

Competition Law Bulletin



Vol. II, No. 3, July - August, 2010

From the Editor's Desk...

Dear Reader,

Greetings.

Continuing with our efforts to update you with the latest developments in Competition law, we are happy to present this edition to you.

Status quo continues on the merger control regulations under the Competition Act, 2002 ("Act"), which are still under examination with the Ministry of Corporate Affairs, which Ministry had reportedly referred the draft regulations to the Ministry of Law & Justice.

The recent recommendations reportedly sent by the Competition Commission of India (CCI) to the Planning Commission on incorporating a "National Competition Policy" (NCP) in the Approach Paper of the 11th Five Year Plan is a positive and timely step in the right direction. The recommendations relating to the electricity sector, as reported, include, inter-alia, review on policies of imposition of import tariffs on power equipments and giving a right to consumers to choose Distribution Company from the two companies, NDPL and BSES, operating in Delhi, like Mumbai. Incidentally, a Working Group of the Planning Commission, in its report in February 2007 on Competition Policy had also suggested that an overarching and cross-sectoral NCP be adopted by the Government. We hope that the new recommendations of CCI on NCP find a place in the 11th Five Year Plan document.

The recent landmark decision of the Supreme Court on the appeal filed by CCI in the Jindal matter will lead to reopening of the investigation by the DG, CCI in the matter. The outcome will be interesting to watch.

I once again urge you to share your views on improvements in the quality of this Bulletin.

Yours truly,

M M Sharma
Head - Competition Law & Policy
Vaish Associates, Advocates
mmsharma@vaishlaw.com

Inside...

INDIAN PERSPECTIVE

- CCI passes orders for closure of certain matters
- Media updates
- COMPAT decides more pending MRTTP matters

INTERNATIONAL NEWS

- USA - Federal Trade Commission (FTC) resolves charges of anticompetitive behavior against Intel
- USA - FTC Announces New Horizontal Merger Guidelines
- EU- EC Commission started investigation against IBM for abuse of dominance.
- EU - EC Commission clears merger between United Air Lines and Continental Airlines.
- EU - EC Commission approves proposed acquisition of Sperian by Honeywell
- EU -EC Commission opens official investigation into marine insurance agreements
- Hungary - Highest ever fine for railway construction cartel
- Pakistan - Facilitation services of the Competition Commission
- Austria - Federal Cartel Authority searches law firm's office

VAISH ACCOLADES

- Conferences/ Seminars addressed by Partners/ Associates

**For further details,
please contact....**

Vinay Vaish

vinay@vaishlaw.com

Satwinder Singh

satwinder@vaishlaw.com

For Private Circulation

Vaish Associates Advocates ...Distinct. By Experience.

INDIAN PERSPECTIVE

CCI passes orders for closure of certain matters

CCI has published full text of the orders on closure of 9 cases of Information filed under the Act and 6 cases of pending investigations transferred from the Director General of Investigation & Registration (DGIR) and the Competition Appellate Tribunal (COMPAT) on its website www.cci.gov.in. We publish excerpts for one important decision as under:

CCI dismisses petition filed against the Department of Telecommunications (DoT) by the Internet Service Providers Association of India (ISPAI)

Vide an order dated June 29, 2010; CCI dismissed Information filed against the Department of Telecommunications (DoT) by the Internet Service Providers (ISPs) Association of India (ISPAI). ISPAI is a registered association of ISPs and the Information related to alleged discriminatory behavior of the DoT in providing internet telephony services. According to the Information, filed under section 3 and 4 of the Act, whereas, Unified Access Service License (UASL), Basic Service Operators (BSO) and Cellular Mobile Telephone Services (CMTS) licensees have been allowed to provide unrestricted internet telephony services to their subscribers, the same has not been permitted to ISPs. In other words, unlike the UASL / CMTS licensees, the ISPs are not allowed to connect to regular land line phones or mobile phone, which was anti-competitive and also amounts to abuse of dominant position by the DoT as a licensing authority. It was also stated in the Information that the Telecom Regulatory Authority of India (TRAI) had also recommended that the unrestricted internet telephony services be permitted to ISPs as in the case of UASL / CMTS licensees. The DoT in their response stated that, firstly, the ISPs and the Access Service Licensees (UASL/CMTS/BSO) were having different terms and conditions for their eligibility criteria, entry fee, license fee and scope of services permitted and that the scope of services to be permitted to the ISPs and the Access Service Licensees (UASL/CMTS/BSO) can not be compared. Secondly, that the TRAI recommendations on internet telephony services were still under examination by the DoT and had not been accepted. CCI in its order dated June 29, 2010 taking a note of the provisions of section 4 of the Indian Telegraphs Act, 1885 under which the Central Government (represented through the DoT) has exclusive privilege to grant licenses of such conditions as it may deem fit, agreed with the



