

Duff on Hospitality Law

OTA & Travel Distribution Update - April 7th, 2017

By Greg Duff on 4.14.17 | Posted in OTA Update

Below please find this week's OTA & Travel Distribution Update for the week ending April 7, 2017. The recently released European Commission's report on the hotel industry headlines this week's Update.

- **European Commission Issues Much Anticipated Report on Online Booking Industry [OTA/ANTI-TRUST].** Although we have yet to dig into the details of the [Commission's report](#), here is what we know:
- The European Commission and 10 national competition authorities took part in the online hotel booking review, which was intended to examine the effectiveness of the variety of anti-trust enforcement measures adopted over the past few years to limit OTAs' parity requirements (e.g. narrow parity and absolute parity prohibition).
- In short, the Commission decided to do nothing – at least for now. The Commission wants more time to continue monitoring current anti-trust efforts and commits to better cross-border coordination of future enforcement actions.

More details about the report and its likely effects will be forthcoming in future Updates. Stay tuned.

- **Expedia Sued by Affiliate for Questionable Data Practices [OTA].** Reservation Center (one of Expedia's thousands of affiliates) filed suit last week against Expedia alleging that an Expedia account manager stole Reservation Center's confidential search engine marketing data and then shared that data with an Expedia competitor. To make matters worse, Expedia, after learning of the breach, allegedly decided to cover it up. According to the complaint, the theft caused Reservation Center \$61 million in damages. What's most interesting about this claim, is that it calls into question Expedia's data protection practices, which could affect any of Expedia's partners or affiliates. If you would like a copy of this recently filed complaint, please let us know.

Expedia Sued by Affiliate for Allegedly Stealing Data and Handing It to a Competitor

Skift Travel News, Apr 3, 2017

An Expedia affiliate partner, Reservation Counter, has filed a lawsuit against Expedia Inc. alleging that the company stole Reservation Counter's confidential search engine marketing data and provided it to a direct competitor, leading to the near-demise of Reservation Counter's business. The lawsuit also alleges that Expedia covered up the breach rather than informing the plaintiff of the alleged transgression. The lawsuit, filed Friday in a federal court in Utah by TravelPass Group on behalf of its Reservation Counter subsidiary, alleges that the data theft caused \$61 million in damages to Reservation Counter. The company, part of Utah-based PartnerFusion, is asking the court to award it treble damages.

Other news:

UK startup Triptease has raised £7.2 million from BGF Ventures to cut out the middlemen in hotel bookings

Business Insider, Apr 4, 2017

UK travel startup Triptease has raised \$9 million (£7.2 million) in a Series B round led by BGF Ventures Existing backers Notion Capital and Episode 1 Ventures also participated. Triptease is headquartered in London and will use the cash to open its first Asian office in Singapore. It also has offices in New York. It will also hire more staff. Triptease adds "a few lines of code" to a hotel's existing booking engine which, when a guest thinks about booking a room, compares the hotel's direct booking rates against Expedia.com, Booking.com, or Hotels.com rates, for example. Triptease also tracks what works and what doesn't, so if a guest needs more persuading, it can throw in sweeteners (like free cocktails) that have worked for other hotels. The idea is to cut out online travel agents, which can charge up to 20% commission as middleman, according to Triptease. The company said it's working with more than 17,000 hotels and that delivers \$1 billion (£800 million) in booking revenues per year.

Airbnb 'Trips' launches in Seattle offering tourist activities from local experts*GeekWire, Apr 4, 2017*

Travelers visiting Seattle can now book a catered breakfast beneath the Seattle Aquarium's underwater dome through Airbnb. The "Seas the Day!" event is part of Airbnb Trips, a feature that allows local experts to sell activities to guests. Airbnb Trips officially launches in Seattle today, with activities like sailing.

Online Travel Companies Fight Federal Court's \$84M Judgment

BNA Tax & Accounting News, Mar 20, 2017

By Jennifer McLoughlin - Online travel companies are pleading for reversal of a federal district court's judgment they are liable for \$84 million in hotel occupancy taxes, penalties and interest.