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Panasonic To Pay \$17.5M To Settle Cathode Ray Antitrust MDL

By **Sindhu Sundar**

Law360, New York (July 06, 2012, 8:47 PM ET) -- Panasonic Corp. on Friday agreed to pay \$17.5 million to resolve direct purchasers' allegations in multidistrict litigation claiming it was part of an international conspiracy to fix the prices of cathode ray tubes used in computer monitors and televisions.

In a notice of its settlement motion filed in California federal court, the direct purchasers of the CRTs sought preliminary approval for the deal, stating also that the Japanese electronics giant had agreed to cooperate with the plaintiffs' information requests in the ongoing suit against other electronics makers.

The plaintiffs also sought the certification a proposed class of direct purchasers from March 1995 to November 2007, the period during which the electronics makers allegedly carried out the price-fixing scheme, according to the filing.

The dispute arose in November 2007, eventually being consolidated into multidistrict litigation in February 2008, accusing more than a dozen electronics makers including LG Electronics Inc. and Samsung Electronic Co. Ltd., entering into illegal agreements to raise and maintain the prices of their CRT products at artificially inflated prices in violation of the Sherman Act and the Clayton Act.

Such agreements were negotiated in meetings in the mid-1990s, on an informal, ad hoc basis between electronics giants including LG, Samsung, Panasonic and Hitachi Ltd., who allegedly discussed raising overall prices for the CRT products, as well as prices to specific customers, according to the plaintiffs' December 2010 amended complaint.

The plaintiffs pointed also to prevalent consolidation in a CRT industry marked by few industry players having control over the global market for the devices, with defendants including LG, Samsung, Philips Displays, MT Picture Displays Co. Ltd. and Chunghwa Picture Tubes Limited allegedly controlling nearly 80 percent of the global CRT market, according to the complaint.

Tatung Co. of America Inc. exited the suit in May 2012, days after LG Electronics Taiwan Taipei Co. Ltd. was dropped from the antitrust suit after reaching an agreement with the direct purchaser class.

That dismissal came a month after a deal releasing co-defendants Koninklijke Philips Electronics NV and Chunghwa from the direct purchaser suit, after the two CRT makers agreed to settle the price-fixing claims against them for a combined \$37 million, according to a March 27 filing.

Philips paid \$27 million and Chunghwa paid \$10 million in the settlement, under which both

companies agreed to provide information concerning the alleged conspiracy to aid the case against the remaining defendants.

The direct purchaser plaintiffs include Royal Data Services Inc., Princeton Display Technologies Inc., Arch Electronics Inc. and other CRT purchasers.

The direct purchaser plaintiffs are represented by Saveri & Saveri Inc., Cotchett Pitre & McCarthy LLP, Pearson Simon Warshaw & Penny LLP, Berger & Montague PC, Hausfeld LLP, Kaplan Fox & Kilsheimer LLP, Freed Kanner London & Millen LLC, Lieff Cabraser Heimann & Bernstein LLP, Lockridge Grindal Nauen PLLP.

Panasonic is represented by Jeffrey L. Kessler, A. Paul Victor, Aldo A. Badini, Eva W. Cole, Molly M. Donovan of Winston & Strawn LLP and Steven A. Reiss, David L. Yohai, Adam C. Hemlock of Weil Gotshal & Manges LLP.

The case is In re: Cathode Ray Tube (CRT) Antitrust Litigation, case number 3:07-cv-05944, in the U.S. District Court for the Northern District of California.

--Additional reporting by Django Gold. Editing by Lindsay Naylor.

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