contention of the DoT that the license provided to ISPs and the Access Service Licensees (UASL/CMTS/BSO) were different products and cannot be compared with each others. Therefore, the contention of the Informants that non provision of unrestricted internet telephony services to ISPs amounted to abuse of dominance by the DoT was not tenable. However, CCI directed to send a communication to the DoT suggesting to take an early decision on the recommendation of TRAI pending with them.

CCI accordingly found that no prima facie case existed for making a reference to the Director General (DG) for investigation in to the matter and decided to close the same under section 26(2) of the Act. (*Case No. 10/2009- Internet Service Providers Association of India vs. Department of Telecommunications, New Delhi*)

MEDIA UPDATES

Reliance Industries moves Competition Regulator against Oil PSU's



Reliance Industries Ltd. (RIL) has moved CCI alleging that state-run oil companies i.e. IOC, BPCL and HPCL have formed a cartel to supply Aviation Turbine Fuel (ATF) to Air India. The complaint has been filed under sections 3 and 4 of the Competition Act 2002, in which RIL claims that the oil PSU's are working as a cartel while bidding for ATF supply to the flag carrier Air India. RIL wants to enter the business of jet fuel supply, which has been till recently controlled by the state-owned oil marketing companies. This restricts entry of private players that are in no position to compete with state-run firms.

(Source: Financial Express, July 15, 2010)

Shipping traders association moves CCI



Western India Shippers Association (WISA) has filed a complaint with CCI to initiate an anti-competition probe into the practice of container freight stations (CFSs), close to Mumbai's Jawaharlal Nehru Port (JNPT), paying a so-called nomination premium to shipping lines to get business. This money is then recovered from importers, in addition to the regular container handling charges they pay to the CFS operators. A CFS is a facility that decongests a port by shifting cargo and customs-related activities outside the port area. Apart from the regular charges, they also recuperate the cost of transportation of empty containers from importers. This cost is

again levied on the importers by shipping lines, making them pay twice for the same service. According to WISA, which represents importers and exporters in India's western region, this is a tie-in business promotion arrangement between CFS operators and shipping lines without the involvement of importers. An average nomination premium of Rs. 2000 per container accumulates to Rs. 420 crores which is paid in addition by the CFS operators to the shipping lines. As a result India's import cost are higher by that much because the CFS operators pass-on the burden to the customs house agents, who, in-turn, get the importers to pay for the same. Import costs go up by additional Rs. 350 crores if nomination premium in the rest of India are taken into account. Shipping lines, in effect, take approximately Rs. 800 crores a year from Indian traders without rendering any services. Shipping lines show the income from nomination premium as freight income without issuing any bill or receipt for it, thereby claiming benefits under the double taxation avoidance agreement that India has signed with several nations. According to WISA, such nomination premium payment should be fully taxable in India and the same should be added to the cost of imports, which should be subject to customs duty. WISA has requested the Chairman, CCI to initiate suo moto investigations into the matter WISA.

(Source: *The Live Mint*, July 16, 2010).

German glass maker may be investigated by competition regulators

Kapoor Glass Pvt. Ltd filed a complaint with CCI against the German glass giant Schott Glass India Pvt. Ltd, a wholly owned subsidiary of German multinational Schott Glasswerke Beteiligungs GmbH, (Schott AG), for using anti-competitive business practices. Schott AG is a global leader in the production of specialized glass used for pharmaceutical packaging. According to an initial assessment by CCI, the German glass giant may have used anti-competitive business practices against its competitor Kapoor Glass Pvt. Ltd. CCI on scrutinizing the entire material on record is of the opinion that there exists a prima facie case for making a reference to DG to make an investigation into the matter.

