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The Legality of Google's Vertical Search Service from the Perspective of Monopolistic Enterprises

When consumers input an address as the keyword in Google's search engine, the location of the address is displayed in a thumbnail of Google Maps at the top or on the right-hand side of the first page of the search results, and clicking on the thumbnail will redirect them to Google Maps. This seems to be an extremely convenient service for consumers. "Vertical search" clusters search results and display them on a dedicated page in a special format (e.g., news or images). Google Inc. believes that having "vertical search" give priority to displaying its extended services is a result associated with the keyword that also satisfies user requirements. Google Inc. believes that it can improve the quality of search services, which is the trend of online search services. From the perspective of domestic websites that provide electronic map services, however, Google Inc. is using its superior position in the online search service market and manipulating its search engine's algorithm and results, so that keywords, e.g., company or institution name, will return results with thumbnails of Google Maps in the most eye-catching place. The websites believe that this is a means of unfair competition as it causes them to lose trading opportunities and revenue.

Should Google Inc. be deemed a monopolistic enterprise?

Google Inc. is the largest provider of "online search services" in the domestic market. Statistics compiled by StatCounter show that up to 59.72% of users used Google for online searches in 2013. In terms of keyword advertisement revenue, Google Inc.'s market shares also reached 52.02% in 2013. Furthermore, sales revenue of Google Inc. reached over NT$2 billion in 2013. Hence, Google Inc. meets the criteria of a monopolistic enterprise set forth in Article

8 of the Fair Trade Act in terms of market shares and sales revenue. The search engine market is characterized by "the big will get bigger", and other market participants or potential competitors cannot apply sufficient competitive pressure on Google Inc. to provide checks and balances to its market power. Therefore, Google Inc. can be categorized as a monopolistic enterprise referred to in the Fair Trade Act.

Monopolistic enterprises integrate their resources to more efficiently utilize their competitive advantages, even if this causes their competitors to be at a disadvantage or even forced to exit the market. Yet, this process in which only the strong survive is the manifestation of normal market competition. The mission of competition law is to protect the competition process and not determine who wins or loses, so as to avoid excessive intervention in unilateral actions of enterprises from resulting in misjudgment or the chilling effect, which will reduce incentives for enterprises to engage in innovation and damage consumer interests. Under the stipulations of competition law, even monopolistic enterprises are not obligated to assist competitors, but there are two exceptions: (1) The monopolistic enterprise refuses to provide key facilities to competitors; or (2) The monopolistic enterprise sacrifices short-term profits by refusing trades in the hope of generating monopolistic profits after eliminating competitors; only then does competition law require monopolistic enterprises to actively assist competitors.

Does a vertical search service involve abuse of market power by a monopolistic enterprise?

Search services provided by Google Inc. have extremely high market shares and utilization rates, and its market power is self-reinforcing due to learning effects (more accurate search results and better search quality as the number of users that use the search engine increases) and a bilateral market (search engines with more users will generate more advertisement revenue, and will consequently have more resources to invest in improving search quality). Hence, websites that only provide map information services cannot duplicate the scale and quality of search services provided by Google at a reasonable cost within a short period of time.

Besides using search engines or the search functions of portal sites to find hyperlinks to target websites, web browsers can also directly input the website's URL, or save "Bookmarks" of websites they frequently visit. Web browsers that have high demand in terms of address information can use the above-mentioned channels to obtain information. The search results of search engines are not the only way. Hence, search services provided by Google Inc. are not the only way for map service websites to provide map information services to users.

Domestic electronic map websites have indicated that their business model is to provide map information to other websites (to embed the maps in their websites, similar to a map rental function) and collect a service fee. They do not collect any fees from general users. Hence, even if Google Inc. displays the service of Google Maps on the first page of its search results, it does not affect the business model of domestic electronic map websites, which collects a service fee for providing map information to other websites. Even though Google Inc. controls the lion's share of the search service market, it cannot block or intercept users of other map service websites, and cannot use the above-mentioned strategy to obstruct the trading relations between other map service websites and paying customers or affect their source of revenue.

Even though Google does not place hyperlinks to the websites of its competitors at the top of its search results or in other eye-catching places, there is no evidence indicating that Google is sacrificing its short-term profits or acting against economic rationality. First, before Google began displaying the service of Google Maps at the top of its search results or in an eye-catching place, it never placed hyperlinks to map service competitors in the same places before, and

there is no evidence indicating that Google showing Google Maps and not the websites of map service competitors is an act that terminates an originally profitable trading relationship with Google Inc. Second, search services of Google are unlike keyword advertisements. The results of a typical search are based on the relevance of websites to the keywords input by users, while keyword advertisements are determined based on the amount paid by the advertiser. Hence, it cannot be determined if Google Inc. sacrificed its profits by not placing a competing website at the top or in an eye-catching place on the search results page. If Google Inc. were to place a competitor's website in the same or an even more eye-catching place than Google Maps, that would be economically irrational, so there is no evidence showing that Google Inc. placing Google Maps at the top or in an eye-catching place instead of a competitor's website is an act sacrificing its short-term profits or economically irrational. The act of Google Inc. is reasonable and based on proper business judgment, and is not an act refusing trading relations to hinder competition.

