

Competition Policy

Newsletter

Competition Policy Information
and Research Center, Fair Trade
Commission, Taiwan (ROC)
Publisher: Tang Jinn-Chuan
Editor-in-Chief: Shin Chih-Chung

Issue 4, Volume 11

August 31, 2007

Index:

◆ News Section

◎ Selected FTC Decisions 1

◆ FTC Activities 13

◆ International Exchanges 17

◆ Statistics 17

◆ News Section

◎ Selected FTC Decisions

The Ladder Digital Education Corp. Infringed the Provision on Returned Goods in Multi-level Sales, and Violated Article 23 of the Fair Trade Law.

During its 806th Commissioners' Meeting on April 19, 2007, the FTC resolved that the Ladder Digital Education Corp. (hereinafter called "Ladder Corporation"), which had engaged in multi-level sales, violated Article 23-3(2) of the Fair Trade Law and Article 23-2(2) of the same law, for having not yet bought back the supply of services held by the participants during the period regulated by law and at 90% of the original purchase price at the time that the participants terminated their

contracts and withdrew themselves from the sales. In addition, the Commission ordered the Ladder Corporation to cease the aforesaid unlawful conduct, and the Ladder Corporation was penalized with a fine of NTD\$5,000,000.

The FTC indicated that Articles 23-2(2) and Article 23-3(2) of the Fair Trade Law provide that a multi-level sales enterprise shall respond to the application to return goods within 30 days of the termination of the contract and buy back the products or the supply of services held by the participant at 90% of the original purchase price, when it receives the written notification on termination of the contract and the application to withdraw and return goods from the participant. The Ladder Corporation popularizes, and sells online teaching courses using the multi-level sales method and a portion of the participants paid for the goods using bank loans (i.e., paid for them in installments). Beginning in January 2007, increasing numbers of participants responded to the Commission on the matter that the Ladder Corporation re-delayed the handling of the withdrawal from the

sales and the return of goods. The FTC's findings after investigation showed that the Ladder Corporation had not bought back the supply of services held by the participants within 30 days as regulated by law after receiving the notification of the termination of the contract from the reporters (the participants) and it had no legitimate reasons to re-delay the payment for buying back the services from the participants. The Ladder Corporation had violated the aforesaid provisions.

The FTC additionally indicated that, in spite of the aforesaid unlawful act, the Ladder Corporation had not bought back the supply of services held by the participants at 90% of the original purchase price when handling the withdrawal from the sales and return of goods. The Commission conducted the investigation and was informed that the Corporation had not returned to the participants the amount of money to buy back the supply of services nor had it fulfilled its promise to clear the participants' bank loans, after receiving goods possessed by a portion of the participants and the necessary charges

from the participants as well as after completing the relevant procedures for the return of goods. The Corporation, on the other hand, paid off the loans on behalf of the participants by installments itself, and this incident misled the participants into believing that the enterprise had completed the handling of the matters relevant to the withdrawal from the sales and the return of goods. Later, as the Ladder Corporation was unable to pay off the loans, the banks immediately urged the participants, who believed they had already completed the procedures for the return of goods, to make the payments on the overdue bank loans and the participants' credibility vis-à-vis the banks was affected. The FTC, however, believed that the Ladder Corporation's handling of the returned goods was inconsistent with the provisions of the Fair Trade Law. The Commission considered that the intention to violate the law was grossly serious and that it had a great impact on trading order. After the Commission thoroughly examined the Ladder Corporation's intention to violate the law, the degree of harm, the circumstances surrounding the

violation of the law, the scale of operations and the attitude after violation, the Ladder Corporation was penalized with an administrative fine of NTD\$5,000,000 in addition to being ordered to cease the aforesaid unlawful conduct, pursuant to Article 42(2) of the Fair Trade Law.