(Source: *The Live Mint*, July 27, 2010)

Competition regulator to investigate into cashless medi-claim issue

CCI may start an investigation for the new arrangement entered into by leading insurance companies. In the new arrangement, the insurance companies will stop making direct payments to



hospitals on behalf of their policy holders which is a pre-requisite as per the cashless medi-claim policy they offer. Leading insurance companies that provide medi-claim policies withdrew the cashless arrangement

with all major hospitals, including private hospitals like Fortis, Apollo and Max in Delhi and NCR, this in-turn will force the consumers to shell out the entire money on the spot. This appears an unfair trade practice since the insurance companies withdrew the policy in the first place. Secondly, if all the insurance companies have withdrawn the cash less facility at one go, there appears a coordinated behavior on their part.

(Source: *The Financial Express*, July 29, 2010)

Supreme Court of India refuses to stay Kingfisher's plea against CCI probe



The Supreme Court refused to stay a Bombay High Court order to Kingfisher Airlines to cooperate with an investigation by the CCI on charges of forming a cartel with Jet Airways. The commission had in August 2009

restarted the investigations to examine the two-year-old alliance between the two leading private airlines as it felt the code sharing and ground handling agreement would create a monopoly in the aviation industry. Chief Justice of India SH Kapadia while refusing to stay the Bombay High Court decision that dismissed Kingfisher's plea said that it was analyzing the Competition Commission Act, particularly the issue whether the CCI's powers to initiate investigations at the show cause notice stage can be challenged. It said that the court would lay norms for such an investigation and the Kingfisher's petition will be taken up after it pronounced its decision on another similar issue. The CCI argues there is no need to hear the parties involved even before an investigation is ordered. The opposite view is that the companies involved should be heard before the Commission orders an investigation.

(Source: *The Financial Express*, July 31, 2010)

Complaint filed against DLF for abuse of dominance in CCI



CCI have received complaint against DLF for allegedly abusing its dominant position by four developers i.e. DLF New Gurgaon Homes Developers, DLF Home Developers Ltd and Others, DLF Limited and others, and DLF

New Gurgaon. DLF has delayed giving possession of flats and changed the original specifications of agreements with buyers. The matter had been referred to the Director-General under section 4 of the Act, which deals with 'abuse of dominant position'. On August 20, DLF has moved to Competition Appellate Tribunal against competition regulators for initiating a probe without hearing the accused. The CCI had "prima facie" found that DLF has abused its dominant market position and the agreement was "one-sided" in nature and there were "variations from the initial stipulations".

(Source: The Financial Express, August 5, 2010)

CCI proposals to reduce power sector tariffs

CCI states that it wants import tariffs on power equipment to be scrapped and monopolistic power distribution companies like BSES and NDPL should have tough competition in the relevant market. CCI is all set to issue recommendations to the Planning Commission for the National Competition Policy (NCP), according to which the policies that quarrel with the consumer's right to a fair deal would need to go. CCI believes that if such recommendations are agreed, it will have the potential to change not only many existing government policies, but also the remit of many sectoral regulators.



(Source: The Financial Express, August 11, 2010)

CCI orders investigation into price cartelization by sugar industry

CCI has ordered an investigation into an alleged price cartelisation by sugar companies in fixing the selling price of the sweetener. Sugar industry has allegedly created cartels to control prices of sugarcane in states like Maharsashtra, Gujarat, and Andhra Pradesh. According to the CCI, they have suo motu taken the case after the announcement of minimum floor price by Maharashtra Raja Sahakari Sakhar Karkhana. The decision to fix floor prices was taken by the sugar industry last month to discuss ways of protecting the industry from volatile cane price in the domestic market, but the sugar industry refuses to acknowledge this. The CCI has ordered the co-operatives, sugar industry bodies and the agriculture ministry to come up with an explanation and if found guilty, action can be taken against them for indulging in monopolistic trade practice.



