

# Summary of Contents

## **PART I. ANTITRUST CONSIDERATIONS FROM THE U.S. PERSPECTIVE**

- Chapter 1. Antitrust Aspects of Doing Business Abroad
- Chapter 2. Antitrust Considerations in Cross-Border Mergers and Acquisitions
- Chapter 3. International Distribution and Licensing
- Chapter 4. The Exon-Florio Amendment of the Omnibus Trade and Competitiveness Act of 1988
- Chapter 5. The Webb-Pomerene Act and the Export Trading Company Act of 1982
- Chapter 6. International Antitrust Compliance for a Company with Multinational Operations
- Chapter 7. Antitrust and Intellectual Property
- Chapter 8. Jurisdiction Issues in International Antitrust Matters

## **PART II. COMPETITION LAW IN THE EUROPEAN UNION**

- Chapter 9. European Union Antitrust Principles

## **PART III. COMPETITION LAW IN OTHER COUNTRIES**

- Chapter 10. Canada: Competition (Antitrust) and Foreign Investment Review
- Chapter 11. An Overview of Antitrust Law in Japan

### **Appendices**

- Appendix A1. 1995 Antitrust Enforcement Guidelines for International Operations

## INTERNATIONAL ANTITRUST

- Appendix A2. National Cooperative Research and Production Act of 1993 (as amended)—15 U.S.C.A. §§ 4301–4306
- Appendix A3. Exon-Florio Amendment and Regulations
- Appendix A4. Foreign Trade Antitrust Improvements Act
- Appendix B. International Antitrust Cooperation Agreements
- Appendix C1. Articles 81 and 82 of the Treaty Establishing the European Community
- Appendix C2–A. Council Regulation (EC) No. 1/2003
- Appendix C2–B. Conduct of Proceedings—Commission Regulation (EC) No. 773/2004
- Appendix C2–C. Conduct of Proceedings—Notice on the Handling of Complaints
- Appendix C2–D. Notice on Guidance Letters
- Appendix C2–E. Guidelines on the Effect of Trade Concept
- Appendix C2–F. Notice on Application of Article 81(3)
- Appendix C2–G. Guidelines for Setting Fines
- Appendix C2–H. Leniency Programs
- Appendix C2–I. Commission Consolidated Jurisdictional Notice
- Appendix C3–A. Vertical Restraints Regulation
- Appendix C3–B. Vertical Restraints Guidelines
- Appendix C4. Intellectual Property
- Appendix C5. Cooperative Agreements
- Appendix C6. Mergers
- Appendix D1. Excerpts from the Japanese Antimonopoly Act
- Appendix D2. Role of the Japan Fair Trade Commission
- Appendix E. Canadian Competition Act

### **Table of Laws and Rules**

### **Table of Cases**

### **Index**

# Table of Contents

## **PART I. ANTITRUST CONSIDERATIONS FROM THE U.S. PERSPECTIVE**

### **CHAPTER 1. ANTITRUST ASPECTS OF DOING BUSINESS ABROAD**

- § 1:1 Introduction
- § 1:2 U.S. antitrust laws and guidelines dealing with international business—The “bedrock” statutes
- § 1:3 —Antitrust Enforcement Guidelines for International Operations
- § 1:4 —Webb-Pomerene Act
- § 1:5 —Export Trading Company Act
- § 1:6 —National Cooperative Research and Production Act
- § 1:7 —Foreign Trade Antitrust Improvements Act
- § 1:8 —Other legislation
- § 1:9 International agreements
- § 1:10 —Bilateral agreements
- § 1:11 —Mutual legal assistance treaties
- § 1:12 —International Antitrust Enforcement Assistance Act
- § 1:13 International enforcement issues
- § 1:14 —Comity
- § 1:15 —The Foreign Sovereign Immunity Act (FSIA)
- § 1:16 —Foreign sovereign compulsion
- § 1:17 —Acts of state
- § 1:18 —Petitioning of sovereigns
- § 1:19 —Mergers and acquisitions
- § 1:20 —Political question doctrine
- § 1:21 Class action settlements affecting international parties:  
*The Author’s Guild v. Google*
- § 1:22 Conclusion

