

※注意：Part I 題目請於試卷內之「選擇題作答區」依序作答，Part II 請作答於試卷內之「非選擇題作答區」。

Part I (40%): Reading Comprehension (閱讀並回答下列問題於試卷內之「選擇題作答區」):

Article 1: (IP/10/1685)

Brussels, 8 December 2010

Antitrust: Commission fines six LCD panel producers €648 million for price fixing cartel

The European Commission has fined six LCD panel producers a total of €648 925 000 for operating a cartel which harmed European buyers of television sets, computers and other products that use the key Liquid Crystal Display component. The six are Samsung Electronics and LG Display of Korea and Taiwanese firms AU Optronics, Chimei InnoLux Corporation, Chunghwa Picture Tubes and HannStar Display Corporation. Samsung Electronics received full immunity from fines under the Commission's leniency programme, as it was the first to provide information about the cartel. Article 101 of the EU Treaty prohibits price-fixing and other practices restrictive of competition.

"Foreign companies, like European ones, need to understand that if they want to do business in Europe they must play fair. The companies concerned knew they were breaking competition rules and took steps to conceal their illegal behaviour. The only understanding we will show is for those that come forward to denounce a cartel and help prove its existence," said Commission Vice President in charge of competition policy Joaquín Almunia.

Today the Commission fined six producers of liquid crystal display (LCD) panels a total of €648 925 000 for operating a cartel between October 2001 and February 2006. LCD panels are the main component of thin, flat screens used in televisions, computer monitors and electronic notebooks. The companies are Samsung Electronics and LG Display of Korea and Taiwanese firms AU Optronics, Chimei InnoLux Corporation, Chunghwa Picture Tubes and HannStar Display Corporation.

During the four years, the companies agreed prices, including price ranges and minimum prices, exchanged information on future production planning, capacity utilisation, pricing and other commercial conditions. The cartel members held monthly multilateral meetings and further bilateral meetings. In total they met around 60 times mainly in hotels in Taiwan for what they called "the Crystal meetings".

These agreements had a direct impact on customers in the European Economic Area because the vast majority of televisions, computer monitors and notebooks incorporating those LCD panels and sold in the EEA comes from Asia.

The investigation gathered by the Commission shows that the companies were aware they were breaking competition rules and took steps to conceal the venue and results of the meetings. A document requested everybody "to take care of security/confidentiality matters and to limit written communication" reminding of the DRAM investigation started in 2002 (and concluded in May 2010, see [IP/10/586](#)).

The Commission faced the companies with a Statement of Objections on May 2009 on which they had the opportunity to comment and be heard and after which the Commission reduced the proven duration of the infringement by four months.

The fines

In setting the level of the fines, the Commission took into account the companies' sales of the products concerned in the EEA, the very serious nature of the infringement, its EEA-wide scope and its duration.

Samsung Electronics received full immunity under the Commission's 2002 Leniency Notice, as it brought the cartel to the Commission's attention and provided valuable information to prove the infringement. The fines of the following undertakings were also reduced for their cooperation with the Commission: LG Display (50%), AU Optronics (20%) and Chunghwa Picture Tubes (5%). Besides this reduction LG Display also received a full reduction of fine for its participation in the cartel in 2006, as it was the first company to bring forward evidence showing that the cartel continued after 2005 (so-called "partial immunity").

None of the companies met the conditions for a reduction of the fine under paragraph 35 of the Commission's 2006 Guidelines on Fines (inability-to-pay claims). Two had applied.

The individual fines are as follows:

見背面

		Fine (€)*	Includes reduction (%) under the 2002 Leniency Notice
1.	Samsung	0	100%
2.	LG Display	215 000 000	50% and "partial immunity" for 2006
3.	AU Optronics	116 800 000	20%
4.	Chimei InnoLux Corporation	300 000 000	0%
5.	Chunghwa Picture Tubes	9 025 000	5%
6.	HannStar Display Corporation	8 100 000	0%

(*) Legal entities within the undertaking may be held jointly and severally liable for the whole or part of the fine imposed.

Action for damages

Any person or firm affected by anti-competitive behaviour as described in this case may bring the matter before the courts of the Member States and seek damages. The case law of the Court and Council Regulation 1/2003 both confirm that in cases before national courts, a Commission decision is binding proof that the behaviour took place and was illegal. Even though the Commission has fined the companies concerned, damages may be awarded without these being reduced on account of the Commission fine...