(Source: The Business Standard, August 18, 2010)

CCI approached against Karnataka Industry Chamber



Reliance Big Pictures has moved to CCI alleging Karnataka Industry Chamber for abusing its dominant position by restraining it from exhibiting movies. It all began with the Federation of Karnataka Chambers of Commerce and Industry (FKCCI) banning the distribution of movie

'Raavan'. Reliance Big Picture has complained that the FKCCI is now asking producers and distributors to stop distributing prints to Big Cinemas. Reliance Big Pictures in its complaint stated that FKCCI being a leading industry chamber in the Bangalore and Mangalore region is using its dominant position to dictate terms to distributors and moviemakers. They have asked distributors to stop giving not only Kannada films, but also non-kannada films to Big Cinemas. The complaint has been filed under section 4 of the Act, which pertains to abuse of dominant position by market leaders.

(Source: Business Standard, August 31, 2010)

COMPAT decides more pending MRTP matters

Competition Appellate Tribunal ("COMPAT") continues to decide the pending cases under the repealed MRTP Act. As per information received from the record keeping office of COMPAT, it had disposed of 598 cases up to August, 2010 as under:

RTP cases	104
UTP cases	281
Compensation cases	213
MTP cases	0

INTERNATIONAL NEWS

USA - FTC resolves charges of anti-competitive behavior against Intel



The Federal Trade Commission (FTC) accepted an arrangement with Intel Corp. to resolve charges of Intel as they had illegally muffled competition in the market for computer chips. Intel has agreed that it will open the door to renewed competition and prevent Intel from restraining competition in the future. The FTC settlement applies to Central Processing Units (CPU), Graphics Processing Units (GPU) and chipsets and prohibits Intel from using threats, bundled prices, or

other offers to exclude or hamper competition or otherwise unreasonably inhibit the sale of competitive CPUs or GPUs. The settlement also prohibits Intel from deceiving computer manufacturers about the performance of non-Intel CPUs or GPUs. The FTC had started its investigation against Intel in December 2009 alleging that the company used anticompetitive tactics to cut off rivals' access to the marketplace and deprive consumers of choice and innovation in the microchips that comprise computers' central processing unit, or CPU. The FTC alleged that Intel's anticompetitive practices violated Section 5 of the FTC Act, which is broader than the antitrust laws and prohibits unfair methods of competition and deceptive acts and practices in commerce. Under the settlement, Intel will be prohibited from: (i) conditioning benefits to computer makers in exchange for their promise to buy chips from Intel exclusively or to refuse to buy chips from others; and (ii) retaliating against computer makers if they do business with non-Intel suppliers by withholding benefits from them.

(Source: Federal Trade Commission's Website, August 4, 2010-
<http://ftc.gov/opa/2010/08/intel.shtm>)

USA - Federal Trade Commission Announce New Horizontal Merger Guidelines

New Horizontal Merger Guidelines are issued by U.S. Department of Justice and Federal Trade Commission (the Agencies) on August 19, 2010.



These new guidelines reflect their actual practices, provide more clarity and transparency, and will provide businesses with a greater understanding of how the agencies review transactions. As compared to the earlier guidelines of 1992, the new guidelines place heightened prominence on the competitive effects of a merger and offer specific examples of the types and sources of evidence the Agencies consider when analyzing the competitive effects of a deal. The new guidelines also update the concentration thresholds above which the Agencies will draw inferences about the predicted effects of the merger on market power; contain new sections on mergers between competing buyers and partial acquisitions; and discuss additional factors that the agencies may find important in analyzing a merger, such as innovation, product variety, coordinated effects, price discrimination and market entry.

(Source: Federal Trade Commission website, August 19, 2010-
<http://www.ftc.gov/opa/2010/08/hmg.shtm>)

