallpaper into Belgium. The agreement and the decisions based upon it directly affect freedom of trade between Member States in a way which is detrimental to the attainment of a single market. By its very nature, an agreement extending over the whole area of a Member State has the effect of reinforcing the compartmentalization of markets at national level; it thereby prevents the economic interpenetration which the Treaty is designed to bring about and protects domestic production (see the judgment given by the Court of Justice on 17 October 1972 in Case 8/72, Rep. Vol. XVIII, p. 991).

III. Consideration under Article 85 (3)

A declaration under Article 85 (3) cannot be granted because it does not appear that the agreement and the decisions based on it contribute to improving the production and distribution of wallpaper; moreover, they are aimed at keeping the level of wallpaper prices in Belgium artificially high by collective price agreements and by the effect of the aggregated rebate scheme, which impedes imports, so that consumers not only derive no benefit from the agreement and decisions but are on the contrary harmed by them.

The *Groupement*'s argument here was that its quality classification system made it easier for consumers to choose between hundreds of designs; it therefore contributed to improving distribution. The Commission does not deny that this may be so; the members of the *Groupement* are at liberty to conclude an agreement on quality classification that contains no reference to prices and may duly notify this to the Commission so as to establish whether the tests of Article 85 (3) are satisfied. But so long as the quality classification constitutes only a small part — even though possibly a positive one — of a restrictive arrangement the whole of which is prohibited under Article 85 (1), the Commission cannot see its way

to considering the quality classification in isolation without an application to this effect from the undertakings concerned; yet these undertakings insisted to the end of the hearing that their entire arrangement must be maintained intact.

IV. Application of Articles 3 and 15 (2) of Regulation No 17

1. Under Article 15 (5) of Regulation No 17 the *Groupement* and its members cannot be fined for acts which fall within the limits of the activity described in the notification.

2. The Commission leaves open the questions as to whether or not the *Groupement* acted in good faith in notifying the agreements and restrictive decisions, or attempted to conceal the full implications of their market arrangements by providing vague statements and by not disclosing the existence of agreements and written decisions. It appears to the Commission, in any event, that the collective boycott exceeds the limits of the activities described in the notification. The members of the *Groupement* will be fined in proportion to the extent of the boycott established. Moreover, in accordance with Article 3 of Regulation No 17, the agreement and decisions prohibited by Article 85 (1) must be brought to an end immediately.

3. In fixing the amount of the fine, the Commission has to have regard both to the gravity and to the duration of the infringement. The collective boycott is traditionally considered one of the most serious infringements of the rules of competition, since it is aimed at eliminating a troublesome competitor. Such a boycott constitutes an intentional infringement of Article 85 (1).

The infringement was committed in October 1971 and is continuing; it is a particularly aggravating circumstance that the undertakings concerned are persisting in their conduct despite the fact that its illegality was pointed out to them, by, in the first place, a judgment delivered by the Nivelles Tribunal de Commerce on 1 March 1973, and then by the statement of objections issued by the Commission on 26 October 1973.

In determining the amount of each fine to be imposed, the Commission has, in addition to the foregoing considerations, taken into account the market position of each separate enterprise,

HAS ADOPTED THIS DECISION:

Article 1

The *Règlement d'ordre interieur* of the *Groupement des Fabricants de Papiers peints de Belgique* of July 1971, Circulars 619, 620, 617 C and 617 V and the decision not to supply wallpaper to the dealer Pex and the undertaking International Decor constitute infringements of Article 85 (1) of the Treaty establishing the European Economic Community.

Article 2

The application under Article 85 (3) for a declaration of non-applicability is refused.

Article 3

The Groupement des Fabricants de Papiers peints de Belgique and its member undertakings, as named in Article 5 (1) to (4) hereof, shall forthwith terminate the infringements specified in Article 1.

Article 4

1. The following fines are imposed in respect of the collective boycott:

(a) on S.C. Usines Peters Lacroix S.A., a fine of 135 000 (one hundred and thirty five thousand) units of account, that is 6 750 000 (six million seven hundred and fifty thousand) Belgian francs;

(b) on Les Papeteries de Genval S.A., a fine of 120 000 (one hundred and twenty thousand) units of account, that is 6 000 000 (six million) Belgian francs;

(c) on Ets. Vanderborght Frères S.A., a fine of 36 000 (thirty six thousand) units of account, that is 1 800 000 (one million eight hundred thousand) Belgian francs;

(d) on Papiers peints Brepols S.A., a fine of 67 500 (sixty seven thousand five hundred) units of account, that is 3 375 000 (three million three hundred and seventy five thousand) Belgian francs. francs.

2. This Decision is enforceable against the enterprises concerned in accordance with the provisions of Article 192 of the Treaty establishing the European Economic Community.

Article 5

This Decision is addressed to the *Groupement des Fabricants de Papiers peints de Belgique,* av. Louise, 138, 1050 Brussels, and to the following undertakings:

1. S.C. Usines Peters-Lacroix S.A.
   Dobbelenberg 9
   1130 **Brussels.**

2. Les Papeteries de Genval S.A.
   rue de Rixensart
   Genval.

3. Ets. Vanderborght Frères S.A.
   rue de L'Ecuyer 52
   1000 Brussels.

4. Papiers peints Brepols S.A.
   Lindekens 44-46
   2300 Turnhout.

Done at Brussels, 23 July 1974.

For the Commission

The President

François-Xavier ORTOLI