The FTC Approval of Concerted Action on the Joint Application of Unconditional Endorsement and Transfer of Ticket Vouchers on Taipei – Kaohsiung Route of Four Domestic Airline Companies, Far Eastern Air Transport, Mandarin Airlines, TransAsia Airways and Uni Air

During its 807th Commissioners' Meeting on April 26, 2007, the FTC resolved to approve the concerted action with regard to the joint application for the unconditional endorsement and transfer of ticket vouchers on the Taipei-Kaohsiung route of four domestic airline companies, namely, Far Eastern Air Transport, Mandarin Airlines, TransAsia Airways and UNI Air, pursuant to the proviso under Article 14(1) and the

conditions and required undertakings under Article 15 of the Fair Trade Law. The four airline companies requested that Article 6 be rescinded or modified under the content of the permit, the Approval Decision Report of Order Kung-Lian-Tzu No. 095007 on October 26 2006. Although the FTC indicated that the formal operation of the High-Speed Rail significantly influenced the airline market on the west of Chinese Taipei, it thoroughly examined the matter and found that the airlines were to keep attaching the number of the flights, which cannot be more or less than 20% of the number of flights ratified in the month of approval. The duration of the permit was reduced from three years to two years from the date of application, and the period was to end on April 30, 2009, in order to safeguard the rights of passengers. Subsequently, the application will be further reviewed in the future based on the actual impact on the domestic air transportation industry and other kinds of transportation due to the operation of the High Speed Rail.

After consulting with the aviation

competent authority, the Ministry of Transportation and Communications, and after adequate discussion at the Commissioners' meeting, the FTC believed that the implementation of unconditional endorsement and transfer of ticket vouchers on the Taipei-Kaohsiung route had positive effects that were beneficial to the economy as a whole and in the public interest. These effects included shortening flight intervals, increasing the passenger load rate, reducing flight costs, improving operating efficiency and facilitating travel convenience. However, as for the restraints on competition or unfair competition, such as barriers to entry, sticky prices, the influence of upstream and downstream markets as well as consumers' rights and interests, no obvious impact was found.

At the same time, the FTC then determined to attach the following conditions and required undertakings on the applicants in terms of Article 15(1) of the Fair Trade Law, so as to prevent the applicants from employing the permit for concerted action to engage in restrictive competition or unfair competition, and

to ensure that the overall economic benefit was greater than the impact of the competition restraints: 1. Without legitimate reasons, the applicants cannot refuse other applicants' requests to withdraw from or re-conclude the item on "Split Profits" under the "Agreement on Unconditional Endorsement and Transfer of Airline Tickets." 2. Besides issuing and selling "unconditional endorsement and transfer" airline tickets on the Taipei-Kaohsiung route, the applicants shall issue and sell "Non-Endorsable" tickets subject to the market competition mechanism and preferential prices. 3. Without legitimate reasons, the applicants cannot refuse other enterprises from participating in the concerted action pursuant to reasonable requirements. 4. Each applicant shall independently decide the transportation service prices and trading conditions of the Taipei-Kaohsiung route. Such a decision shall not be a result of the permit for this concerted action; the applicants cannot co-determine the prices and other trading conditions by means of contracts, agreements or any other form of mutual understanding, as a result of the permit

for this concerted action. 5. During the permitted period of this concerted action, if the applicants are to reduce the number of flights on the Taipei-Kaohsiung route, the number of flight cannot be less than 20% of the number of flights already approved at the time of the application. 6. The applicants shall submit to the FTC for later reference the relevant trading information every six months. Such trading information shall include the agreed split profits, actual net profits split and amortized, seats provided, number of passengers, passenger load rate, face value, average sales price, total sales amount, and the sales ratio of transferable tickets to non-transferable tickets. The FTC simultaneously repealed the Approval Decision Report of Order Kung-Lian-Tzu No. 095007 on October 26, 2005.

Conduct of Providing Teachers with Improper Gifts by Three Textbook Providers, Kang Hsuan Educational Publishing Corp., Nani Books Corp. and Han Lin Publishing Co. Ltd.,

in Violation of Article 24 of the Fair Trade Law

During its 807th Commissioners' Meeting on April 26, 2007, the FTC resolved that the unfair acts of three textbook providers, Kang Hsuan Educational Publishing Corp. (hereinafter called "Kang Hsuan Corporation"), Nani Books Corp. (hereinafter called "Nani Corporation") and Han Lin Publishing Co. Ltd. (hereinafter called "Han Lin Company"), which impacted trading order, violated Article 24 of the Fair Trade Law for providing teachers with improper goods in order to seize opportunities for the selection of their textbooks during the season of textbook selection by junior high schools and elementary schools in the 2006 academic year. Besides ordering them to cease the aforesaid unlawful act immediately, the FTC imposed administrative fines of NTD\$2,500,000, NTD\$2,000,000 and NTD\$1,500,000 on the Kang Hsuan Corporation, the Nani Corporation and the Han Lin Company, respectively.