EU- EC Commission started investigation against IBM for abuse of Dominance



The European Competition Commission (EC) has decided to initiate formal antitrust investigations against IBM Corporation in two separate cases of alleged infringements of EU antitrust rules related to the abuse of a dominant

market position (Article 102 TFEU). Both cases are related to IBM's conduct on the market for mainframe computers. The first case follows complaints by emulator software vendors T3 and Turbo Hercules, and focuses on IBM's alleged tying of mainframe hardware to its mainframe operating system. The second investigation began on the Commission's own initiative of IBM's alleged discriminatory behavior towards competing suppliers of mainframe maintenance services. Mainframes are powerful computers which are used by many large companies and government institutions worldwide to store and process critical business information. It is estimated that the vast majority of corporate data worldwide resides on mainframes. In 2009 approximately € 8.5 billion worldwide and € 3 billion in the European Economic Area were spent on new mainframe hardware and operating systems. IBM is alleged to have engaged in illegal tying of its mainframe hardware products to its dominant mainframe operating system. The complainant contended that the tying shuts out providers of emulation technology which could enable the users to run critical applications on non-IBM hardware. In addition, the Commission has concerns that IBM may have engaged in anti-competitive practices with a view to foreclosing the market for maintenance services (i.e. keeping potential competitors out of the market), in particular by restricting or delaying access to spare parts for which IBM is the only source. The initiation of proceedings does not imply that the Commission has proof of infringements. It only signifies that the Commission will further investigate the cases as a matter of priority.

(Source: European Commission website, July 26, 2010
<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1006&format=HTML&aged=0&language=EN&guiLanguage=en>)

EU - EC Commission clears merger between United Air Lines and Continental Airlines

The European Commission has cleared under the EU Merger Regulation the proposed merger between United Air Lines and Continental Airlines, both US carriers. After examining the

operation, the Commission concluded that the transaction would not significantly impede effective competition in the European Economic Area (EEA) or any substantial part of it.

UNITED

Continental Airlines

United Airlines is a network airline providing domestic and international scheduled air passenger and cargo transport. United operates network hubs in Los Angeles, San Francisco, Denver, Washington and Chicago. It is a member of the Star Alliance and serves more than 230 US domestic and international destinations, 9 of which to the EEA/Switzerland. Continental Airlines is also a network airline providing domestic and international scheduled air passenger and cargo transport. Continental operates network hubs in Newark, Houston, Cleveland and Guam. It is also a member of the Star Alliance and serves 132 domestic and 137 international destinations, 26 of which to the EEA/Switzerland.

The Commission found that the activities of the both parties will overlap in the provision of scheduled air passenger and cargo transport between the EEA and the US. According to the Commission, the proposed merger will only have a limited impact on air cargo transport because of the parties' limited presence in this market. As regards air passenger transport, United and Continental's networks are complementary as they have hubs in different US cities. The Commission's investigation confirmed the complementary nature of United's and Continental's respective networks as regards transatlantic EEA-US routes and the fact that their combination will not give rise to concerns on any specific route.

(Source: European Commission website, July 27, 2010 <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1010&format=HTML&aged=0&language=EN&guiLanguage=en>)

EU - EC Competition regulator approved proposed acquisition of Sperian by Honeywell

The European Commission has cleared under the EU Merger Regulation the proposed acquisition of Sperian, a French producer of personal protective equipment (PPE), by the US Company Honeywell. After examining the operation, the Commission concluded that the transaction would not significantly impede effective competition in the EEA or any substantial part of it. Honeywell is a US-based diversified technology company active in a number of areas, including the manufacture and supply of protective

Honeywell

SPERIAN

equipment solutions. Sperian is a global producer of PPE which focuses on head protection and body protection. The Commission examined the competitive effects of the proposed merger in the area of PPE, in particular in the markets for fall protection, respiratory protection, head, eye and face protection and hearing protection, where the parties have the most overlapping activities in Europe. As Honeywell's and Sperian's activities are mainly focused in different geographic areas and product segments, the overlaps between the Parties' activities as regards PPE devices are limited. Furthermore, the Commission's investigation revealed that the merged entity would face in all of the above mentioned categories of PPE a number of significant competitors, while customers would continue to be able to source from a number of alternative suppliers.

