

Duff on Hospitality Law

Online Travel Update: Jury Finds Out That Sabre Did Not Unreasonably Restrain Trade and That U.S. Air Was Entitled to Only \$1.00 in Damages, and Marriott Launches Marriott Media Network

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Last week's Update continues the theme of providing updates on a few lesser known distribution platforms - this week we feature Latin American distributor, Despegar, and Central and Eastern European distributor, the Szallas Group. Enjoy.

Jury Supports U.S. Air Claim That Sabre Monopolized the Airline Booking Industry, But...

("Sabre Illegally Monopolized Airline Ticket Booking Market but U.S. Airways Gets Just \$1.00 in Damages, U.S. Jury Concludes," May 19, 2022 via MLEX Insight)(subscription may be required)

A N.Y. federal court jury found last week that Sabre used exclusionary conduct to maintain its monopoly in airline distribution to the detriment of U.S. Air, BUT (and it is a large, BUT), the jury also found that Sabre did not unreasonably restrain trade and that U.S. Air was entitled to only \$1.00 in damages. Recall that this was the second trial in this matter, with the first resulting in a \$15 million award against Sabre. The original award was overturned on appeal, following a U.S. Supreme Court ruling regarding similar two-sided platforms (both supplier facing and travel agent facing). What this decision and the \$1.00 award might mean for Sabre (or those airline or hotel suppliers currently contracting with Sabre) in the future, are unknown.

Marriott Launches Marriott Media Network

("Marriott Partners With Yahoo to Create Marriott Media Network," May 16, 2022 via Lodging Magazine)
Marriott captured many of the travel industry's headlines with its launch (in collaboration with Yahoo) of the

Marriott Media Network. The Network will provide third-party brand advertisers access to Marriott guests throughout their journey (booking, pre-stay and in-stay) across all of Marriott's owned channels - display, email, mobile in-room entertainment, etc. Yahoo will contribute both supply (accessing and activating the various channels) and demand (advertisers seeking to market and promote their products and services) expertise and resources to the partnership. In this post-cookie world, Marriott's decision to open its owned channels to third-party advertisers (and thereby allowing them to leverage Marriott's existing relationships with known travelers) may provide advertisers in the travel industry a powerful new alternative.

Other news:

Despegar Posts Second Quarter of Profitability as Demand Recovers

May 20, 2022 via Phocus Wire

Latin American online travel company Despegar is posting its second consecutive positive quarter with adjusted EBITDA of \$12.3 million for the period ending March 31, 2022.

How Szallas Built an O.T.A. Powerhouse in Central and Eastern Europe

April 20, 2022 via Skift (subscription may be required)

The travel industry is optimistically looking ahead in 2022, seeking to capitalize on high demand. Amidst that resurgence, the Central and Eastern European market is teeming with potential. Home to more than 100 million people, it's by no means uniform. Players in the region have to work across multiple major languages and contrasting cross-border financial and political regulations, to name a few key considerations. Companies that are able to integrate regional disparities through technology while maintaining localized customer service and marketing focus have huge advantages. That's no easy task.

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