



Hermes defeats class action again over hard-to-get Birkin bags

Sept 17 (Reuters) - French luxury brand Hermes has convinced a U.S. judge to dismiss for a second time a lawsuit alleging it violates antitrust law by forcing buyers to spend thousands of dollars on its products before they can purchase one of the fashion company's famed Birkin handbags. U.S. District Judge James Donato in San Francisco on Wednesday rejected claims by three Hermes shoppers in California that the company was suppressing competition.

"It may be, as plaintiffs suggest, that Hermes reserves the Birkin bag for its highest-paying customers, but that in itself is not an antitrust violation," Donato wrote in his order , opens new tab

The judge dismissed the proposed class action with prejudice, which means it cannot be refiled.

Hermes, its lawyers and attorneys for the plaintiffs did not immediately respond to requests for comment.

The lawsuit, filed last year, claimed Hermes violated U.S. antitrust law by "tying" or restricting purchases of its Birkin bags to customers with a sufficient sales history with the company.

The consumers called the retail price of a Birkin bag an illusion that "masked a hidden lottery system that forces consumers to purchase substantial amounts of Hermes ancillary products to 'qualify' for the mere opportunity to buy a Birkin."

Hermes and its sales staff "know that many of the people they induce to buy ancillary products will not in fact get a Birkin bag," the lawsuit said.

In seeking dismissal, Hermes told Donato that sales of Birkin bags, which are handmade and can cost thousands of dollars, take place in a competitive market.

Donato at a hearing last year cast doubt on the claims made by the plaintiffs before he dismissed an earlier version of the lawsuit. The judge told the lawyers for the plaintiffs that if Hermes "chooses to make five Birkin bags a year and charge a million to them, it can do that."