### **CHAPTER 2. ANTITRUST CONSIDERATIONS IN CROSS-BORDER MERGERS AND ACQUISITIONS**

- § 2:1 Introduction

## INTERNATIONAL ANTITRUST

- § 2:2 U.S. Merger Law Basics
- § 2:3 —Court interpretations of Section 7
- § 2:4 —Federal and State Merger Guidelines
- § 2:5 2010 FTC-DOJ Horizontal Merger Guidelines
- § 2:6 Premerger notification: The Hart-Scott-Rodino Act
- § 2:7 —Penalties for failure to report
- § 2:8 —Reportability of the merger or acquisition
- § 2:9 —Seeking informal advice
- § 2:10 Premerger Notification: The Hart-Scott-Rodino Act—  
Required Information
- § 2:11 Substantive Merger Law in the European Union
- § 2:12 Premerger Notification in the European Union
- § 2:13 Procedures for Filing Premerger Notification in the EU
- § 2:14 Jurisdiction over Mergers in the European Union
- § 2:15 Merger Law in Various Individual States
- § 2:16 —France
- § 2:17 —Germany
- § 2:18 —Mexico
- § 2:19 —Brazil
- § 2:20 —Japan
- § 2:21 —Australia
- § 2:22 —Russia
- § 2:23 The Problem with Multi-National Mergers—Too Many  
Regulatory Regimes

## **CHAPTER 3. INTERNATIONAL DISTRIBUTION AND LICENSING**

- § 3:1 Introduction
- § 3:2 International antitrust concerns
- § 3:3 International licensing of intellectual property
- § 3:4 Export controls
- § 3:5 Anticorruption laws
- § 3:6 Antiboycott laws
- § 3:7 Transfer-pricing issues
- § 3:8 —The regulations—Overview of transfer-pricing rules
- § 3:9 — —Red flags that trigger IRS audits
- § 3:10 — —Transfer-pricing concepts
- § 3:11 — —The six transfer-pricing methods
- § 3:12 — —Steps for multinational companies to take
- § 3:13 —Attorney-client privilege
- § 3:14 —Advance pricing agreements
- § 3:15 —Tax treaties and transfer pricing

## TABLE OF CONTENTS

- § 3:16 International dispute resolution
- § 3:17 —The major arbitration systems—The American Arbitration Association
- § 3:18 — —The International Chamber of Commerce
- § 3:19 — —The London Court of International Arbitration
- § 3:20 —A note on the UNCITRAL arbitration rules
- § 3:21 —*Ad hoc* arbitration
- § 3:22 Enforceability of international distribution arbitration agreements

## **CHAPTER 4. THE EXON-FLORIO AMENDMENT OF THE OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1988**

- § 4:1 Background
- § 4:2 Acquisitions covered by § 721
- § 4:3 National security
- § 4:4 Foreign versus U.S. person—Foreign person
- § 4:5 —U.S. person
- § 4:6 Presidential action
- § 4:7 Applying the provision
- § 4:8 Conclusion

## **CHAPTER 5. THE WEBB-POMERENE ACT AND THE EXPORT TRADING COMPANY ACT OF 1982**

- § 5:1 Introduction
- § 5:2 The Webb-Pomerene Act of 1918—Legislative history
- § 5:3 —Provisions of the act
- § 5:4 —Webb-Pomerene associations in practice
- § 5:5 —Case discussions
- § 5:6 —International reactions
- § 5:7 —Whither Webb-Pomerene?
- § 5:8 The Export Trading Company Act of 1982—Legislative history
- § 5:9 —Title I—General provisions
- § 5:10 —Title II—The Bank Export Services Act—General provisions
- § 5:11 — —Banking institutions that can invest in an export trading company
- § 5:12 — —Limitations on investments by bank holding companies

