

Knorr and Wabtec Employees File Antitrust Lawsuit to Recover Damages Stemming from Employers' "No-Poach" Conspiracy

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Related Practice Areas: **Antitrust / Competition**

Hausfeld files lawsuit against two of the world's largest rail equipment suppliers, Knorr-Bremse AG ("Knorr") and Westinghouse Air Brake Technologies Corporation ("Wabtec"), on behalf of a proposed class of employees, alleging that the two companies conspired and unlawfully agreed to restrain competition by entering into "no-poaching" agreements that barred each from hiring the other's employees.

Late last week, Hausfeld filed a lawsuit against two of the world's largest rail equipment suppliers, Knorr-Bremse AG ("Knorr") and Westinghouse Air Brake Technologies Corporation ("Wabtec"), on behalf of a proposed class of employees, alleging that the two companies conspired and unlawfully agreed to restrain competition by entering into "no-poaching" agreements that barred each from hiring the other's employees, thereby depressing employee compensation, limiting employee mobility, and stifling innovation.

"This illegal conspiracy among employers harmed thousands of their employees, for years. This lawsuit seeks money owed to Knorr and Wabtec employees whose earnings were less than what they should have been in a competitive market," said Hausfeld partner Sathya Gosselin.

Knorr and Wabtec are each other's top competitors for rail equipment used in freight and passenger rail applications, and they also compete with each other to hire, attract, and retain employees— including rail equipment industry project managers, engineers, sales executives, business unit heads, and corporate officers. In November 2016, Faiveley Transport S.A. ("Faiveley"), formerly a global competitor in the rail equipment industry, merged with Wabtec. While investigating the Wabtec-Faiveley merger, the Antitrust Division of the United States Department of Justice (the "DOJ") uncovered unlawful "no-poach" agreements among the three companies. On April 3, 2018, the DOJ filed suit against Knorr and Wabtec for violating U.S. antitrust laws. The companies have agreed to settle their claims with the DOJ—but without any compensation for injured employees.

Starting no later than 2009, Knorr, Wabtec, and Faiveley entered into a series of secret "no-poach" agreements involving promises and commitments to, among other things, refrain from soliciting each other's employees. This conspiracy worked to deprive thousands of the companies' employees—American rail-equipment industry workers—of higher compensation and denied these employees opportunities to advance their careers at other companies.

This important civil antitrust suit, filed by Hausfeld and its co-counsel Minto Law Group, LLC and Grabar Law Office, seeks monetary damages and an injunction. Current and former Knorr, Wabtec, and Faiveley employees interested in learning more about this litigation and claims for compensation arising from this conduct are encouraged to visit <https://www.hausfeld.com/case-studies/knorr-wabtec-no-poach-conspiracy> or email railemployeelawsuit@hausfeld.com for more information.

NOTE TO EDITORS:

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