When a specific business activity is widely adopted by competitors, it is usually beneficial to customers. Even if Google Inc. were to place a thumbnail of Google Maps on the top of or in an eye-catching place on the first page of its search results, if it did not help users with the search or lowered the quality of its search results, then competitors like Yahoo! could differentiate their services by simply choosing not to display their own maps in a similar place, and would be able to receive users that decided to stop using search services provided by Google. Yet, Yahoo! chose to display results in a similar way as Google, showing that the function does indeed improve user experience and competitors have thus introduced similar functions of their own.

Conclusion

Google Inc. displays its map service in an eye-catching place on the first page of its search results for users to more rapidly access map information, thereby improving user experience. If this is prohibited, it will make searches less convenient for users and will damage consumer interests instead. More importantly, it may deter website operators from developing innovative services and protect competitors, and not competition and consumer interests.

Therefore, Google Inc. has integrated its search services with the services of Google Maps to provide more rapid and convenient search results. The current evidence is inadequate to determine that Google Inc. has violated the Fair Trade Act.

Ren Fa Co. Violated the Fair Trade Act for Demanding Homebuyers Pay a Deposit to View Purchase Contract

The Fair Trade Commission decided at the 1,229th Commissioners' Meeting on May 27, 2015 that the practice of Ren Fa Construction and Development Co., Ltd. (hereinafter referred to as Ren Fa Construction and Development) whereby it demanded that homebuyers pay a deposit to view the contract when marketing the presale homes of the Ren Ai Da Du Hui" housing project had been obviously unfair conduct able to affect trading order in violation of Article 25 of the Fair Trade Act. Therefore, the FTC imposed an administrative fine of NT$800,000 on the company.

Compared to other consumer products, presale homes have the characteristic of being "high in value." Moreover, since presale homes have not taken shape and their ownership is not yet registered, related information available to homebuyers at the time of signing the purchase contract is rather limited. Real estate developers undoubtedly are in a more advantageous position as far as information is concerned. In addition, they have unilaterally established the purchase contract and the contents can fully disclose the facts about the object of the transaction and the rights and obligations of both parties. Under such circumstances, when a real estate developer demands that homebuyers pay a deposit or a certain fee under any title to reserve the priority for purchasing a unit before providing the contract, the collection of such a deposit or fee is obviously unfair as it puts homebuyers in a disadvantageous position when they make their purchase decisions. At the same time, such conduct is also unfair competition for competitors who act according to law and allow homebuyers to view contracts beforehand. In other words, such a practice is obviously unfair conduct as it imposes an unjustifiable restriction on the rights of homebuyers to view the contract. It deemed likely to affect trading order, it is in violation of Article 25 of the Fair Trade Act.

The FTC had on two occasions sent staff members pretending to be consumers to visit the site where the said presale homes were being marketed and on both occasions the sales clerks demanded the payment of a deposit before they could be allowed to view the contract. As the practice was an inappropriate restriction on the homebuyers' right to view the contracts before making purchases and also unfair competition for competitors, the FTC initiated an ex officio investigation.

The investigation revealed that as many as 300 out of the 315 buyers of presales units of the housing project had either paid a deposit and viewed the contract on the same date or paid a deposit before viewing the contract. Even if the 116 units sold before the project being officially marketed were deducted, there were still 184 buyers who had paid a deposit to view the contract. In other words, more than half of these homebuyers had been denied access to the contract before paying a deposit. The FTC also administered a survey on behalf of the homebuyers and the outcome indicated that not a small number of homebuyers thought that paying a deposit to view the contract had affected their transaction decisions. Therefore, the inappropriate restriction imposed by Ren Fa Construction and Development on the rights of homebuyers to view the contract was in violation of Article 25 of the Fair Trade Act.

Chung Tai Corp. Violated the Fair Trade Act for Restricting Other Enterprises' Freedom to Compete and Seek Trading Counterparts

The Fair Trade Commission decided at the 1,236th Commissioners' Meeting on Jul. 15, 2015 that the restrictions imposed on its trading counterparts' waste CRT tube glass transaction partners, transaction amounts and business plans by Chung Tai Resource Technology Corp. (hereinafter referred to as Chung Tai Corp.) through contract stipulations had violated Subparagraph 6 of Article 19 of the Fair Trade Act at the time. Therefore, the FTC imposed on the company an administrative fine of NT$2 million.

