

Judge Keeps Intact Much Of Auto Parts Antitrust MDL

By **Scott Flaherty**

Law360, New York (June 06, 2013, 7:49 PM ET) -- A Michigan federal judge on Thursday trimmed some indirect purchaser claims from multidistrict litigation accusing auto parts makers of bid-rigging and price-fixing on automotive wire harnesses, but refused to toss federal antitrust claims lodged by a group of direct purchasers of the products.

U.S. District Judge Marianne Batani partially granted and partially denied a motion to dismiss allegations lodged by two putative classes of indirect wire-harness purchasers — one comprising auto dealers, another comprising consumers — throwing out certain state law claims against several auto parts companies, including Yazaki Corp., Denso Corp. and Nippon Seiki Co. Ltd.

The judge dismissed the consumers' claims under Massachusetts state antitrust law, as well as the dealers' indirect purchaser claims under consumer protection and antitrust laws in Illinois, Arizona, Iowa and New Hampshire, among others.

In a separately issued order, however, the judge fully kept in place federal antitrust and other claims brought by a proposed class of direct purchasers, saying, among other things, that they had plausibly alleged a global conspiracy to rig bids and fix prices for wire harnesses and related products.

“[The direct purchasers] identified the parties to the conspiracy, the products involved, the geographic market affected, and the time frame of the conspiracy,” Judge Batani said. “[The direct purchasers] also alleged methods used to implement the conspiracy.”

Thursday's rulings pertained to just a portion of a sweeping antitrust MDL alleging bid-rigging and price-fixing in the auto parts industry. In particular, the orders issued Thursday by Judge Battani related to actions brought by putative classes of indirect and direct purchasers of automotive wire harnesses, which are used to direct and control electronic components, wiring and circuit boards in automobiles.

Other portions of the MDL involve allegations of anti-competitive conduct related to other auto parts, such as instrument panel clusters, fuel senders, heater control panels and alternators, according to the consolidated court docket.

Hollis Salzman of Robins Kaplan Miller & Ciresi LLP, one of the firms representing the consumer indirect purchasers, applauded Judge Batani's rulings Thursday, describing them in a statement as “well-reasoned.”

“The court upheld almost the entirety of our complaint, bringing U.S. car purchasers one step closer to their day in court and to the successful recovery of these alleged overcharges,” Salzman said in the statement.

Counsel for some of the auto parts makers and the direct wire harness purchasers did not immediately respond to requests for comment Thursday evening.

The antitrust MDL involves allegations similar to those under investigation by the U.S. Department of Justice, which has netted guilty pleas and criminal fines from several companies and executives in connection with its probe of the auto parts industry.

In another part of the MDL, concerning instrument panel clusters, several of the defendant auto parts companies in March lodged a motion to dismiss the indirect purchasers' complaints, arguing, among other things, that the putative classes of consumers and auto dealers lacked evidence of an alleged antitrust conspiracy.

The consumer indirect purchasers are represented by Cotchett Pitre & McCarthy LLP, by Robins Kaplan Miller & Ciresi LLP, by Susman Godfrey LLP and by The Miller Law Firm PC. The auto dealer indirect purchasers are represented by Barrett Law Group PA, by Mantese Honigman Rossman and Williamson PC and by Cuneo Gilbert & LaDuca PA, among others.

The direct purchasers are represented by Kohn Swift & Graf PC, by Fink + Associates Law and by Preti Flaherty Beliveau & Pachios LLP, among others.

The auto parts companies are represented by Jones Day, by WilmerHale and by Arnold & Porter LLP, among others.

The case is In re: Automotive Parts Antitrust Litigation, case number 2:12-md-02311, in the U.S. District Court for the Eastern District of Michigan.

--Additional reporting by Melissa Lipman and Dan Prochilo. Editing by Rebecca Flanagan.