

UNIVERSITY COLLEGE LONDON

University of London

EXAMINATION FOR INTERNAL STUDENTS

For The Following Qualification:–

LL.B.

LL.B. Part II: Competition Law

COURSE CODE : LAWSII25
DATE : 13-MAY-04
TIME : 10.00
TIME ALLOWED : 2 Hours 15 Minutes

COMPETITION LAW

Answer **THREE** questions.

1. What amendments will be necessary to UK competition law to render it compatible with EC competition law following the enactment of Regulation 1/2003?
2. "What problems there are with the current system of EC merger control relate not to the substantive test applied when assessing the compatibility of a given concentration with the Common Market, but rather to the jurisdictional arrangements for allocating cases between the Commission and the national authorities."

Discuss.

3. Why and with what consequences are some types of agreement deemed to have as their object the restriction of competition under Article 81(1) EC?
4. "The law on abusive pricing practices is complex and controversial. Dominant firms may infringe Article 82 when they raise their prices to unacceptably high levels; they may also be found to have abused their dominant position where they cut their prices...."

What criteria are applicable under Article 82 EC in order to determine whether the prices charged by a dominant undertaking are either predatory or excessive? Why has the application of EC competition law to these types of abuse given rise to controversy?

5. Compare and assess the methods for controlling oligopolistic markets which exist in EC and UK competition law respectively.
6. A, B and C are the only UK producers of cement. There are no imports of cement into the UK. A, B and C have market shares of 38%, 32% and 30% respectively.

Over at least the last three years, A, B and C have charged the same prices and have offered identical bulk discounts to customers. A's price rises are invariably followed by equivalent rises, within two or three days, on the part of B and C.

What information is required in order to determine whether A, B and C have breached either EC or UK competition law? What powers are available to the UK and EC competition authorities in order to find out the necessary information?

TURN OVER

7. Dishbox is a pay television company operating in the UK. It owns a number of television channels, access to which is sold to the public via its own downstream satellite distribution arm. Pipeco is a cable television company. It distributes television channels to the public via its cable network.

Pipeco wishes to distribute certain channels made by Dishbox, in particular Dishbox's film and sports channels and its main general entertainment channel. Pipeco has lost a large number of subscribers over the last year because these channels are not currently available on its cable network.

When approached by Pipeco, Dishbox responds as follows:

- (1) Dishbox refuses absolutely to supply its film and sports channels to Pipeco;
- (2) Dishbox is only prepared to supply its main entertainment channel to Pipeco as part of a package of channels, the others of which do not interest Pipeco;
- (3) The price at which Dishbox is prepared to supply the package of channels to Pipeco is in any event not such as would allow a reasonably efficient television distributor to remain in business.

You are asked by Pipeco whether Dishbox's negotiating position might infringe either EC or UK competition law. Advise Pipeco, specifying what additional information you would require in order to reach a definite conclusion.

8. Delta is a French aerospace company, which is the subsidiary of a large French defence manufacturer. It launches a bid to acquire Epsilon, a UK aerospace company. Delta claims that the concentration will result in significant efficiency gains, and will reinforce its status as a leading global player. It is also expected to result in a large number of job losses and an end to the manufacture of helicopters in the UK.

Epsilon wishes to resist acquisition by Delta, and asks for your advice regarding:

- (1) the factors which would go to determine whether the merger fell to be assessed under UK or EC competition law;
- (2) the grounds on which the merger could be blocked if UK law applied; and
- (3) the grounds on which the merger could be blocked if the EC Merger Regulation applied.

END OF PAPER