Waste CRT tube glass and panel glass are generated after domestic waste electronics and waste information equipment disposal businesses dismantle waste CRT tubes and computer monitor screens. CRT tube glass is classified as toxic waste because of the lead it contains. For this reason, the criteria adopted in the review of qualifications are stricter and there are not that many recycling businesses in the country. Between March 2010 and April 2011, Chung Tai Corp. was the only waste CRT tube glass recycling business in the market. After April 2011, other disposal plants started to acquire and process waste CRT tube glass and then turned over to domestic or foreign recycling businesses. The FTC's investigation indicated that Chung Tai Corp. had certain market power in the waste CRT tube glass disposal market and the waste panel glass disposal market.

Chung Tai Corp. received approval on Jul. 8, 2010 to recycle waste CRT tube glass. Between Jul. 21, 2010 and Dec. 31, 2012, by taking advantage of its dominance in the waste CRT tube glass disposal market, the company signed with waste information equipment disposal operators contracts which included stipulations that Chung Tai Corp. was to be regarded as the only waste panel glass recycling business and the said operators could not sign waste CRT tube glass recycling agreements with any other companies or delegate authority to other companies to recycle waste CRT tube glass, or apply for permission to recycle and dispose of waste CRT tube glass on their own, and the quantity of waste panel glass provided could not be smaller than the quantity of waste CRT tube glass provided. Those violating the contract would be subject to a fine of NT$2.5 million. The stipulations not only had a serious effect on the freedom of waste electronics and waste information equipment disposal operators to enter into transactions with other waste CRT tube and panel glass disposal businesses but also restricted the liberty of the said operations to apply for permission to process waste CRT tube glass in their own plants. Such restrictions on other enterprises' freedom to compete and seek trading counterparts impeded market competition and were in violation of Subparagraph 6 of Article 19 of the Fair Trade Act at the time. Therefore, Chung Tai Crop. violated the first section of Article 41 of the Fair Trade Act at the time of violation and was imposed an administrative fine of NT$2 million on the company.

Non-Prohibition of Merger between ASE and TDK

The Fair Trade Commission decided at the 1,235th Commissioners' Meeting on Jul. 8, 2015 to act according to Article 13 (1) of the Fair Trade Act and not to prohibit the intended joint investment between Advanced Semiconductor Engineering Inc. (hereinafter referred to as ASE) and Japan-based TDK Corporation (hereinafter referred to as TDK) as indicated in the merger notification filed with the FTC.

ASE planned to provide 51% of capital and TDK 49% to set up a joint venture named ASE Embedded Electronics Incorporated. According to the percentage of shares in its possession, each company would appoint a number of directors to participate in the management of the joint venture. TDK would license the new enterprise to use its "semiconductor embedded substrate technology" and patent to develop, produce and market IC embedded substrates. The condition met the merger type set forth in Subparagraphs 2, 4 and 5 of Paragraph 1 of Article 10 of the Fair Trade Act. At the same time, ASE accounted for more than one quarter of the IC packaging and testing market share in 2014 whereas the sales of both merging parties in the same year also exceeded the amount announced by the FTC and achieved the merger filing thresholds specified in Subparagraphs 2 and 3 of Paragraph 1 of Article 11 of the Fair Trade Act while the proviso set forth in Article 12 of the same act did not apply. Therefore, a pre-merger notification should be filed with the FTC.

The main business of ASE was IC packaging and testing and the principal operation of TDK and the joint venture in the country would be the use of the "semiconductor embedded substrate" technology to produce IC embedded substrates which were required in IC packaging and testing processes. There existed an upstream-downstream relationship and the merger was therefore a vertical merger involving the IC packaging and testing material market and the IC packaging and testing market in the country. After evaluation, the FTC concluded that the technology to be applied by the joint venture would not be the only one available for the production of IC embedded substrates. There were other alternatives; in addition, no barriers to entry to the relevant market existed. Hence, after the merger, the choice of trading counterparts for other competitors would remain unchanged, the level of difficulty for enterprises outside the merger to enter the relevant market would not be heightened, the merging parties would not be able to abuse their market power, and no market foreclosure would result from the merger.

Based on the above, the FTC concluded that the merger could not lead to any significant competition restriction and the overall economic benefits from the merger would be greater than the disadvantages from any competition restriction thereof incurred. Therefore, the FTC did not prohibit the merger.

Multi-level Marketing Enterprises Violated the Multi-level Marketing Supervision Act by not Paying Annual Fees

The FTC decided at the 1,238th Commissioners' Meeting on Jul. 29th, 2015 that five multi-level marketing businesses, All Nature Health Enterprise Inc. Taiwan, Amasense International Co., Ltd., Senuvo Taiwan, Super Elegant International Marketing Ltd. and Jiu Long Development Enterprise Co., Ltd., had violated Article 38 (3) of the Multi-level Marketing Supervision Act by not paying protection fund and the 2015 annual fees to the Multi-level Marketing Protection Foundation (hereinafter referred to as the MLMPF). Therefore, according to Article 32 (1) of the same act, the FTC ordered the said businesses to pay the aforesaid funds within 14 days after receiving the dispositions, and also imposed an administrative fine of NT$100,000 on each of the companies.