After receiving the reports, the

FTC indicated that the abovementioned textbook providers engaged in unlawful conduct by providing teachers with improper goods during the season of textbook selection by junior high schools and elementary schools in the 2006 academic year. The findings of the FTC after investigation showed that the Kang Hsuan Corporation offered teachers exquisite bicycle models which could be used for decoration, the Nani Corporation provided teachers with correction seals that had no substantial benefits to teaching, and the Han Lin Company provided teachers with satellite navigation discs and 20 extracurricular books.

The FTC pointed out that, although school teachers had the right to select textbooks, the purchasers were students or parents. Therefore, if publishers offered improper gifts to or claimed to offer improper gifts to people who had the right to select textbooks, either one of the acts may have consequently affected the policy-decision process and decisions of the people who had such a right. In order to ensure an unbiased selection of textbooks, the FTC had listed

types of unlawful conduct that may be implicated by publishing enterprises and which included a prohibition on providing improper money, items or other economic benefits that took the form of an “Fair Trade Commission Policy Statements on the Distribution of Junior High Schools and Elementary Schools Textbooks.” If the items provided by the textbook enterprises were not supplementary teaching aids that were directly linked to the teaching using such textbooks, they were not the necessary tools for teaching and fell under the aforesaid improper items. After the investigation, none of the aforesaid items provided by the three textbook enterprises had any direct links to the teaching using the textbooks and hence were not necessary goods for teaching. Such an act violated Article 24 of the Fair Trade Law. After the FTC had taken into account the fact that the past frequency, types of and intervals of transgression were not the same, and examined the relevant factors such as other unlawful circumstances and the scale of business, the three publishers were subjected to the aforesaid disciplinary action.

The FTC further indicated that the abovementioned enterprises were reported to have provided dictionaries, computer drafting software, material maps, MP3s, microphones and puppets to teachers. Although there is insufficient evidence to prove their violation of the Fair Trade Law at present, the goods are still highly illegal. Therefore, the FTC has specifically warned the enterprises and requires that they do not provide goods that are surely unnecessary to teaching, in order to avoid violating the law.

The FTC finally indicated that each school had already stepped into the season of textbook selection at present. The Commission has solemnly made it clear that enterprises are prohibited from providing improper money, items or other benefits to seize trading opportunities. In the same way, if teachers receive commissions or other improper benefits in different forms, the act may constitute corruption or may violate the provisions of the Teachers Law. The FTC will continue to pay close attention to the textbook market; if the Commission receives evidence relevant to the violation

of law, it will immediately file a case for investigation; if the respondent appears to have engaged in criminal activities, the case will be re-directed to the authorities for investigation.

□ Merger of Citi Group Inc. and Bank of Overseas Chinese

During its 811th Commissioners' Meeting held on May 24, 2007, the FTC resolved that the merger case concerning Citi Group Inc. (hereinafter called "CitiBank") and the Bank of Overseas Chinese (hereinafter called "Overseas Chinese Bank") was not prohibited in accordance with Article 12(1) of the Fair Trade Law.

The FTC indicated that through the help of the wholly-owned subsidiary COIC, CitiBank established a subsidiary, which was temporarily named Citi Group Global Commercial Bank (hereinafter called "Citi Global Bank"), in the territory of Taiwan; the Citi Global Bank and the Overseas Chinese Bank engaged in a merger. The reorganization was

completed, and the Citi Global Bank remained unchanged. All of the operations of the Overseas Chinese Bank were terminated, and the two parties to the merger formed the pattern regulated by Article 6(1)(1) of the Fair Trade Law. In addition, with the sales for the preceding fiscal year of each party in casu, the Citi Global Bank and the Overseas Chinese Bank exceeded the threshold amount publicly announced by the central competent authority as stipulated by Article 11(1)(3) of the same law, and they did not fall under any of the circumstances prescribed under Article 11(1). Therefore, the parties submitted the notification to the FTC.

