

## Case law

### Case Details

**National ID:** Prescription of the Estonian Consumer Protection Board of 9 November 2012 No 6-25/12-04125-004

**Member State:** Estonia

**Common Name:** Mona Vie Eesti

**Decision type:** Administrative decision, first degree

**Decision date:** 09/11/2012

**Court:** Estonian Consumer Protection Board

**Subject:**

**Plaintiff:** Tarbijakaitseamet

**Defendant:** NC Eurotax Ansalt OÜ

**Keywords:** black list, identity of the trader, misleading commercial practices

### Directive Articles

Unfair Commercial Practices Directive, [Annex I, 12.](#)

### Headnote

Creating possibilities for developing a sales scheme that could be qualified as a pyramid scheme is prohibited as a misleading commercial practice.

### Facts

The defendant developed a sales scheme of MonaVie products (mainly acai berry juices), where persons could benefit primarily through soliciting other persons to join with the scheme.

The defendant claimed that it was not affiliated with MonaVie LLC and that it only offered consumers the possibility to place collective orders for MonaVie products from a MonaVie warehouse in Poland to save from transport costs.

The defendant also claimed that all consumers were in relations directly with MonaVie LLC through partnership and all products were ordered from abroad only for consumers' personal consumption, which is why no Estonian labeling for products was required.

Yet, during the investigations, the court found that:

- MonaVie products were stored in the defendants' premises;
- consumers were asked to pay for MonaVie products either in cash or by bank transfer to the bank account of the defendant;
- the defendant offered credit possibilities to consumers ordering MonaVie products, whereas the repayments were to be made either to the bank account of the defendant or its board member;
- the defendant's board member referred to the defendant's office as the MonaVie Estonian representation on the Internet;
- MonaVie product presentations were held at the premises of the defendant.

### Legal issue

The court found, based on materials presented by MonaVie's partners, that the aim of MonaVie is to broaden its sales scheme by soliciting new members, who would receive benefits primarily through soliciting other consumers to join with the system and not from the sale or consumption of the products.

This qualifies as pyramid scheme, which is automatically prohibited due to point 12 of annex I of the UCP Directive.

The court also found that the defendant had created possibilities for developing and broadening the pyramid scheme in Estonia.

As a result, the defendant's practices amounted to unfair and prohibited commercial practices.

### Decision

Is creating possibilities for developing a sales scheme that could be qualified as a pyramid scheme prohibited as a misleading commercial practice?

URL: <http://www.tarbijakaitseamet.ee/ettekirjutused-2012/>

Full text: [Full text](#)

### Related Cases

No results available

### Legal Literature

No results available

### Result

The court issued a precept to the defendant ordering it to cease the activities constituting in creating and developing a sales scheme, where the consumers pay for the possibility to obtain benefits mainly from soliciting other consumers to join the system and not from the sale or consumption of products, and to refrain from such activities in the future.