As set forth in Article 38 of the Multi-level Marketing Supervision Act promulgated and taking effect on Jan. 29, 2014, a multi-level marketing protection institution is to be created (the MLMPF) to protect the interests of registered multi-level marketing businesses and participants and handle related disputes. It is also specified therein that multi-level marketing businesses have the obligation to pay protection fund and annual fees to the MLMPF while the FTC is given the authority to sanction those failing to fulfill this obligation in order to ensure that all registered multi-level businesses pay their protection fund and annual fees and that the MLMPF can continue to function. As the MLMPF officially began operation in January 2015, all registered multi-level marketing businesses were required to pay their contributions and annual fees to the MLMPF before Mar. 31, 2015 as specified in Article 21 of the "Regulations for the Establishment and Administration of the Multi-level Marketing Enterprises and Participants Protection Institution".

In February 2015, the FTC notified all registered marketing businesses through its multi-level supervision system to pay their protection fund and annual fees. At the end of March, the MLMPF also sent written notices to remind multi-level marketing businesses to pay the said funds. However, the five aforementioned businesses did not pay the funds before Mar. 31, 2015 and the funds remained unpaid even after the said businesses were urged to make the payment several times. The conduct was in violation of Article 38 (3) of the Multi-level Marketing Supervision Act and the FTC therefore cited Article 32 (1) of the same article and sanctioned the five businesses.

Fonelin Internet Technology Violated the Multi-level Marketing Supervision Act for Starting Operations before Registration Completed

The FTC decided at the 1,241st Commissioners' Meeting on Aug. 19, 2015 that Fonelin Internet Technology Co., Ltd. (hereinafter referred to Fonelin Internet Technology), a multi-level marketing business, had violated Article 6 (1) of the Multi-level Marketing Supervision Act for failing to file with the FTC before starting its multi-level marketing operations. Therefore, the FTC imposed an administrative fine of NT$300,000 on the company.

The FTC found out that Fonelin Internet Technology and its participants signed contracts on Mar. 29, 2015 and also acquired information on the sales settlement period the company adopted and the list of bonus issuance dates which indicated that sales were calculated starting on Mar. 16, 2015. However, Fonelin Internet Technology filed its multi-level operations with the FTC on Mar. 29, 2015 and completed the registration on May 18 in the same year. In other words, the company did not submit statutorily required information for filing with the FTC before beginning its multi-level marketing operations. The conduct was in violation of Article 6 (1) of the Multi-level Marketing Supervision Act.

Enactment of the "Regulations on Payment of Rewards for Reporting of Illegal Concerted Actions"

Article 47-1 of the Fair Trade Act was added on Jun. 24, 2015 to tighten investigations against the secrecy of concerted actions and the difficulty in investigating and collecting evidence in the hope that market competition order could be perfected. It is specified therein that the FTC may set up an antitrust fund to increase incentives to encourage the unveiling of illegal concerted actions. As prescribed in Subparagraph 1 of Paragraph 3 of the article, one of the purposes of the antitrust fund is to "issue rewards for reporting of illegal concerted actions." In the meantime, it is also stipulated in Paragraph 4 that the competent authority is to define the requirements for the issuance of reporting rewards, informant qualifications, reward criteria, issuance procedures, revocation, cancellation and retrieval of rewards, and protection of anonymity for informants. Acting accordingly, the FTC therefore enacted the "Regulations On Payment of Rewards for Reporting of Illegal Concerted Actions" (hereinafter referred to as the regulations) on Oct. 7 of the same year. The regulations include 11 articles and the key points are as follows:

1. Range of application of the regulations

When informants provide evidence of concerted actions which the FTC has no knowledge about but confirms after investigations based on the evidence that the involved enterprises are confirmed to have violated the Paragraph 1 of Article 15 of the Fair Trade Act and imposes administrative fines on such enterprises according to Article 40 of the same Act, these regulations shall apply.

2. Informant qualifications and reporting approaches

Informants shall be natural persons, legal persons or organizations set up according to law and complaints filed with the FTC shall include the following information:

(1) Names or description, contact information, and address of informants.

(2) Content of reported illegal concerted actions and specific description of violating conducts, relevant data and clues that may be investigated, etc. which matching criteria specified in Paragraph 1 of Article 6.

3. Requirements for informants

To ensure the authenticity of concerted actions reported, fulfill the legislative purpose of the leniency policy and avoid benefiting government agencies, these regulations shall not apply to informants found to be in one of the following situations:

(1) Those who do not disclose names (descriptions), contact information or addresses, or present such false information in reporting.