The FTC pointed out that the merger of the Citi Global Bank and the Overseas Chinese Bank had an impact on the banking industry. Based on the information promulgated by the Financial Supervisory Commission, Executive Yuan, there are numerous banks in the domestic financial industry, and the market share of each enterprise is small and the industry is extremely competitive, so that the market can be regarded as

a lowly-concentrated market. After examining the merger in case, the FTC found that the change in market share was not big and would still be restricted by market competition. Therefore, the company had no ability to increase the price of a product or remuneration. In the same way, the fluctuation in the market structure was also quite limited and the merger did not harm the competition between existing enterprises. As the new competitor was competing in the market immediately after conforming to relevant laws and regulations and was a large-scale group company, the trading counterpart had quite a degree of countervailing power against the increase in the price of a product or the remuneration of the post-merger enterprise. In other words, the merger between Citi Global Bank and the Overseas Chinese Bank did not significantly harm the competition in the relevant market and was beneficial to the economy as a whole. Therefore, in accordance with Article 12(1) of the Fair Trade Law, the FTC did not prohibit such a merger.

☐ Restrictions on the Resale Price of Milk Powder by Bristol-Myers Squibb Australia Pty. Ltd. (Taiwan Branch) and Nestle Ltd. (Taiwan Branch) Violated Article 18 of the Fair Trade Law

During its 812th Commissioners' Meeting on May 31, 2007, the FTC resolved that Bristol-Myers Squibb Australia Pty. Ltd. (Taiwan Branch) (hereinafter called "Bristol-Myers Squibb Company") and Nestle Ltd. (Taiwan Branch) (hereinafter called "Nestle Company") violated Article 18 of the Fair Trade Law by restricting the resale price of milk powder in relation to downstream enterprises. Based on the preceding paragraph of the same law, the two firms were ordered to cease the unlawful acts and were subjected to administrative fines of NTD\$4,000,000 and NTD\$2,500,000, respectively.

Many pharmacies and members of the public complained to the FTC that the Bristol-Myers Squibb Company required the pharmacies to sell Enfalac Infant Formula A+SA (900 gm/ can) at a price of NT\$539 per can, so that the FTC

conducted an investigation. Later, the pharmacies reported to the FTC again that the Nestle Company also required them to sell Nan (Gold) H.A. Milk Powder (900 gm/can) at a price of NT\$575 per can. The FTC then conducted an investigation on this incident together with the other issue.

The FTC's on-the-spot inquiries in more than ten counties/cities throughout the island showed that the sale price of Enfalac Infant Formula A+SA in each place was consistent and that the sale price of Nan (Gold) H.A. Milk Powder also exhibited the same phenomenon. The findings of the FTC after interviewing the resellers and pharmacies showed that both the Bristol-Myers Squibb Company and the Nestle Company indeed required the downstream resellers and pharmacies to sell their milk powder products at the prescribed prices; furthermore, the Bristol-Myers Squibb Company refused to supply products if the pharmacies refused to cooperate.

The FTC indicated that the selling method adopted by the Bristol-Myers Squibb Company and the Nestle

Company involved the sale of the products to the resellers, who then re-sold them to the downstream channel partners, such as pharmacies, and the resellers and pharmacies were, through their own arrangements, to sell the rights and assume the risks for being unable to sell the products. The fact that the two companies restricted the downstream resellers and pharmacies from re-selling their milk powder products at the price prohibited by the companies had already deprived the downstream enterprises of the right to manage autonomously – to decide the price freely – and the downstream enterprises would be unable to offer a reasonable price based on their competitiveness and the cost structures that they faced. The consequence of the act would weaken the price competition of the same brand and violated Article 18 of the Fair Trade Law. In particular, the resale prices of the milk powder products of two companies in case in each place were consistent with the prices prescribed by these companies. This fact showed that their acts of restricting resale prices had already severely affected the competition

in the relevant markets.