## INTERNATIONAL ANTITRUST

- § 5:13 — — Limitations on extensions of credit
- § 5:14 — — Limitations on the activities of a bank-affiliated export trading company
- § 5:15 — — Notice requirement
- § 5:16 — — Results of the BESA
- § 5:17 — Title III—Export trade certificates of review
- § 5:18 — — Procedural requirements
- § 5:19 — — — Eligibility considerations
- § 5:20 — — — The four statutory standards
- § 5:21 — — How to apply for a certificate of review
- § 5:22 — — Things to consider
- § 5:23 — — Challenges to an existing certificate
- § 5:24 — — — Challenges by the government
- § 5:25 — — — Challenges by private parties
- § 5:26 — — Experience under Title III certification procedure
- § 5:27 — Title IV—The Foreign Trade Antitrust Improvements Act
- § 5:28 — — Jurisdiction prior to the FTAIA
- § 5:29 — — Changes under the FTAIA
- § 5:30 — — Reversal of enforcement policy in export matters
- § 5:31 — — The 1995 guidelines
- § 5:32 — — Further case discussions
- § 5:33 U.S. export cartels in the twenty-first century

## **CHAPTER 6. INTERNATIONAL ANTITRUST COMPLIANCE FOR A COMPANY WITH MULTINATIONAL OPERATIONS**

- § 6:1 Introduction
- § 6:2 Starting point
- § 6:3 U.S. antitrust law
- § 6:4 — Characteristics of U.S. antitrust law
- § 6:5 — Special situations
- § 6:6 Antitrust laws in Europe
- § 6:7 — The similarities between European Union competition law and U.S. antitrust law
- § 6:8 — The crucial differences
- § 6:9 — Member state national laws
- § 6:10 — Other considerations
- § 6:11 Antitrust laws in the Asia-Pacific region
- § 6:12 Antitrust laws in the Americas
- § 6:13 Extraterritorial application of antitrust laws

## TABLE OF CONTENTS

- § 6:14 Multiple jurisdiction problems in transborder business
- § 6:15 —The exporting business practices problem
- § 6:16 —Failing to consider the effects of business practices
- § 6:17 —The problem of conflicting governmental action
- § 6:18 Coordination of antitrust enforcement
- § 6:19 Toward a global antitrust system?
- § 6:20 Strategies for compliance
- § 6:21 —Evaluating the existing program
- § 6:22 —Needs assessment
- § 6:23 —Plan design
- § 6:24 Cultural and other factors to consider
- § 6:25 Communications strategies
- § 6:26 —Begin with a simple, broad set of principles and communicate these to all employees in all countries
- § 6:27 —Consider tying the broad principles to a notion of ethics and good company practice, and also legal compliance
- § 6:28 —Communicate more detailed information to employees who need it
- § 6:29 —Use a wide range of vehicles, including written materials, classroom training, and other methods
- § 6:30 Audit and reporting strategies
- § 6:31 Control strategies
- § 6:32 Summary and conclusion

## **CHAPTER 7. ANTITRUST AND INTELLECTUAL PROPERTY**

- § 7:1 Introduction
- § 7:2 The relationship between antitrust law and intellectual property
- § 7:3 1995 Guidelines for the Licensing of Intellectual Property—Introduction
- § 7:4 —Three general principles
- § 7:5 —When antitrust concerns arise
- § 7:6 —The three markets
- § 7:7 —The horizontal/vertical distinction
- § 7:8 —Rule of reason versus per se treatment
- § 7:9 —The antitrust safety zone
- § 7:10 Common antitrust/intellectual property concerns
- § 7:11 —Acquisitions
- § 7:12 —Joint ventures
- § 7:13 —Patent misuse
- § 7:14 —Copyright misuse

