

Class: UP/I 034-03/17-01/005
Reg.no: 580-10/65-2018-057
Zagreb, 14 November 2018

CCA vs. Croatian Taekwondo Federation

- Initiative relating to the alleged distortion of competition – abuse of a dominant position

Decision: Decision on non-infringement of competition rules

Case summary:

Responding to the complaint made by the undertaking LMK International d.o.o., from Zagreb, in which it states that the Croatian Taekwondo Federation (CTF) – a national umbrella taekwondo association, on 24 February 2018 sent a letter to its members – taekwondo clubs and local associations, including LMK, advising them not to make any business deals with LMK due to allegedly unsettled debts of the undertaking concerned to CTF. The challenged letter was also published on the CTF website.

In the course of the proceeding, after having examined all the evidence and documentation received from CTF, the undertaking LMK and other taekwondo clubs, the Croatian Competition Agency (CCA) found that the letter that was sent by CTF to all its members including the complainant – the undertaking LMK, potentially limited access only to a smaller part of the relevant market relating to qualifying tournaments organized by taekwondo clubs.

In addition, the analysis of the data carried out by the CCA showed that the CTF letter did not have any effect whatsoever on other tournaments given the fact that the undertaking LMK continued to participated in them.

Furthermore, the comments received by the CCA from other taekwondo clubs indicated that for various reasons the majority of the clubs did not comply with the request contained in the letter sent by the CTF.

It is important that the CCA review of the taekwondo tournaments in which LMK rented its electronic scoring gear and tatami mats showed that LMK had rented its electronic gear only in one tournament before the challenged letter was sent by the CTF in February 2017. Given the limited presence of LMK in the part of the market concerned even before the letter was sent, it was not conclusive that the letter itself lead to the foreclosure in this market segment.

The CCA also took into account the fact that in May 2018 CTF informed its members – taekwondo clubs on its website that LMK settled all its debts toward CTF alerting the members that they can do business with LMK at their own risk. By doing so CTF significantly lessened the negative effect on the decision about the selection of the business partner by any member in the organization of taekwondo tournaments.

Taking everything into account, the CCA found that CTF did not distort competition by abusing its dominant position in the relevant market covering the organization of taekwondo tournaments in the territory of the Republic of Croatia.