

Samsung, Philips and Infineon fined for cartel

BRUSSELS, BELGIUM: The European Commission has fined Infineon, Philips and Samsung a total of €138m for forming a smartcard chip cartel in Europe in its latest anti-trust case against technology firms.



Infineon, Philips and Samsung and been fined €138m for its control of smartcard markets in Europe. Image: Samsung

It found the German, Dutch and South Korean firms colluded through bilateral contacts that took place in the period between September 2003 and September 2005, said in a statement.

Japan's Renesas was granted immunity for revealing the cartel's existence.

Infineon was fined €82.7m, Philips €20.1m and Samsung €35.1m, with the latter having its penalty reduced by 30% for having cooperated with investigators.

"The companies in our view knew that their conduct was illegal," said Joaquin Almunia, the commission's Vice President in charge of competition policy.

Exchanged sensitive information

"They discussed and exchanged sensitive commercial information on pricing, customers, contract negotiations, production capacity or capacity utilisation and their future market conduct," said Almunia. "In this digital era smartcard chips are used by almost everybody, whether in their mobile phones, bank cards or passports."

He said that companies producing smartcard chips should be focused on being competitive. "If companies choose to collude, at the expense of both customers and end consumers, they should expect sanctions," Almunia said.

The commission said Renesas and its joint venture parent companies Hitachi and Mitsubishi avoided a fine of more than €51m because it was the first to reveal the cartel's existence to the commission

It said that Philips remains liable for what happened during the period of infringement even though it has since divested its smartcard chips business.

The commission said anyone harmed by the cartel may seek damages before the courts of the European member states.

The EU has previously fined US computer chip manufacturer Intel €1.06bn for abusing its dominant market position.

Source: AFP via I-Net Bridge

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