

Duff on Hospitality Law

OTA & Travel Distribution Update: The UK Competition and Markets Authority declares victory; Sabre pronounces that the DOJ case is "riddled with errors"; Ctrip to become Trip.com Group; another undisclosed fees case proceeds

By Greg Duff on 9.20.19 | Posted in OTA Update

A good mix of stories in this week's Update, including another name change for one of the largest OTAs. Enjoy.

The CMA Declares Victory

("Major overhaul of hotel booking sector after CMA action," Competition and Markets Authority (CMA) (gov.uk) - All Content on Sep 13, 2019)

On Friday, the UK Competition and Markets Authority (CMA) issued a press release touting the number of online hotel booking sites that have now implemented the CMA's sector wide principles for complying with the UK's consumer protection laws. According to the CMA, 25 companies – including traditional OTAs, metasearch sites and major hotel chains – have agreed to change how they display rates, inventory and other booking information. What was perhaps most interesting about the press release, however, was the CMA's announcement that it is co-leading an international effort by consumer protection agencies around the world to examine the hotel industry's consumer protection law compliance. Details about this international effort can be found on the group's website - <https://www.icpen.org>

Sabre Pronounces That DOJ's Case Is "Riddled with Errors"

("Sabre Hits Back At DOJ Challenge To \$360M Farelogix Merger," Law360 on Sep 10, 2019) (subscription required)

Not surprisingly, Sabre's court filings this week made clear that Sabre strongly disagrees with the US Department of Justice's view of Sabre's proposed acquisition of Farelogix. Sabre's primary motivations for pursuing the acquisition of the airline distribution upstart – to foster or kill competition - are at the core of the DOJ's case.

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Ctrip To Become Trip.com Group

("Ctrip Changing Name to Trip.com Group to Emphasize International Business," Skift on Sep 10, 2019)

Add Ctrip to the list of large OTAs to change their name over the past year or two. In an effort to better communicate its global ambitions, Ctrip announced last week that it is changing its name to Trip.com Group Ltd. According to Ctrip CEO, Jane Sun, up to 50% of Ctrip's overall revenues could be generated internationally in the next few years (up from 35% this most recent quarter). All of Ctrip's existing brands – Ctrip, Trip.com, Qunar and Skyscanner – would fall under this newly named parent company.

Another Undisclosed Fees Case Proceeds

("Spirit Faces Lawsuit Over Alleged Failure to Notify About Fees," Travel Pulse on Sep 11, 2019)

A group of Spirit Airlines' passengers received good news this past week. A Manhattan federal appeals court revived a case brought by the passengers alleging that the tickets they purchased online through Expedia, Priceline, Travelocity and other third-party intermediaries failed to disclose mandatory carry-on bag fees. According to the complaint, Spirit Airlines was a "knowing accomplice" to the online distributors' misleading practices. More details on this case to come in future Updates.

Other news:

SiteMinder partners with HotelSwaps to enable trade of unsold inventory

Phocus Wire on Sep 11, 2019

SiteMinder's hotel clients can now use HotelSwaps, a hotel room exchange platform.

Why Hilton Is Emphasizing the Benefits of Membership

AdWeek on Sep 10, 2019

With a loyalty program that will soon reach 100 million guests, Hilton Worldwide is doubling down on its message to customers, asking them to skip the middleman and book their stays directly with hotels. Online travel agencies (OTAs) like Expedia and Hotels.com make up a sizable portion of the booking ...