

TIED SELLING IN CANADA'S DENTAL INDUSTRY: KNOW YOUR RIGHTS



What You Need to Know

I recently spoke with a dentist who shared a concerning experience: the company conducting the practice appraisal insisted upon a signed contract to list the practice before they would release the appraisal report.

This practice is known as tied selling and occurs when a supplier of a product or service pressures a client to purchase a secondary product or service as a condition of receiving the primary product. In the dental industry, this might be an appraiser demanding that you sign a listing agreement with their brokerage before releasing your appraisal report.

The appraisal assignment always precedes the listing mandate.

To put it in more familiar terms: imagine being told you can't receive a crown unless you first agree to—and pay for—a preventive appointment. While this may not be a perfect comparison, it highlights the unethical nature of forcing unrelated transactions upon clients.

Legal Implications

Tied selling is strictly prohibited by the Competition Bureau of Canada. Any brokerage operating in Canada that conditions the



release of an appraisal on signing a listing agreement is engaging in unethical, illegal conduct. Such behavior constitutes an abuse of market dominance and can lead to dire consequences, including disciplinary action from professional regulatory bodies.

A Cross-Border Influence?

I suspect this practice may be influenced by foreign-based organizations where such tactics might be more common. As these entities expand their influence in Canada, they may be unaware—or willfully ignorant—of the legal and ethical standards enforced by Canadian authorities.

The Competition Tribunal in Ottawa rigorously investigates anti-competitive practices across industries. If a Canadian dental appraiser or broker were found engaging in tied selling, the repercussions would be severe.

Protect Yourself

It's essential to carefully vet the companies you engage in dental supplies, equipment, and professional services. Investigate who owns these companies, understand their policies, and ask critical questions upfront.

Specifically, for an Appraisal & Brokerage firm, you should ask:

“Do you require a signed listing agreement before releasing my appraisal to me, my advisors, or potential private purchasers?”

A reputable company will never impose such conditions. Naturally, our firm does not engage in tied selling practices—otherwise, I would not be authoring this article.

Final Thoughts

Do not allow yourself to be subjected to abusive or coercive business practices, especially those influenced by foreign entities unfamiliar with Canadian regulations. The Competition Bureau of Canada enforces strict laws against restrictive trade practices to protect professionals like you.

Stay informed, stay vigilant, and ensure you are collaborating with ethical partners who respect both your rights and Canadian law.

TEXT me @ (416) 520-7420 to learn more.

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