※ 注意：請於試卷內之「選擇題作答區」依序作答。

Answer the following questions. For each of Questions 1-6, select one answer choice:

1. (5%) Which of the following type of device was not mentioned in the article in which LCD panels are used?
 - a. Televisions,
 - b. Computer monitors,
 - c. Smart phones,
 - d. Electronic notebooks.
2. (5%) According to the article, cartel members held monthly meetings to discuss issues not including:
 - a. Price range,
 - b. Quantity to sell,
 - c. Future production plans,
 - d. Capacity utilisation.
3. (5%) In the article, the term "venue" means:
 - a. the place from which a jury is drawn and in which trial is held,
 - b. the place or county in which anything is alleged to have happened,
 - c. a statement showing that a case is brought to the proper court or authority,
 - d. a stadium or similar building in which a sporting competition is held.
4. (5%) According to the article, what could not possibly be the original alleged duration of the cartel?
 - a. July 2001 to March 2006,
 - b. June 2001 to February 2006,
 - c. October 2001 to June 2006,
 - d. August 2001 to May 2006.
5. (5%) **True or False:** According to the article, the European Commission did not give the companies a chance to respond to the accusation of collusion.
 - a. True,
 - b. False,
 - c. Not specified in the article.

6. (5%) **True or False:** According to the article, Samsung Electronics, who received full immunity under the European Commission's 2002 Leniency Notice, could still be sued later.
- True,
 - False,
 - Not specified in the article.

For the following question, consider each of the choices separately and select all that apply:

7. (10%) According to the article, which of the following statement(s) is/are true?
- HanStr Display Corporation was fined 8.1 million euros.
 - Only one firm applied for inability-to-pay claims.
 - Chunghwa Picture Tubes received a 5% fine reduction claiming inability to pay.
 - AU Optronics received a 20% fine reduction for cooperation during the investigation.
 - LG Display received a 100% reduction of the fine for 2006.

Part II (60%): Analytical Writing (分析寫作；作答於試卷內之「非選擇題作答區」)

Read the following excerpts of a news article, then plan and compose a response to the particular issue below. Responding to any other issue will receive a score of zero. Be sure to respond according to the specific instructions and support your position on the issue with reasons and examples drawn from such areas as your reading, experience, observations, and/or academic studies.

Article 2: Excerpts of "Taiwan tycoon: EU should have fined Samsung too (December 11, 2010, AP)"

TAIPEI, Taiwan -- The head of Taiwanese electronics giant Foxconn Technology Group questioned the European Union decision to exempt Samsung Electronics Co. from price-fixing fines for makers of LCD panels, accusing his South Korean rival of being the cartel's main culprit.

Terry Gou's comments came after the EU competition watchdog fined South Korea's LG Display and four Taiwanese manufacturers €649 million (US\$863 million) Wednesday for fixing prices on the flat-screen panels between 2001 and 2006. Samsung, the world's biggest LCD maker, also participated in the price fixing but escaped a fine because it blew the whistle on the cartel, according to the European Commission. Foxconn does not make LCD panels, but Gou is a major shareholder of Taiwan's Chimei Innolux Corp., which was fined €300 million in the case... (omitted)

...Speaking to reporters late Friday, Gou said Samsung and LG Display were leading in the price fixing, and Taiwanese makers were only collaborating with them. "If the No. 1 and No. 2 makers did not lead in fixing prices, would Taiwan's No. 3 and No. 4 carry any weight?" he asked. Gou suggested that Samsung only informed authorities of the improprieties as part of a scheme to beat its Taiwanese rivals. South Korean firms "are resorting to all means possible in order to crush us," he said. Samsung spokesman Jason Kim had no response to Gou's statements when contacted Saturday, saying only "Samsung Electronics respects the EU's decision."

The European Commission said the LCD makers met about 60 times between October 2001 and February 2006, mostly in Taiwanese hotels, for what they called "the Crystal meetings," the commission said. In addition to fixing prices, they also exchanged information on their future production plans and other business plans, it said. The cartel affected LCD panel sales worth about €7 billion in the European market, the commission said. Gou said the EU fine was levied without giving Chimei a chance to defend itself, noting that the firm will hold its action pending the EU's clarification... (omitted)

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It is unfair for the European Commission not to charge Samsung Electronics and LG Display for blowing the whistle, but fine Taiwanese makers who were just collaborating with them. After all, as Terry Gou said, "If the No. 1 and No. 2 makers did not lead in fixing prices, would Taiwan's No. 3 and No. 4 carry any weight?"

Write a response in which you discuss the extent to which you agree or disagree with this claim **AND** the reason on which that claim is based.

You should write no less than 300 words, but no more than 1000 words. Your response will be evaluated for its overall quality based on how well you:

- Respond to the specific task instructions
- Consider the complexities of the issue
- Organize, develop, and express your ideas
- Support your ideas with relevant reasons and/or examples
- Control the elements of standard written English

Before beginning writing, you may want to think for a few minutes and then plan your response. Use the bottom of this page to plan your response, and then write your response in the answer sheets (試卷內之「非選擇題作答區」). Be sure to develop your positions completely and organize it coherently, but spare some time to proof-read what you have written to make any revisions you deem necessary.

Plan Your Response Here -- Write Your Essay in the Answer Sheets (試卷內之「非選擇題作答區」)