FEDERAL TRADE COMMISSION
PROTECTING AMERICA'S CONSUMERS

Two Barcode Resellers Settle FTC Charges That Principals Invited Competitors to Collude

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Two Internet resellers of UPC barcodes used by retailers for price scanning and inventory purposes, have settled charges that they violated the Federal Trade Commission Act by inviting competitors to join in a collusive scheme to raise the prices charged for barcodes sold online.

Universal product codes are issued by an international association that sets global supply chain standards, and many companies pay the association membership fees to receive UPC barcodes for their products. Some small businesses purchase UPC barcodes through resellers in an online secondary market in order to avoid the cost of joining the association. In the secondary UPC barcode market, competition among resellers has driven prices lower in the past few years.

In separate complaints, the FTC charged that InstantUPCCodes.com and its principal, Jacob J. Alifraghis, and 680 Digital, Inc., d/b/a Nationwide Barcode and its principal, Philip B. Peretz violated the FTC Act by inviting competitors to collude to raise prices for barcodes sold over the Internet.

The FTC complaints charge that on August 4, 2013, Alifraghis of Instant sent a message to Peretz of Nationwide proposing that the two companies, along with a third barcode seller, “Competitor A,” together raise their prices to meet the higher prices charged by another company, “Competitor B.” Instant's Alifraghis allegedly then sent a similar email invitation to Competitor A, and the next day, Nationwide's Peretz forwarded Instant's message to Competitor A, asking for its thoughts on the proposal.

Without agreement from Competitor A, Nationwide and Instant did not take action to raise prices, but allegedly continued to discuss by email a possible price-fixing scheme for barcodes, conditioned on the participation of Competitor A. Competitor A never responded to any email nor did it agree to participate in the proposed scheme. The improper discussions continued through January of this year, stopping only after the FTC began its investigation into the matter.