The FTC finally indicated that, after examining the motives, purposes of and expected improper interests derived from the unlawful acts of the Bristol-Myers Squibb Company and the Nestle Company; the degree of harm to the order of trade caused by the unlawful acts; the duration of the harm caused by the unlawful acts; the interests derived from the unlawful acts; business scale, operating state, turnover and other market status; whether the central competent authority had corrected or warned against the violation of the type; the past type, frequency and intervals of violation and the imposed punishments; the substantial evidence of repentance after the violation of the law and the attitude towards cooperating with the investigation; and other factors, the companies were ordered to cease the unlawful acts and an administrative fine of NTD\$4,000,000 was imposed on the Bristol-Myers Squibb Company and one of NTD\$2,500,000 on the Nestle Company.

□ The Act of Deltamac (Taiwan) Co. Ltd. to Improperly Hold the Contracts after the Conclusion of the Agreements Violated Article 24 of the Fair Trade Law

During its 814th Commissioners' Meeting on June 14, 2007, the FTC resolved that the obviously unfair act of Deltamac (Taiwan) Co. Ltd. (hereinafter called "Deltamac Company") for improperly holding the contracts after the conclusion of the agreements with the trading counterparts, revealed impacts on trading order, and violated Article 24 of the Fair Trade Law. Besides the company was ordered to cease the aforesaid unlawful act, and it was fined NTD\$800,000.

The FTC indicated that audio products, such as VCDs and DVDs, were copyrighted products so that they had the characteristics that they could not be substituted; in addition, the current practice showed that most issuers of audio products acquire the sole agency rights from the upstream film makers and producers. Furthermore, besides trading with the issuing enterprises,

or other agencies, such as resellers, it is difficult for the rental enterprises to acquire complete resources from these sources. Therefore, compared to the rental enterprises, the issuing enterprises have exclusive rights and strong economic and market power. The evidence showed that the Deltamac Company issued the types of films that were in the main stream and had higher market shares and the information purchased by large chain stores showed that the quantity of the films issued by the Deltamac Company for sale caused it to be in the leading position, giving it strong competitiveness in the issuing market. Nevertheless, the film-issuing enterprises or agency enterprises had, in view of their dominant position, expressed claims that were not beneficial to the rights of the trading counterparts. These claims included that the Deltamac Company improperly held the contracts, it refused to provide the contracts to the trading counterparts for safekeeping, and it had not stipulated a written agreement with the trading counterparts. It did not treat the trading counterparts fairly.

The findings of the FTC after

investigation showed that the Deltamac Company acquired the agency rights to issue 180 films from film manufacturing companies in 2005, and operated the rental business; in the same way, from September to November in 2005, the staff of the Deltamac Company or the county/city agencies signed 2006 Deltamac Digital alliance Contracts with hundreds of rental enterprises, to agree on key items and regulate the period of the contract, the object, the scope of rights, the termination of the contracts and guarantees. The rental enterprise was one of the contracting parties; it had the right to comprehend the content of the contract and claim its rights in terms of the contract. However, the investigation showed that the Deltamac Company had delayed mailing hundreds of contracts to the other parties to the contracts, i.e., the rental enterprises, for safekeeping until the FTC conducted the investigations on April 2006. The Deltamac Company could not rely on the reason that the company intended to imprint the contracts with the company seal or that the parties had not agreed on the date of the handing over of the

contracts to the rental enterprises, to veil its intention to hold the contract, as the contracts were the proof of the trade of the contracting parties and the basis of the claim to the rights. Most of the contracts that belonged to the rental enterprises were kept for more than five months and such an act affected the trading counterparts' opportunities to comprehend their rights and interests and to claim the rights. The act showed unfairness to the rental enterprises. Therefore, the unfair act, by means of which the Deltamac Company relied on its dominant position vis-à-vis the rental enterprises which had a relatively disadvantaged position, revealed an impact on trading order and the Deltamac Company was found to have violated Article 24 of the Fair Trade Law.