(2) Those who report verbally and refuse to sign on the written statement for confirmation.

(3) Enterprises which get involved in the concerted actions, or directors, representatives or other authorized persons of such enterprises.

(4) Staffs of the competent authority, or their spouse or relatives within a third-degree family relationship.

(5) Agencies who acquire evidence of illegal concerted actions due to exercise of public authority or staffs of such authorities, or their spouses or within a third-degree family relationship.

4. The criteria for reporting rewards

(1) The amount of the reward is determined in accordance with the total administrative fines

imposed in a concerted action case and the admissibility of evidence provided by the informant. To be specific, 3% of the total administrative fines imposed in each case shall be the "basic amount" of the reward to be issued. Then, according to the admissibility of evidence provided by the informant (divided into five levels; see Subparagraph 5 of Paragraph 1 of Article 6), the basic amount will be adjusted (100%, 80%, 50%, 30% ad 10%) to finalize the amount to be issued. For instance, the reward for an informant providing direct evidence of a concerted action is 100% of the basic amount but the maximum is 5 million NT dollars (the same currency applies hereinafter). The reward for an informant providing necessary clues will be 30% of the basic amount but the maximum is one million.

(2) If evidence and data provided by informants for same cases meet two or more criteria of preceding subparagraphs at the same time, reporting rewards shall be decided in accordance with the subparagraph with greater amount of reward. For a same case, an informant may receive reward only once.

(3) Situations in which the reporting rewards shall be distributed evenly among several informants include the following:

A. There are several informants jointly provide evidence described in same subparagraphs, or separately provide such evidence at the same time, and it is not able to clarify the timing of individual reporting.

B. There are several informants provide evidence of same subparagraph that not known yet by the competent authority.

5. Reward issuance procedures

The FTC is required to issue the reward within 30 days after sanctions are imposed for a concerted action.

To increase incentives for concerted action reporting as well as to balance the income and expenditure of the antitrust fund, reporting rewards under 500,000 will be issued in one lump sum. In cases where the rewards exceed 500,000, half the amount will be issued first and the second half will be issued after finalization of the amount of the fines imposed. If the FTC decides the fines and the new fines are less than the original ones, the calculation of the reward shall be conducted according to the new fines.

6. No issuance of rewards and retrieval of rewards already issued

In principle, rewards already issued will not be retrieved. However, where any of the following situations exist, no rewards will be issued or rewards already issued will be retrieved:

(1) The regulations do not apply to the informant.

(2) Informants disclose directly or indirectly reported facts or any content thereof before the competent authority impose penalty.

(3) Informants use counterfeited, or altered evidence, and are convicted by courts.

7. Anonymity protection measures for informants

It is set forth in the regulations that all information regarding informants' identities must be kept confidential. Such information is to be recorded, sealed and filed separately. Besides courts, such information may not be viewed or used by other agencies, organizations or individuals for investigative purposes unless otherwise stipulated in related laws.

Statistics on Merger Cases

To improve management efficiency and international competitiveness, businesses may merge through acquisition, joint management and investment, and obtainment of control of personnel appointment to achieve the benefits of economies of scale. However, to prevent excessive market concentration and impediments to competition resulting from the expansion of business scale, it is set forth in the Fair Trade Act that businesses are required to file merger notifications with the FTC if their business scales will reach a certain level after a merger.

The complete text of the Fair Trade Act was amended and promulgated on Feb. 4, 2015 to ensure the regulations could remain compliant with domestic economic development and international trends. In this amendment, regulations regarding the definition and scope of mergers, information to be provided in merger notifications and durations of review of merger notifications were also revised.

The FTC's statistics indicate that 46 mergers were filed between January and September 2015. 43 of them were processed and closed. 19 of these mergers were not prohibited. The review of 23 cases was suspended and one case was combined to be processed with another. From February 2002 (in the amendment made on Feb. 6, 2002 "application for merger approval" was revised to become "merger notification for approval unless there is any objection") to the end of September 2015, a total of 753 merger cases were processed and closed. 396 mergers were not prohibited (52.6%), 7 prohibited (0.9%, including KTV, cable TV, foods manufacturing, and basic metal production businesses), 346 had a review suspension (45.9%, most of them, 256 cases, 74%, did not achieve filing thresholds and filing was not needed or belonged to extraterritorial mergers that had no influence on domestic markets), and 4 were combined to be processed with other cases.

