



Antitrust: Commission fines five envelope producers over € 19.4 million in cartel settlement

Brussels, 11 December 2014

The European Commission has fined Bong (of Sweden), GPV and Hamelin (both of France), Mayer-Kuvert (of Germany) and Tompla (of Spain) a total of €19 485 000 for coordinating prices and allocating customers of certain types of envelopes, in breach of EU antitrust rules. Given their cooperation in the investigation, Tompla, Hamelin and Mayer-Kuvert/GPV (the GPV assets/entities involved in the cartel were acquired by Mayer-Kuvert after the cartel had ended) benefited from fine reductions under the Commission's [2006 Leniency Notice](#). Since all undertakings agreed to settle the case with the Commission, their fines were reduced by a further 10% each.

Commissioner Margrethe Vestager in charge of competition policy said: *"For over four years, instead of competing with each other these companies agreed to artificially increase prices for envelopes across a number of Member States."*

She added: *"Everybody uses envelopes. When cartelists raise the prices of every day household objects they do so at the expense of millions of Europeans. The Commission's fight against cartels penalises such behaviour and also acts as a deterrent, protecting consumers from harm. On this case we have closed the envelope, sealed it and returned it to the sender with a clear message: don't cheat your customers, don't cartelise."*

In September 2010, the Commission started an investigation on its own initiative. The investigation showed that the overall aim of the cartel was to allocate customers and coordinate prices for the sale of standard/catalogue and special printed envelopes. These were typically bought by stationary distributors and large companies in Denmark, France, Germany, Norway, Sweden and the United Kingdom. Through a series of multilateral and bilateral meetings orchestrated at top management level, the cartelists coordinated their responses to tenders launched by major European customers, agreed on price increases and exchanged commercially sensitive information.

The infringement started in October 2003 (except for Hamelin which joined the cartel in November 2003) and lasted until April 2008 for all participants.

The total fines imposed are as follows:

	Reduction under the Leniency Notice	Reduction under the Settlement Notice	Fine (€)
Tompla (ES)	50%	10%	4 729 000
Hamelin (FR)	25%	10%	4 996 000
Mayer-Kuvert (DE)	10%	10%	4 991 000
GPV (FR)	10%	10%	1 651 000
Bong (SE)	—	10%	3 118 000
<i>Total</i>			19 485 000

Fines

The fines were set on the basis of the [Commission's 2006 Guidelines on fines](#) (see the [press release](#) and [MEMO](#)).

In setting the level of fines, the Commission took into account, in particular, the companies' sales of the products concerned in the European Economic Area (EEA), the serious nature of the infringement,

its geographic scope and its duration.

For all companies, envelopes constitute a large fraction of their turnover. As a consequence, their fines would have been capped at 10% of their total turnover, which is the legal maximum set out in the [Antitrust Regulation](#). Therefore, the Commission exceptionally exercised its discretion in accordance with point 37 of the Fines Guidelines and reduced the fines in a way that takes into account the characteristics of the companies and the difference of their participation in the infringement. The Commission made sure to achieve an appropriate level of deterrence while ensuring the proportionality of the fines imposed.

Mayer-Kuvert's lesser involvement in the infringement was also taken into account by the Commission when setting the fines.

Under the Commission's [2006 Leniency Notice](#), Tompla received a reduction of 50%, Hamelin of 25%, Mayer-Kuvert and GPV both received a reduction of 10% for cooperating with the Commission in the investigation.

Moreover, under the Commission's [2008 Settlement Notice](#), all companies received an additional 10% reduction of their fine because they acknowledged their participation in the cartel and their liability in this respect.

Inability to pay

Two of the companies invoked their inability to pay the fine under point 35 of the 2006 Guidelines on fines. The Commission thoroughly assessed the applications on the basis of the companies' financial statements for recent years, projections for the current and coming years, ratios measuring the financial strength, profitability, solvency, liquidity, and relations with outside financial partners and with shareholders. As a result of this assessment, the Commission granted a reduction of the fine to both companies.

Background

The Commission's investigation started with unannounced inspections in September 2010.

During the infringement period GPV group and Mayer-Kuvert were separate undertakings. After the infringement had ended the GPV group went into liquidation and some of its entities/assets, including those involved in the cartel, were purchased by Mayer-Kuvert. The liability for GPV group's involvement in the cartel is therefore attributed to GPV France SAS (a subsidiary set up by Mayer-Kuvert to purchase most of GPV group's envelopes production assets) and Heritage Envelopes Ltd (a direct participant in the infringement and former GPV group entity acquired by Mayer-Kuvert after the infringement). Both entities were Mayer-Kuvert subsidiaries at the time of the leniency application.

More information on this case will be available under the case number 39780 in the [public case register](#) on the Commission's [competition](#) website, once confidentiality issues have been dealt with. For more information on the Commission's action against cartels, see its [cartels](#) website.

The settlement procedure

Today's decision is the 17th settlement since the procedure was introduced for cartels [in June 2008](#) (also see [MEMO](#)). In a settlement, companies acknowledge their participation in a cartel infringement and their liability for it. Settlements are based on a simplified procedure that reduces the length of the investigation. This is good for consumers and for taxpayers as it reduces the costs of investigations, good for antitrust enforcement as it frees up resources to tackle other suspected cases, and good for the companies themselves that benefit from quicker decisions and a 10% reduction in fines.

The Commission previously reached settlements with participants in cartels for [DRAMs](#), [animal feed phosphates](#), [washing powder](#), [glass for cathode ray tubes](#), [compressors for fridges](#), [water management products](#), [wire harnesses](#), [Euro and Yen interest rate derivatives](#), [polyurethane foam](#), [power exchanges](#), [bearings](#), [steel abrasives](#), [mushrooms](#)) and Swiss Franc interest rate [derivatives](#) and [bid-ask spreads](#).

Actions for damages

Any person or firm affected by anti-competitive behaviour as described in this case may bring the matter before the courts of the Member States and seek damages. The case law of the Court of Justice of the European Union and the [Antitrust Regulation](#) (Council Regulation 1/2003) both confirm that in cases before national courts, a Commission decision is binding proof that the behaviour took place and was illegal. Even though the Commission has fined the companies concerned, damages can be awarded without these being reduced on account of the Commission fine.

The [Antitrust Damages Directive](#), which the Member States have to implement in their legal systems by 27 December 2016, makes it [easier for victims of anti-competitive practices to obtain damages](#). More information on antitrust damages actions, including a practical guide on how to quantify antitrust

harm, is available [here](#).

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Press contacts

[Yizhou REN](#) (+32 2 299 48 89)

[Lucia CAUDET](#) (+32 2 295 61 82)

[Carolina LUNA GORDO](#) (+32 2 296 83 86)

General public inquiries:

[Europe Direct](#) by phone [00 800 67 89 10 11](#) or by [email](#)