

Pass-On Defense Disallowed in California

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The California Supreme Court ruled that defendants may not escape antitrust liability by showing that plaintiffs were able to pass on anticompetitive overcharges to their own customers. The Federal Trade Commission (FTC) agreed to settle charges of competition and consumer protection violations brought against the leading maker of computer chips by imposing limitations on the company's dealings with customers and rivals, requiring the maintenance of an open interface and prohibiting "predatory design" and deceptive statements.

Other recent antitrust developments of note included several European rulings on airline mergers and a decision by the U.S. Court of Appeals for the Third Circuit refusing to condemn autoracing association rules and exclusive contracts requiring the use of one brand of tires.