Table 1 Statistics on Closed Merger Cases--According to Processing Results

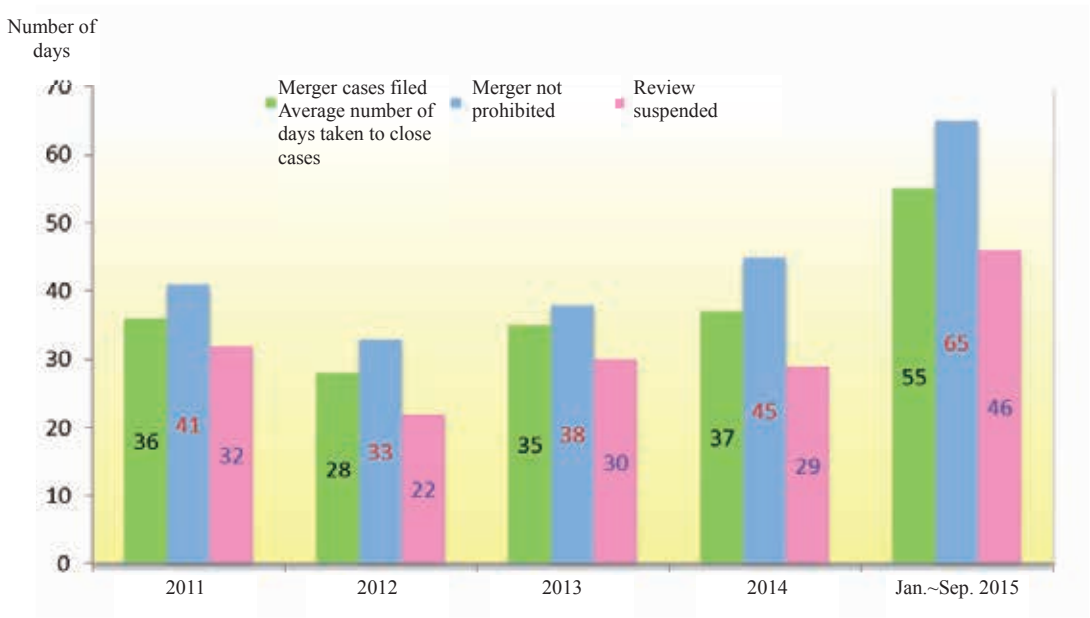
Unit: Case

Year	No. of Cases	Merger Not Prohibited	Merger Prohibited	Review Suspended	Combined
Total	753	396	7	346	4
Feb. 2002 to 2006	254	141	1	111	1
2007	67	37	1	29	-
2008	65	36	2	27	-
2009	57	27	2	28	-
2010	44	19	1	24	-
2011	60	28	-	32	-
2012	47	26	-	20	1
2013	50	30	-	19	1
2014	66	33	-	33	-
2015 Jan.-Sep.	43	19	-	23	1

Notes:1.When the Fair Trade Act was amended on Feb. 6, 2002, the regulation requiring merging parties to file "merger applications for approval" was revised and merging parties were required to file "merger notifications for approval unless there is any objection."
2. The Fair Trade Act was amended and the entire 50 articles were promulgated on Feb. 4, 2015.

43 merger cases were processed and closed between January and September 2015. On average, the number of days taken between a case was received and closed was 55 days (the period required for supplementary documents to be provided included), increasing by 18 days compared to the year before. According to the processing results, the average number of days taken for non-prohibited merger cases to be closed was 65 days (increasing by 20 days). The number of days taken to process cases that were incompliant with filing procedures or did not need to be filed because they did not reach filing thresholds or belonged to extraterritorial mergers which had no influence on domestic markets and the review of which was therefore suspended averaged 46 days.

Fig. 1 Average Numbers of Days Taken to Close Filed Merger Cases



Notes: 1. The number of days taken to close filed merger cases was calculated from the day of receipt to the day of case closure, including the number of days required for supplementary documents to be turned in.
2. When the Fair Trade Act was amended on Feb. 4, 2015, the "30 days" allowed for extension of review of merger cases in the old version was revised to become "60 days" in the new version (Paragraph 8 of Article 11 of the new version).

19 mergers were not prohibited between January and September 2015. Judged by industry, 15 of these cases, 78.9%, were filed from the manufacturing industry, followed by 3 cases from the transportation and warehousing industries. From February 2002 to the end of September 2015, 396 mergers were not prohibited. Judged by industry, 203 of these cases, 51.3%, were filed by manufacturing businesses, followed by 93 cases, 23.5%, from information and communications businesses and 49 cases, 12.4%, from financial and insurance businesses. The three types of cases accounted for 87% of mergers that were not prohibited.