The FTC finally indicated that, after examining the motive, purpose of and expected improper interests derived from the unlawful acts of the Deltamac Company; the degree of harm to trading order caused by the unlawful acts; the duration of the harm caused by the unlawful acts; the interests derived from the unlawful acts; the business scale,

operating state, turnover and other market status; whether the central competent authority had corrected or warned against a violation of this type; the past type, frequency and intervals of violation and the imposed punishments; the substantial evidence of repentance after the violation of law and the attitude toward cooperating with the investigation; and other factors, the company was ordered to cease the unlawful acts and was required to pay an administrative fine of NTD\$800,000.

◆ FTC Activities

- ◎ On May 1, 8, 10, 15, 22, 23 and 29, the FTC held the “2007 Fair Trade Law Training Camp for Southern Universities and Colleges”, at I-Shou University, Meiho Institute of Technology, National Kaohsiung University of Applied Sciences, Nan-Jeon Institute of Technology, Southern Taiwan University, National Penghu University and WuFeng Institute of Technology, respectively.
- ◎ On May 8, to coordinate with the

<p>Legal Affairs Division of the Southern Region Service Center, Executive Yuan, the FTC held the orientation seminar on the “Life and Law” series and advocated the Fair Trade Law at the Tung Fang Institute of Technology.</p> <p>◎ On May 9 and 29, the FTC held the “Fair Trade Law Training Camp” for teachers and students of the Department of Financial & Economic Law, Chung Yuan University and those of the School of Law, Fu Jeng Catholic University, respectively.</p> <p>◎ On May 10-11, the FTC held the “2007 FTC Seed Camp on the Regulation of Multi-Level Sales for Universities, Colleges and Junior Colleges” in the Life Leisure Resort, Hsinchu County.</p> <p>◎ On May 11, the FTC held the orientation seminar to advocate the guidelines on the internet industry in the Center for Public & Business Administration Education, National Chengchi University.</p> <p>◎ On May 11, 16 and 18, the FTC advocated the Fair Trade Law in the Dongshihliao Community, Shanhua</p>	<p>Township, Tainan County, Anping District Office, Tainan City, and Kaohsiung City Marine Bureau, respectively.</p> <p>◎ On May 15, the FTC held a cooperation meeting to negotiate the project entitled the “Full-scale Supervision of Untrue Advertisements,” in Conference Room 1 of the FTC.</p> <p>◎ On May 21-22, the FTC held the 2007 specialization seminar on staff on the shift of the FTC Service Center.</p> <p>◎ On May 21, 24 and 29, the FTC held three workshops on the “State of the Competition in the Medical Service Industry” in the Commissioners’ conference room of the FTC.</p> <p>◎ On May 22, the FTC held the first 2007 Speech on the Fair Trade Law series in Taipei, “Relationship between the Fair Trade Commission and Intellectual Property Rights” in the Competition Policy Information and Research Center of the FTC.</p> <p>◎ On May 28, the FTC held the orientation seminar to advocate the regulation of the advertisement</p>
--	--

agency industry in the International Conference Hall of the College of Social Sciences, National Taiwan University.

- ◎ On May 29, the FTC held the orientation seminar to advocate the regulation of advertisements for real estate in the auditorium of the National Taiwan Museum of Fine Arts.
- ◎ On May 30, the FTC advocated the Fair Trade Law to the staff of the Kaohsiung Municipal Shin Yi Primary School.
- ◎ On May 31, the FTC held an “Advocacy Meeting on Getting Acquainted with Multi-level Sales Laws and Orders” for the heads of townships, the heads of villages, the heads of neighborhoods and officers of villages in Taichung in the Taichung Public Service Institute.
- ◎ On June 1 and 14, to coordinate with the Legal Affairs Division of the Southern Region Service Center, Executive Yuan, the FTC held the advocacy on the “Life and Law” series. In addition, advocated the Fair

Trade Law in National Nei-Pu Senior Agricultural-Industrial Vocational High School and Ciau-tou District Office, Kaohsiung County, respectively.

