

Summary of Commission Decision**of 8 December 2010****relating to a proceeding under Article 101 of the Treaty on the Functioning of the European Union
and Article 53 of the Agreement on the European Economic Area****(Case COMP/39.309 — LCD)***(notified under document C(2010) 8761 final)***(Only the English text is authentic)****(Text with EEA relevance)**

(2011/C 295/05)

I. INTRODUCTION

- (1) On 8 December 2010, the Commission adopted a decision relating to a proceeding under Article 101 of the Treaty and Article 53 of the EEA Agreement. In accordance with the provisions of Article 30 of Council Regulation (EC) No 1/2003, the Commission herewith publishes the names of the parties and the main content of the decision, including any penalties imposed, having regard to the legitimate interest of undertakings in the protection of their business secrets.
- (2) A non-confidential version of the decision is available on the Directorate-General for Competition's website at the following address: <http://ec.europa.eu/competition/cartels/cases/cases.html>
- (3) The Decision was addressed to the following legal entities which belong to six undertakings: Samsung Electronics Co. Ltd. and Samsung Electronics Taiwan Co. Ltd., LG Display Co., Ltd. and LG Display Taiwan Co., Ltd., AU Optronics Corporation, Chimei InnoLux Corporation, Chunghwa Picture Tubes, Ltd., HannStar Display Corporation.
- (6) On 7 December 2006, the Commission launched its investigation by means of requests for information under Article 18 of Regulation (EC) No 1/2003⁽²⁾ to all the parties concerned.
- (7) On [...], AU Optronics filed a leniency application which was followed by subsequent submissions.
- (8) The Statement of Objections was issued on 27 May 2009. The oral hearing was held on 22 and 23 September 2009.
- (9) On [...], LG Display submitted a claim for leniency under the 2002 Leniency Notice (so-called 'partial immunity'), regarding its participation in the cartel in [...] 2006.

IV. FUNCTIONING OF THE CARTEL

- (10) Between 5 October 2001 and 1 February 2006, the addressees of this Decision engaged into anti-competitive arrangements in order to directly and indirectly fix prices in the LCD panel sector. The direct price fixing included agreements on price increases, price ranges and/or minimum prices. The indirect fixing of prices was the result of a regular and punctual exchange of information on prices, demand, production and capacity for the past, the present and the future.
- (11) The evidence the Commission bases its findings on consists, inter alia, of contemporaneous minutes of around 60 monthly meetings to which the six undertakings participated.

II. THE LCD INDUSTRY

- (4) The products to which the infringement relates are large size LCD panels for TV, and IT (monitor and notebook) applications. LCD panels consist of a lower glass plate (a thin film transistor or TFT), an upper glass plate (colour filter formation) and an injected liquid crystal between both glass plates, which is placed in front of a light source to serve as a screen on an electronic device.

III. PROCEDURE

- (5) Samsung submitted an application for immunity on [...] under the terms of the 2002 Leniency Notice⁽¹⁾. On [...], LG Display submitted an immunity/leniency application.

V. REMEDIES**1. Basic amount of the fine**

- (12) According to the 2006 Guidelines on fines⁽³⁾, in determining the basic amount of the fine to be imposed,

⁽¹⁾ Commission notice on immunity from fines and reductions of fines in cartel cases (OJ C 45, 19.2.2002, p. 3).

⁽²⁾ OJ L 1, 4.1.2003, p. 1.

⁽³⁾ Guidelines on the method of setting fines imposed pursuant to Article 23(2)(a) of Regulation (EC) No 1/2003 (OJ C 210, 1.9.2006, p. 2).

the Commission starts from the value of the undertaking's sales of the goods or services to which the infringement relates in the relevant geographic area within the EEA.

- (13) The Commission took as a basis the average yearly value of LCD panels sold directly by the undertakings participating in the cartel into the EEA. This included sales into the EEA to both customers of LCD panels and customers of televisions, monitors and notebooks where the LCD panel was internally transformed by the cartelist undertaking.
- (14) Considering the nature of the infringement and the geographic scope of the cartel, the percentage for the variable amount and the additional amount ('entry fee') was set at 16 %.
- (15) The cartel lasted for 4 years, 3 months and 25 days in the case of all companies except HannStar, for which the duration was 4 years, 3 months and 1 day. The variable amount was multiplied with 4,25 years for all parties except LGD for which, due to its partly accepted 'partial immunity' for the turnover in 2006, the multiplier was 4,16 years.

2. Adjustments of the basic amount

- (16) There were no aggravating or attenuating factors taken into account by the Commission, but a deterrence multiplier of 1,2 was applied in the case of Samsung under point 30 of the 2006 Guidelines on fines.

3. Application of the 10 % turnover limit

- (17) The final individual amounts of the fines calculated prior to the application of the Leniency Notice were below 10 % of the worldwide turnovers of the addressed undertakings.

4. Application of the 2006 Leniency Notice: immunity and reduction of fines

- (18) Samsung was the first undertaking to submit information and evidence meeting the conditions of point 8(a) of the 2002 Leniency Notice. The fine to be imposed on Samsung was reduced by 100 %.
- (19) LG Display was granted a 50 % reduction and 'partial immunity' for 2006.

(20) AU Optronics was granted 20 % reduction.

(21) Though not formally applying for leniency, Chunghwa Picture Tubes was given 5 % reduction with regard to the added value of its submissions.

VI. DECISION

(22) The addressees of the Decision and the duration of their involvement were as follows:

- (a) Samsung, from 5 October 2001 until 1 February 2006;
- (b) LGD, from 5 October 2001 until 1 February 2006;
- (c) AUO, from 5 October 2001 until 1 February 2006;
- (d) CMO, from 5 October 2001 until 1 February 2006;
- (e) CPT, from 5 October 2001 until 1 February 2006;
- (f) HannStar, from 5 October 2001 until 6 January 2006.

(23) For the abovementioned infringement, the following fines were imposed:

- (a) Samsung Electronics Co. Ltd. and Samsung Electronics Taiwan Co. Ltd.: EUR 0;
- (b) LG Display Co., Ltd. and LG Display Taiwan Co., Ltd.: EUR 215 000 000;
- (c) AU Optronics Corporation: EUR 116 800 000;
- (d) Chimei InnoLux Corporation: EUR 300 000 000;
- (e) Chunghwa Picture Tubes, Ltd.: EUR 9 025 000;
- (f) HannStar Display Corporation: EUR 8 100 000.