(Source: European Commission website, August 3, 2010- <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1025&format=HTML&aged=0&language=EN&guiLanguage=en>)

EU- EC Commission opens official investigation into marine insurance agreements



The European Commission has opened formal proceedings to investigate whether certain provisions accompanying claim-sharing and joint-reinsurance agreements in the marine insurance sector might infringe European Union antitrust rules. The Commission fears that the provisions at stake in the agreements between the Protection & Indemnity Clubs (P&I Clubs) within the International Group of P&I Clubs (IG) may harm ship owners and the insurers that are not members of the IG. P&I Clubs are mutual non-profit making associations that provide Protection & Indemnity insurance - a type of direct marine insurance - to their members, the ship owners. The International Group of P&I Clubs (IG) is a worldwide association of thirteen P&I Clubs. The members of the IG provide P&I insurance to about 93 % of the world's ocean-going tonnage. In the framework of the IG, the P&I Clubs operate two separate agreements, the International Group Agreement and the Pooling Agreement that contain rules on the sharing of insurance claims and joint reinsurance as well as rules on the contractual relationships between the P&I Clubs and their members. The agreements are not automatically covered by the new antitrust block exemption for the insurance sector that came into force in April (see IP/10/359). This is because the market share concerned is well above the 20-25% ceilings provided in the block exemption. The aim of the procedure is to examine whether certain provisions of the agreements may lessen competition between P&I Clubs as well as restrict, to a

certain extent, the access of commercial insurers and/or other mutual P&I insurers to the relevant markets. The opening of antitrust proceedings does not imply that the Commission has conclusive proof of an infringement, rather that the Commission will conduct an in-depth investigation of the case as a matter of priority.

(Source: European Commission website, August 26, 2010- (<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1072&format=HTML&aged=0&language=EN&guiLanguage=en>)

Hungary - Highest ever fine for railway construction cartel

The Competition Office has imposed an aggregate fine of nearly €25.5 million on five companies for participating in a series of bid rigging arrangements on railway construction. This is the highest aggregate fine imposed by the Hungarian Competition Office. The Competition office imposed the fine pursuant to an elaborate inquiry, spreading over 3 years. The participant companies had entered into a market sharing agreement in a secret meeting whereby, they intended to allocate the forthcoming railway projects on pro-rata basis. A fine of Ft178 million (around €64,000) was imposed on MÁV-MTM Kft, a company formerly owned by the Hungarian railways which is undergoing liquidation and has conducted virtually no business in the past year. No fine was imposed on the Wiebe Group's Hungarian subsidiary, Vasútépítő Kft, which volunteered its cooperation under the Competition Office's leniency programme.

(Source: International Law Office Competition Newsletter –July 08, 2010 available at www.internationallawoffice.com)

Pakistan - Facilitation services of the Competition Commission

Competition Commission of Pakistan has set-up the Acquisitions and Mergers (M&A) Facilitation to help parties contemplating merger or acquisition that want to obtain the commission's view on the matter.

This office provides the following services, on payment of a fee: (i) assistance with merger clearance applications (completing application forms and filing documents); and (ii) pre-emptive identification of the key and potential competitive concerns that



may arise due to the proposed transaction, and which may be assessed by the parties. This service is also available for law firms, consultants and third parties that wish to obtain the commission's informal view about any specific matter on which they are advising their clients. The commission's opinion is of an advisory nature only and is non-binding.

Along with M&A Facilitation, the Office of Fair Trading (OFT) has also been established. The aim of OFT is to:-

- enhance the link between the commission and ordinary consumers;
- act as a watchdog for misleading and deceptive marketing practices (including counterfeiting, false or misleading advertising, and business disparagement) and restrictive trade practices (including monopolies, mergers, concerted actions and resale price mechanisms);
- identify and provide solutions to potential issues, ensuring fair dealing in business; and
- handle individual/group grievances on account of deceptive marketing practices.

(Source: International Law Office Competition Newsletter –July 22, 2010 available at www.internationallawoffice.com)

Austria - Federal Cartel Authority searches law firm's office

In 2009 the Supreme Court of Austria authorized the search of an Austrian company's premises to investigate possible cartel law infringements relating to the German fire engine. Recently, in dealing with the same alleged infringement, the court issued a decision on the preconditions for searching the offices of attorneys who represent possible cartel members. Acting on behalf of the German Federal Cartel Office (FCO), Austria's Federal Cartel Authority (FCA) requested authorization to search a law firm's office. The attorneys were suspected of having aided the cartel by paying invoices on behalf of their client, a suspected cartel member. The invoices were issued by a Swiss chartered accountant who performed organizational work for the cartel and later became the principal witness in the case against its members. On his invoices, he made deliberately false references to services rendered, but attached a list of the services actually performed. The German FCO claimed that the attorneys had made payments in order to conceal the alleged cartel.