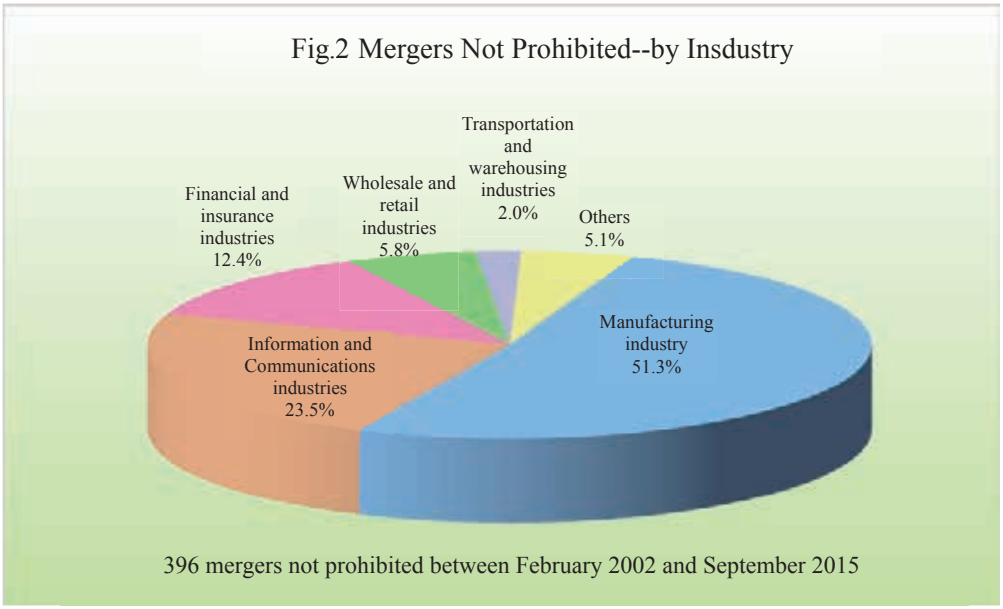


Fig.2 Mergers Not Prohibited--by Insdustry
Transportation and warehousing industries 2.0%
Financial and insurance industries 12.4%
Wholesale and retail industries 5.8%
Others 5.1%
Manufacturing industry 51.3%
Information and Communications industries 23.5%
396 mergers not prohibited between February 2002 and September 2015

FTC Activities in September and October 2015

- On Sep. 1, Professor Wang Wen-chieh of the Department of Law, National Chengchi University gave a lecture on "Antitrust Review of Foreign Investors' Acquisition of China's Enterprises--A Comment on the National Security Review to be Conducted as Specified in Article 31 of the Anti-monopoly Law of the People's Republic of China" at the invitation of the FTC.
- On Sep. 3, the FTC conducted a presentation entitled "An Overview of the Fair Trade Act and the Multi-level Marketing Supervision Act" at the New Taipei City Government.
- On Sep. 11, the FTC conducted the "Presentation on Multi-level Marketing Regulations" in Kaohsiung City for multi-level marketing businesses, participants and people intending to engage in multi-level marketing operations in the southern region.
- On Sep. 11 and 19, the FTC conducted the "Various Aspects of Trading Traps" presentation respectively at the Sinhua Fraternity and Care Association in Tainan City and Lujhu Family Service Center for New Immigrants and Women in Kaohsiung City.
- On Sep. 18, the FTC conducted the "Presentation on the Fair Trade Commission Disposal Directions (Policy Statements) on Cases of Real Estate in Advertising" in Taipei City for representatives from real estate development associations and businesses in the northern region.
- On Sep. 22, Assistant Professor Chiou Jing-yuan of the Department of Economics, National Taipei University gave a lecture on "Patent Trolls and Market Competition" at the invitation of the FTC.
- On Sep. 24, the FTC conducted "Fair Trade Act Seed Teacher Workshop" for junior high schools in Taichung City.
- On Oct. 6, the FTC invited representatives from the Taiwan Internet and E-commerce Association, Taipei City Digital Marketing Association and Taipei Association of Advertising Agencies to attend the "Seminar on Conflicts of Interest in Advertising Endorsement and Ways of Disclosure".
- On Oct. 7, the FTC conducted "Fair Trade Act Seed Teacher Workshop" for junior high schools in New Taipei City.
- On Oct. 7, 15 and 19, the FTC conducted the "Fair Trade Act and Multi-level Marketing Supervision Act Training Camp" respectively at the Department of Applied Economics of the National University of Kaohsiung, the Department of Money and Banking of the National Kaohsiung First University of Science and Technology and the Institute of Technology Law of National Yunlin University of Science and Technology.
- On Oct. 12, the FTC conducted the "Fair Trade Act and Multi-level Marketing Supervision Act Training Camp" for the teachers and students of the Department of Economics of Chinese Culture University at the Competition Policy Information and Research Center.
- On Oct. 13, the FTC conducted a workshop on the "Fair Trade Commission Disposal Directions (Policy Statements) on the Sales of Elementary and Junior High School Textbooks" at the Competition Policy Information and Research Center.
- On Oct. 20, the FTC Commissioner Wei Hsin-Fang gave a lecture on the "Application of the Fair Trade Act to the Pharmaceutical Industry--Focusing on Marketing Cooperation between Pharmaceutical Plants".
- On Oct. 20, the FTC conducted the "Presentation on the Online Operation of the Multi-level Marketing Supervision System and Things to Note" in Taipei City for MLM businesses and companies or individuals intending to engage in multi-level marketing operations.
- On Oct. 23, the FTC conducted the "2015 Fair Trade Act Special Topic Lecture--An Overview of the Key Provisions Revised in the Latest Amendment to the Fair Trade Act and the FTC's Regulations on the Implementation of the Leniency Policy" in Kaohsiung City.
- On Oct. 29, the FTC conducted the "Various Aspects of Trading Traps" presentation at Pingtung Evergreen College.