- ◎ On June 2 and 7, the FTC advocated the Fair Trade Law at COCA Commercial Bank in Taichung and Tainan Airport, respectively.
- ◎ On June 5, 7, 11, 15 and 20, the FTC held the 2007 “Fair Trade Law Training Camp for Southern Universities and Colleges,” at the National PingTung University of Science & Technology, National University of Kaohsiung, Tainan University of Technology, Wenzau Ursuline College of Languages and National Kaohsiung University of Applied Sciences, respectively.
- ◎ On June 8, 14 and 15, the FTC held the conference to discuss the relationship between competition in the service industry and Fair Trade Law at the Chinese Culture University, National Chung Hsing University and I-Shou University, respectively.
- ◎ On June 12, the FTC held the conference to discuss the competition in

<p>the financial industry at the Chinese Culture University.</p> <ul style="list-style-type: none"> ◎ On June 12, the FTC held the 2007 training on “Perspectives of Practice of Negotiation in the WTO” in the briefing room of the FTC and invited Deputy Director HSIAO Chen-huan, of the Multilateral Trade Affairs Division, Bureau of Foreign Trade, Ministry of Economic Affairs, to deliver a speech. ◎ On June 17, the FTC took part in the “Real Estate Festival” sponsored by the Department of Land, Kaohsiung City Government, and established stalls advocating the Fair Trade Law. ◎ On June 20, the FTC held the workshop on the “Market Definition of the Convergence of the Telecommunications Industry and the Network Platform and Index of Weighing Market Power” in the Commissioners’ conference room of the FTC. ◎ On June 22-23, the FTC held the “Research and Study Camp on Competition and Production and Marketing in the Agricultural Industry” at the Chinatrust Hotel, Kaohsiung City. 	<ul style="list-style-type: none"> ◎ On June 27, the FTC held the workshop on the “Modification of FTC Regulations Relevant to the E-marketplace” in Conference Room 1 of the FTC. ◎ On June 28, the FTC held the “Advocacy Meeting on Getting Acquainted with Multi-level Sales Laws and Orders” for the heads of townships, the heads of villages, the heads of neighborhoods and officers of villages in that particular county, in the Conference Room of the Taichung County Government. ◎ On June 29, the FTC held the workshop on the “Study and Stipulation of FTC Regulations on the Domestic Civil Aviation Transportation Industry” in Conference Room 1 of the FTC. ◎ On June 29, the FTC held a coordination meeting to negotiate “FTC Application of Laws and Regulations Relevant to Untrue Advertisements Implicated by the Real Estate Industry” in Conference Room 1 of the FTC. ◎ The Speech handled by the Competition Policy Information and
--	--

Research Center in June was as follows:

Date	Speaker	Topic
26 June 1997 (Batch: 9604-186)	Chen, Chih-Min (Commissioner, Fair Trade Commission, Executive Yuan)	Consumer Welfare, Protection and Competition Policy

◆ International Exchanges

- ◎ On May 8, Director Jean-Claude POIMBOEUF of the French Institute in Taipei, and Economic and Commercial Counsellor Bertrand FURNO of its the Economic Department, interviewed the FTC and exchanged views on the implementation of the Fair Trade Law.
- ◎ On May 8-10, Specialist LIANG Ya-Chin of the FTC, attended the “Antitrust & Economics Seminar” conducted by the Antitrust Division, U.S. Department of Justice.
- ◎ On May 23, Specialist LIU Shaw-Chen of the FTC, took part in the “Preparation Meeting for the 19th Taiwan-EU Negotiations on Intellectual Property Rights”.
- ◎ On June 4-7, Commissioner CHEN Chih-Min of the FTC, led a team to attend the OECD “Competition Committee” held in Paris, France.
- ◎ On June 13-15, Senior Specialist HU Tzu-Shun of the FTC, attended a “APEC Seminal on Utilizing the APEC-OECD Integrated Check list on Regulatory Reform in the Competition Policy and Deregulation Aspects” held in Jakarta, Indonesia.
- ◎ On June 27-29, Officer CHANG Hsin-Yi of the FTC, attended the “APEC Economic Committee Seminar” held in Cairns, Australia.

◆ Statistics

From January to June 2007, the FTC received 664 cases involving fair trade issues. Of

these, 603 were complaints, 4 were applications for concerted action, 29 were notifications of mergers, and 28 were requests for interpretation. As of the end of June 2007, the FTC had finished processing 29,580 of the 29,905 cases it had received, or 98.91% of the total.