The Higher Regional Court of Vienna, acting as cartel court, rejected the FCA's application for a search warrant, finding that it had not shown that the attorneys had intended to support the cartel when making payments on their client's behalf. However, the Supreme Court, acting as higher cartel court, granted the warrant. Section 12 of the Competition Act provides that the cartel court may allow such searches in order to obtain information from business documents on the basis of reasonable suspicion of an infringement of (among other things) Article 101 of the Treaty on the Functioning of the European Union. In considering the reasons for suspecting the attorneys, the Supreme Court referred to the EU General Court's decision in AC Treuhand, in which it was held that companies which are not active in the same market as other cartel members can nonetheless be found to have contributed to the cartel and thus to have infringed antitrust law. On this basis, the court in AC Treuhand fined a consulting company for providing other parties with expert knowledge, knowing that such knowledge would allow them to achieve targets in infringement of competition law. The Supreme Court found that the attorneys had paid invoices that neither indicated the client being represented nor showed that the attorneys had mandated the services. This constituted

reasonable grounds to suspect that the attorney in question was aware of the cartel and of the fact that by paying the invoices, he was helping the alleged cartel members to conceal their (suspected) illegal behavior.

(Source: *International Law Office Competition Newsletter* –July 29, 2010 available at www.internationallawoffice.com)

VAISH ACCOLADES

Conferences/ Seminars addressed by Partners/ Associates

MM Sharma addressed the following seminars as speaker:

- ✧ Session on “Mergers and Acquisition under competition law” in a seminar on “Competition Law” organized by the Northern India Regional Council of the Institute of Chartered Accountants of India (ICAI) held on July 17, 2010 at Le-Meridian, New Delhi.
- ✧ Session on “Abuse of Dominance and IPRs” in seminar on Competition law & Intellectual Property Rights organized by Indian Institute of Corporate Affairs at Tagore Hall, SCOPE Complex, Lodhi Road, New Delhi on August 31, 2010.



Disclaimer:

While every care has been taken in the preparation of this Bulletin to ensure its accuracy at the time of publication, Vaish Associates, Advocates assumes no responsibility for any errors which despite all precautions, may be found therein. Neither this bulletin nor the information contained herein constitutes a contract or will form the basis of a contract. The material contained in this document does not constitute/substitute professional advice that may be required before acting on any matter.

All logos and trade marks appearing in the newsletter are property of their respective owners.

We may be contacted at:

DELHI	IP & IT laws Division	Indirect Tax Division	MUMBAI	GURGAON	BENGALURU
Flat Nos. 5-7 10, Hailey Road, New Delhi - 110001, India Phone: +91-11-4249 2525 Fax: +91-11-2332 0484 delhi@vaishlaw.com	903, 9th Floor, Indraprakash Bldg 21, Barakhamba Road, New Delhi - 110001, India Phone: +91-11-4249 2525 Fax: +91-11-4352 3668 ipitlaws@vaishlaw.com	1105, 11th Floor, Tolstoy House, Tolstoy Marg New Delhi - 110001, India Phone: +91-11-4925 2525 Fax: +91-11-4925 2500	106, Peninsula Centre, Dr. S. S. Rao Road, Parel, Mumbai - 400012, India Phone: +91-22-4213 4101 Fax: +91-22-4213 4102 mumbai@vaishlaw.com	803, Tower A, Signature Towers South City-I, NH-8, Gurgaon - 122001, India Phone: +91-124-454 1000 Fax: +91-124-454 1010 gurgaon@vaishlaw.com	Royal Arcade No. 6, 80 Ft. Road, Koramangala Industrial Area Bengaluru- 560 095, India Phone: +91-80-4228 8501-02 Fax: +91-80-4228 8503 bangalore@vaishlaw.com

www.vaishlaw.com

Editor: M M Sharma

Editorial Team: Vinay Vaish, Satwinder Singh, Vaibhav Choukse