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Intel's headquarters  
CBS Local

## **Intel Fined with \$26 Million for Antitrust Rules Breach**

*Following investigation from the Fair Trade Commission of the Republic of Korea*

Leading chip manufacturer, Intel Corp. will be forced to pay a \$26 million fine, following an investigation by South Korea's antitrust regulator concerning Intel's actions of offering discounts to prevent customers from buying products from rival Advanced Micro Devices Inc. Although the Santa Clara, California-based manufacturer is expected to appeal the ruling, this is clearly not something that sits well with it. Intel awaits a ruling from the European Union, where regulators can fine companies for up to 10 percent of annual sales for antitrust breaches. Also, this isn't the first time that Intel was involved in legal actions of this type, as in 2005 it was forced by a ruling in Japan to remove clauses restricting Japanese computer makers from using rival chips. On top of that, competitor Advanced Micro Devices Inc. also sued Intel in the U.S. "An investigation in Korea invariably has some effect on the outcome of investigations in the United States, in the EU and elsewhere," said Brendon Carr, business attorney at the law firm of Hwang Mok Park in Seoul. According to the report of the Fair Trade Commission of the Republic of Korea, Intel allegedly offered about \$37 million in rebates to Samsung and Trigem, over a two and half year period, on the condition that the two companies don't buy from AMD. Apparently, this practice has helped Intel achieve a market share of 91.3 percent in Korea over a five year period, which is higher than its 79.6 percent achieved globally. Bruce Sewell, senior vice president and general counsel of Intel Corporation, said that the Korean ruling was "very unlikely" to have broader implications. Still, Intel isn't quite a favorite with the European Commission, especially after the company was accused, back in July 2007, of abusing its dominance in order to gain sales to AMD's disadvantage. Following the ruling of the Korean commission, Advanced Micro released a statement today, in which it welcomed the judicial decision and spoke of the Korean commission in terms of a "premier antitrust body in exposing Intel's anticompetitive practices."