1.The FTC conducting the “Presentation on Multi-level Marketing Regulations” in Kaohsiung City.

2.The FTC conducting the “Presentation on the Fair Trade Commission Disposal Directions (Policy Statements) on Cases of Real Estate in Advertising” in Taipei City.

3.The FTC Commissioner Wei Hsin-Fang giving a lecture on the “Application of the Fair Trade Act to the Pharmaceutical Industry--Focusing on Marketing Cooperation between Pharmaceutical Plants”

4.The FTC conducting the “2015 Fair Trade Act Special Topic Lecture--An Overview of the Key Provisions Revised in the Latest Amendment to the Fair Trade Act and the FTC’s Regulations on the Implementation of the Leniency Policy” in Kaohsiung City.

FTC International Exchanges in September and October 2015

- On Sep. 2 and 3 and Sep. 7 and 8, the FTC attended the “Second Economic Committee Meeting” and the “Second Structural Reform Ministerial Meeting” held by APEC in Cebu, the Philippines.
- On Sep. 8, the FTC attended the preliminary meeting of “First Working level Meeting for Overall Review” on ANZTEC.
- On Sep. 15, the FTC attended a teleconference conducted by Subgroup 1 of the ICN Cartel Working Group.
- From Sep. 15 to 17, the FTC attended the “Telecommunications and ICT Workshop” held by the OECD/ Korea Policy Centre, Competition Programme in Seoul, Korea.
- On Sep. 18, the FTC attended the “19th International Conference on Competition Policy” held by the Korea Fair Trade Commission.
- On Sep. 24 and 25, the FTC attended the ICN Merger Workshop held in Brussels, Belgium.
- On Oct. 6 and 7, the FTC held an international conference on “Effective Tools for Combating Cartels and Abuse of Dominance” in Kuala Lumpur, Malaysia.
- From Oct. 13 to 15, the FTC attended the APEC training course on competition policy held in Kazan, Russia.
- From Oct. 19 to 21, the FTC attended the ICN Cartel Workshop held in Cartagena City, Colombia.
- On Oct. 22, the FTC attended a teleconference conducted by the ICN Advocacy Working Group.
- From Oct. 26 to 30, the FTC Commissioner Chang Hung-Hao led a delegation to attend meetings held by the OECD Competition Committee and the “14th Global Competition Forum”.

1.The FTC attending the “Second Economic Committee Meeting” held by APEC in Cebu, the Philippines.
2.The FTC attending the ICN Merger Workshop held in Brussels, Belgium.

3.The FTC holding an international conference on “Effective Tools for Combating Cartels and Abuse of Dominance” in Kuala Lumpur, Malaysia.

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5.The FTC attending the ICN Cartel Workshop held in Cartagena City, Colombia.

6.The FTC Commissioner Chang Hung-Hao (second from left) leading a delegation to attend meetings held by the OECD Competition Committee and the “14th Global Competition Forum”.

Dear Readers,

In order to improve the quality of our Taiwan FTC Newsletter, we would like to request a few minutes of your time to fill in the questionnaire below. It would be appreciated if you could please directly fill in the questionnaire at the website (http://www.ftc.gov.tw). Thank you for your assistance and cooperation.

Regards

Fair Trade Commission

Taiwan FTC Newsletter Reader's Survey

- Nationality : _____
- Category of your organization

  ☐Government ☐Private Corporation☐Embassy☐NGO ☐Media ☐Scholars

  ☐Other (please specify)_____

1. What do you think of the design of the Taiwan FTC Newsletter, including style and photos?

   ☐ Very Good ☐ Good ☐ Average ☐ Bad ☐ Very Bad

2. Are the articles clear and understandable or difficult to understand?

   ☐ Very Clear ☐ Clear ☐ Average ☐ Difficult ☐ Too Difficult

3. Are you satisfied with the contents of the Taiwan FTC Newsletter, including choice of subjects, length and thoroughness of articles?

   ☐ Very satisfied ☐ Satisfied ☐ Average ☐ Dissatisfied ☐ Very Dissatisfied

4. Which section is your favorite one?

   ☐ Selected Cases ☐ Regulation Report ☐ FTC Statistics ☐ FTC Activities

   ☐ FTC International Exchanges

5. What more would you like to see in the Taiwan FTC Newsletter, e.g. different subjects? Do you have any other suggestions?

Your advice： _____

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