Cases Received and Processed by the FTC

Unit: cases

Year	Total	Complaints	Applications for Concerted Action	Applications for Mergers	Requests for Interpretation
Total	29,905	21,057	147	6,297	2,404
1992	1,296	1,039	12	13	232
1993	1,567	1,243	9	112	203
1994	2,020	1,499	11	262	248
1995	2,486	1,768	2	435	281
1996	2,234	1,636	12	334	252
1997	2,277	1,480	23	561	213
1998	2,444	1,335	13	863	233
1999	2,757	1,522	7	1,064	164
2000	2,697	1,372	12	1,187	126
2001	2,556	1,381	4	1,089	82
2002	1,387	1,186	8	132	61
2003	1,100	999	12	50	39
2004	1,148	1,058	2	33	55
2005	1,833	1,632	7	54	140
2006	1,439	1,304	9	79	47
2007 (January to June)	664	603	4	29	28

Note: The Fair Trade Law was amended on February 8, 2002, at which time the merger regulation was changed to the pre-merger notification system. Of the 132 merger cases between January and December 2002, 43 were pre-merger notifications.

The Fair Trade Law was enacted in 1991 with the establishment of the Fair Trade Commission (FTC) a year later on February 4, 1992 as the implementing agency of this law. The mandate of the Commission is to maintain a fair trading order in the market and therefore to ensure the protection of consumer interests in a fair trade environment, the establishment of the Commission complements the government's economic policy of "competition policy in prime, industrial policy in aiding" and reflects the global trend of liberalization and internationalization of trade.

The FTC, to bring the gap closer between international counterparts and practitioners of competition law and policy under this trend of open markets and free competition, has established a Competition Policy Information and Research Center (the CPIRC) , on January 27, 1997.

The CPIRC is dedicated to collecting information of local and foreign competition law and policy. Locally, the CPIRC aims to offer professional information services and to provide relevant reference to the government agencies in the making of industrial policy. Internationally, the CPIRC serves as a focal point for available information on international competition law and policy issues and aims to facilitate research of competition law and policy all over the world.

Publisher : Tang Jinn-Chuan

Editor-in-Chief : Shin Chih-Chung

Tel : (886-2)2397-0339, 2327-8129

Fax : (886-2)2327-8155

Email : cpirc@ftc.gov.tw

Web Site : www.ftc.gov.tw

For more information, please contact the CPIRC.

Competition Policy Information and Research Center, FTC, Taiwan(ROC)

Competition Policy Information & Research Center

Fair Trade Commission

Questionnaire of Satisfaction with “Competition Policy Newsletter”

Dear readers,

The purpose of this questionnaire is to understand the readers' satisfaction with the “Competition Policy Newsletter” issued by this Commission, and the questionnaire will be regarded as a reference for the publication and circulation of the Newsletter.

Please kindly complete the following questions by marking V in appropriate boxes, and fax or E-mail the questionnaire to the Commission before September 25, 2007. The fax number is 886-2-2327-8155 and the E-mail address is cpirc@ftc.gov.tw. Thanks for your support and cooperation.

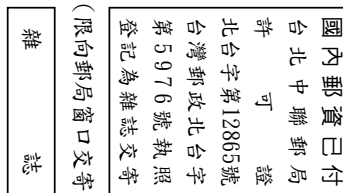
Fair Trade Commission
Regards

1. Will you continue to subscribe to the Newsletter? Yes No
2. Please show your preferences with the topics of the Newsletter by choosing from one or more boxes below.
 - News Section
 - Selected FTC Decisions
 - FTC Activities
 - International Exchanges
 - Statistics
 - Others
3. Overall, are you satisfied with the Newsletter?
 - Very satisfied Satisfied Neither satisfied nor dissatisfied Dissatisfied
 - Very dissatisfied
4. Comments for the Newsletter: _____

PS : The questionnaire file can be downloaded from www.ftc.gov.tw Newsletter



行政院公平交易委員會
競爭政策資料及研究中心
台北市北平東路30號2樓
Competition Policy Information and
Research Center, FTC, Taiwan(ROC)
2F, 30 Peiping East Road, Taipei, Taiwan(ROC)



ISSN 1560-3849



GPN:2008600056