- § 7:15 —Refusals to license
- § 7:16 —Package licenses/tying arrangements
- § 7:17 —Territorial restrictions
- § 7:18 —Field-of-use restrictions
- § 7:19 —Price restrictions
- § 7:20 —Time/quantity restrictions
- § 7:21 —Grantbacks
- § 7:22 —Pooling/cross-licensing
- § 7:23 —Exclusive dealing
- § 7:24 —Royalties
- § 7:25 Enforcement of intellectual property rights
- § 7:26 —Fraud in obtaining the patent
- § 7:27 —Bad faith enforcement of intellectual property rights
- § 7:28 —The sham litigation exception
- § 7:29 IP Governance Structure in Europe
- § 7:30 Conclusion

## **CHAPTER 8. JURISDICTION ISSUES IN INTERNATIONAL ANTITRUST MATTERS**

- § 8:1 Introduction
- § 8:2 Basic rules of personal jurisdiction for corporations
- § 8:3 —General jurisdiction
- § 8:4 —Specific jurisdiction
- § 8:5 Jurisdiction over foreign antitrust defendants
- § 8:6 —Government purchases
- § 8:7 —Personal jurisdiction
- § 8:8 —The Foreign Trade Antitrust Improvements Act
- § 8:9 —Effects exception
- § 8:10 —Import trade or commerce exception
- § 8:11 —*Animal Science* decision
- § 8:12 The European approach—The Brussels Convention
- § 8:13 —The Brussels Convention—From convention to regulation
- § 8:14 Comparisons of U.S. and European approaches to personal jurisdiction
- § 8:15 —“Stream of commerce” analysis
- § 8:16 —Intentional acts/targeting
- § 8:17 —Choice of law problems
- § 8:18 —Choice of forum clauses
- § 8:19 —Prescriptive jurisdiction
- § 8:20 Efforts toward harmonization—The Hague Draft Convention

TABLE OF CONTENTS

§ 8:21 Conclusion

**PART II. COMPETITION LAW IN  
THE EUROPEAN UNION**

**CHAPTER 9. EUROPEAN UNION  
ANTITRUST PRINCIPLES**

- § 9:1 Overview of Articles 81 and 82
- § 9:2 —Article 81: Restraints of trade
- § 9:3 — —Block exemptions
- § 9:4 — —Individual exemptions
- § 9:5 — —Prohibited commercial activities
- § 9:6 — — —Horizontal agreements and conduct
- § 9:7 — — —Vertical agreements
- § 9:8 —Article 82: Abuse of dominant position
- § 9:9 Vertical restraints
- § 9:10 Intellectual property
- § 9:11 —Licensing restrictions
- § 9:12 —The Technology Transfer Regulation
- § 9:13 — —Scope of application
- § 9:14 — —Market share analysis
- § 9:15 — —Classes of restrictions
- § 9:16 — — —Hard-core restraints
- § 9:17 — — —Severable restrictions
- § 9:18 — —Withdrawal of exemption
- § 9:19 —Other regulations and directives—Block exemption for  
joint R & D agreements
- § 9:20 — —Computer directive
- § 9:21 Mergers and joint ventures—The Merger Regulation
- § 9:22 —Procedural considerations
- § 9:23 —Merger analysis under the Merger Regulation—  
Community dimension required
- § 9:24 — —Coordinations excluded
- § 9:25 — —How to identify a concentration
- § 9:26 — —Substantive test
- § 9:27 — —Other issues
- § 9:28 — —Joint venture analysis
- § 9:29 Enforcement
- § 9:30 —Enforcement procedures under Regulation 17
- § 9:31 — —Interrogatories
- § 9:32 — —Investigations

- § 9:33 —Regulation 1/2003: The centerpiece of the “modernisation package”
- § 9:34 — —No more notifications
- § 9:35 — —Sharing of enforcement duties
- § 9:36 — —Parallel laws
- § 9:37 — —Commitment decisions
- § 9:38 — —Codification of commission powers
- § 9:39 —Europe’s own Microsoft case
- § 9:40 Conclusion

