



GAZDASÁGI
VERSENYHIVATAL

Court judgements in cartel cases

By their judgements, the courts upheld the decision of the Hungarian Competition Authority (GVH) in three cartel cases. Two final decisions and one in the first instance were made in cases in relation to restrictive agreements concluded between information technology and game management undertakings, respectively. The total amount of fine imposed by the GVH in the three cases was HUF 114,4 million.

By publishing a notice on 25 June 2003 the local government of the city Győr announced a negotiated public procurement procedure for the introduction of an integrated financial economic system (Vj-20/2005). The Competition Council of the GVH found, based on evidence (mainly e-mail messages), that the tenderers Synergon and SAP concluded an agreement in connection with the procedure, which was suitable to influence the result of the competition. The two undertakings were fined HUF 7,2 million each for the infringement.

The undertakings that were found guilty, appealed the decision at the Court, however first in November 2007 the Municipal Court of Budapest, then in November this year the Appeal Court of Budapest dismissed their appeal. This means that the decision of the GVH according to which the two undertakings had concluded restrictive agreements became final including the imposition of the fines of HUF 7,2 million each.

There has recently been a decision in connection with another IT cartel. The GVH established that Albacomp and Synergon concluded an agreement restricting competition in the procurement tendering announced by the Paks Nuclear Power Plant “for managing advisory and project management tasks for the realisation of revision and upgrade of Oracle Applications’ human resources and payroll calculation system modules functioning in a production environment, and for the realisation of other application upgrades - that belong to the functioning of the system - concerning human resources management”. The GVH imposed fines of HUF 10 and 10 million on Albacomp and Synergon respectively.

The two undertakings appealed the decision, but in February 2008 the Municipal Court of Budapest and then in November the Appeal Court of Budapest upheld the decision of the GVH. The final decision stated that the two undertakings had concluded restricting agreements, therefore the fines that amounted to HUF 10 million each were enforceable.

As an antecedent of the third case, the GVH observed in the course of its sector inquiry carried out on the market of rent hunting, that price fixing agreements being suitable to restrict economic competition had been concluded between market players acting on the market of game purchasing. Therefore in September 2003 the GVH initiated a proceeding against the Council for Wild Animals Products and Services and its members interested in game buying-up. The GVH established in the course of the proceeding that it happened eleven times between 28 August 2000 and 8 April 2004 that the Council in question determined mandatory prices for the buying-up of the meat of big games, with a spillover

effect on the whole of the wild animal meat market. Hence the Council was fined HUF 80 million. The Council appealed the decision, however the Municipal Court of Budapest acting as the first instance court dismissed the appeal.

Case numbers: **Vj-20/2005**, **Vj-21/2005** and **Vj-132/2003** respectively.

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