

If you have questions regarding the information in this alert or would like to receive further information regarding our Antitrust and Trade Regulation Practice Group, please contact:

David A. Ettinger

*Antitrust and Trade Regulation Practice Group Co-Chair
313.465.7368
dettinger@honigman.com*

Peter E. Boivin

*313.465.7396
pboivin@honigman.com*

Paul Fabien

*313.465.7346
pfabien@honigman.com*

If you have questions regarding the information in this alert or would like to receive further information regarding our White Collar Criminal Defense and Investigations Practice Group, please contact:

Richard E. Zuckerman

*White Collar Criminal Defense and Investigations Practice Group Co-Chair
313.465.7618
rzuckerman@honigman.com*

Please join us on Thursday, March 8, 2012 at 12:00 p.m., for a complimentary webinar presented by Honigman. The webinar will focus on the antitrust investigations on auto suppliers and what your company can do to protect itself.

Register Now

Antitrust Investigations Focus on Auto Suppliers

European, Japanese and U.S. antitrust authorities have launched an unprecedented number of recent antitrust investigations concerning the automotive supply industry, several of which have led to multi-million dollar fines and civil class actions seeking treble damages:

- **Automotive Tooling** – One supplier announced in October “that it is cooperating with the United States Department of Justice (DOJ)” with respect to an ongoing antitrust investigation of the automobile tooling industry.
- **Wire Harness** – In September, the DOJ announced that an automotive wire harness supplier agreed to plead guilty to criminal price-fixing and bid-rigging charges, and pay a \$200 million fine. Three executives of Furukawa who also agreed to plead guilty will serve prison time. The charges stem from an ongoing antitrust investigation of suppliers of wiring harnesses and related products by the FBI, European Union and Japan. Antitrust class action complaints claiming an 11 year conspiracy have been filed on behalf of all purchasers of vehicles containing the affected wire harnesses.
- **Auto Light** - The DOJ also announced in September that a second California aftermarket auto light distributor had agreed to “plead guilty for participating in a global conspiracy to fix the prices of aftermarket auto lights.” The distributor agreed to pay a \$43 million criminal fine and to assist the DOJ with its ongoing investigation of the aftermarket auto light industry. A number of antitrust class action complaints relating to the underlying conduct were filed in 2008.

- Car Safety Products - In July 2011, three automotive safety suppliers reported receipt of DOJ subpoenas relating to an antitrust investigation, and several of these same suppliers reported having been subjected to unannounced inspections by European Union officials seeking documents related to an antitrust investigation.
- Bearings – In July 2011, as part of its investigation of possible violations of Japan’s Anti-Monopoly Act, the Japan Fair Trade commission reportedly raided the offices of several bearing manufacturers. In November 2011, the European Commission undertook several “dawn raids” of bearing manufacturers, seeking evidence relating to possible price-fixing.

Agreements among competitors relating to price or other restrictions on their competition with one another outside of an integrated joint venture can often be attacked under criminal and civil antitrust laws. Such agreements are the primary focus of government antitrust enforcement in the U.S. and abroad, and of civil class actions for treble damages. The United States government collected over \$500 million in criminal fines and imposed over 25,000 days of jail time in 2010. A number of recent civil class actions attacking price fixing have resulted in settlements of hundreds of millions of dollars. The Federal Trade Commission and Department of Justice have also been active recently in investigating mergers and acquisitions involving competing auto parts suppliers.

Automobile suppliers need to be especially conscious of antitrust issues when engaged in communications or transactions with competitors. This is especially important in an industry where competitor cooperation, joint ventures and mergers are very common. Many contacts between competitors are benign and entirely lawful. But auto suppliers and their employees need to be able to distinguish between those contacts and the communications and transactions that can raise significant antitrust risks.