## **PART III. COMPETITION LAW IN OTHER COUNTRIES**

### **CHAPTER 10. CANADA: COMPETITION (ANTITRUST) AND FOREIGN INVESTMENT REVIEW**

- § 10:1 Introduction

#### **I. OFFENCES AND PENALTIES**

- § 10:2 In general
- § 10:3 Conspiracy: section 45
- § 10:4 The offence of misleading advertising: section 52

#### **II. REVIEWABLE PRACTICES**

- § 10:5 The Competition Tribunal
- § 10:6 Refusal to deal: section 75
- § 10:7 Price maintenance
- § 10:8 Exclusive dealing, tied selling, and market restriction: section 77
- § 10:9 Exclusive dealing, tied selling
- § 10:10 Market restriction
- § 10:11 Abuse of dominance: sections 78 and 79
- § 10:12 Pricing practices as abuses of dominance: predatory pricing and price discrimination
- § 10:13 Abuse of dominance: remedies

#### **III. PRIVATE COURT ACTIONS AND CLASS ACTIONS**

- § 10:14 Overview of civil actions

TABLE OF CONTENTS

**IV. MERGER REVIEW**

§ 10:15 Overview and recent changes to procedure

**V. FOREIGN INVESTMENT REVIEW**

§ 10:16 Foreign investment review

**CHAPTER 11. AN OVERVIEW OF  
ANTITRUST LAW IN JAPAN**

- § 11:1 Introduction
- § 11:2 Antitrust law in Japan—Historical background—Pre-World War II climate
- § 11:3 — —Post-World War II climate change
- § 11:4 — —The Antimonopoly Act
- § 11:5 — —Monopolization
- § 11:6 — —Horizontal restraints
- § 11:7 — —Vertical restraints
- § 11:8 — —Mergers and acquisitions
- § 11:9 — —Other statutes
- § 11:10 — —Subcontract Act
- § 11:11 — —Premiums Act
- § 11:12 — —Administrative guidance
- § 11:13 Antitrust enforcement in Japan
- § 11:14 Conclusion

**APPENDICES**

- Appendix A1. 1995 Antitrust Enforcement Guidelines for International Operations
- Appendix A2. National Cooperative Research and Production Act of 1993 (as amended)—15 U.S.C.A. §§ 4301–4306
- Appendix A3. Exon-Florio Amendment and Regulations
- Appendix A4. Foreign Trade Antitrust Improvements Act
- Appendix B. International Antitrust Cooperation Agreements
- Appendix C1. Articles 81 and 82 of the Treaty Establishing the European Community
- Appendix C2–A. Council Regulation (EC) No. 1/2003
- Appendix C2–B. Conduct of Proceedings—Commission Regulation (EC) No. 773/2004

## INTERNATIONAL ANTITRUST

- Appendix C2–C. Conduct of Proceedings—Notice on the Handling of Complaints
- Appendix C2–D. Notice on Guidance Letters
- Appendix C2–E. Guidelines on the Effect of Trade Concept
- Appendix C2–F. Notice on Application of Article 81(3)
- Appendix C2–G. Guidelines for Setting Fines
- Appendix C2–H. Leniency Programs
- Appendix C2–I. Commission Consolidated Jurisdictional Notice
- Appendix C3–A. Vertical Restraints Regulation
- Appendix C3–B. Vertical Restraints Guidelines
- Appendix C4. Intellectual Property
- Appendix C5. Cooperative Agreements
- Appendix C6. Mergers
- Appendix D1. Excerpts from the Japanese Antimonopoly Act
- Appendix D2. Role of the Japan Fair Trade Commission
- Appendix E. Canadian Competition Act

### **Table of Laws and Rules**

### **Table of Cases**

### **Index**