

KEY WORD : TIE-INS/FRANCHISING

MONTRI SILLAPAMAHABUNDIT : LEGAL MEASURES CONCERNING TIE-INS IN  
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A tie-in or tying arrangement is an arrangement to sell one product (tying product) on condition that the buyer purchases other kind of product (tied product) from the same company. The franchisor uses the tying arrangement to create an obligation on the part of the buyer to buy the tied product as a condition for getting the franchise. The tying arrangement affects the market of such product in many ways. It limits both competition and opportunity for the buyer to buy the same kind of product from other company; expands the market share of the company in one product to other products; creates trade barriers; and damages competition.

According to the present study, legal measures in Thailand are rather restricted and inappropriate. The study thus suggests amending the Price-Fixing and Anti-Monopoly Act of B.E. 2522 by 1) the abolition by the central committee of restrictive business controls and restrictions on free choice in buying goods; 2) a new requirement that any lawsuit to be filed must be authorised by the administrative agency consisting of specialists in economics and laws; and 3) a requirement that entrepreneurs who intend to make tying arrangements must seek official authorisation, which may in exceptional circumstances be granted, on condition that the arrangements do not adversely effect the trading market as a whole.