

# Reflections on Experts, Pass-On, and Other Important Lessons From CAT Judgment in *Trucks* Follow-On Claims

April 3, 2023

On 7 February 2023, the Competition Appeal Tribunal (the **CAT**) awarded c.£39 million in damages and interest to claimants Royal Mail and BT in follow-on proceedings against truck maker DAF (the **Judgment**).<sup>1</sup>

This was the first time that damages claims arising out of the 2016 Trucks settlement decision (the **Settlement Decision**)<sup>2</sup> by the European Commission (the **Commission**) proceeded to full trial and judgment in the UK.<sup>3</sup>

The 840-paragraph Judgment provides valuable insights into how the CAT will assess follow-on damages claims.<sup>4</sup> In particular:

- The CAT will be highly sceptical of (bare) arguments that a cartel of long duration did not lead to an overcharge.
- The CAT will adopt a proportionate approach to assessing factual evidence. In this case, that meant not examining individually how each contract over a 14-year period was negotiated and whether it was influenced by the cartel, and instead focusing on evidence of “*a more general nature*” (e.g., how prices are generally set by an infringer in the context of its organizational structure).
- An infringer that chooses not to call witnesses with knowledge of how a cartel arrangement or anticompetitive agreement operated in practice will likely fail to overcome the *prima facie* case that it had an adverse effect on prices.

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<sup>1</sup> *Royal Mail Group Limited v DAF Trucks Limited and Others and BT Group PLC and Others v DAF Trucks Limited and Others* [2023] CAT 6. See also consequential orders dated 3 March 2023.

<sup>2</sup> Infringement decision adopted by the European Commission on 19 July 2016 in Case AT.39824 – *Trucks*.

<sup>3</sup> Over a thousand follow-on damages claims have been brought in various EU member states and a significant number of claims have been issued in the UK: *Royal Mail Group Ltd v DAF Trucks Ltd* [2020] CAT 7, at 3.

<sup>4</sup> Within a month of the Judgment, DAF proceeded to settle with a number of other claimants, including Dawson, Ryder, Suez, and Wolseley.  
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- Trial experts (such as economists) must be independent and seen to be so. They must disclose all relevant matters and results, even where it does not serve the interests of the party that appointed them.
- A defendant may find it more difficult to prove downstream pass-on if the overcharge accounts for only a small part of the claimant's costs.

### Background to the Judgment

In July 2016, the Commission fined five European truck makers<sup>5</sup> €2.93 billion for their participation in collusive arrangements that related to: (i) gross list prices in the EEA for medium and heavy trucks; and (ii) the timing and passing on of costs associated with the introduction of emission technologies used to ensure that medium and heavy trucks met required emissions standards. In September 2017, the Commission fined a sixth truck maker Scania €880 million.

The Commission found that the cartel lasted 14 years from 1997 until 2011 and covered the entirety of the EEA. The Commission's infringement decisions were upheld on appeal by the EU General Court in February 2022.<sup>6</sup>

Royal Mail and BT were both direct purchasers of trucks from DAF in the UK (i.e., they purchased from the manufacturers without the involvement of a dealer). They alleged that the prices they paid were inflated by the cartel and claimed damages for the overcharge and consequential losses.

Even prior to the Judgment, the claim gave rise to important rulings:<sup>7</sup>

- In January 2020, the CAT set out the general approach to disclosure in follow-on proceedings arising out of the Settlement Decision, including the present proceedings (the **Disclosure Judgment**).<sup>8</sup>
- In March 2020, the CAT ruled that defendants may only challenge the factual findings of Commission decisions in follow-on proceedings in limited circumstances (the **Binding Recitals Judgment**).<sup>9</sup>

### The Judgment

Following a 25-day trial, the CAT ruled substantially in favour of the claimants.

- **Causation.** The CAT found that the infringement caused losses to the claimants in the form of an overcharge.<sup>10</sup>
- **Overcharge.** The CAT applied a “*broad axe*” approach to assessing the amount of the overcharge. It held that DAF was liable for an overcharge of 5% of the total “*value of commerce*” over the entirety of the claim period (approximately the mid-point of the figures put forward by the parties' experts: 0% for DAF vs c.9-11% for the claimants).<sup>11</sup>
- **Value of commerce (VoC).** This refers to the total expenditure the claimants spent on trucks bought from DAF during the infringement. The point was not substantially in dispute and the CAT found that the VoC for Royal Mail

<sup>5</sup> Daimler, DAF, MAN, Volvo/Renault, and Iveco. MAN's fine was reduced to zero under the Commission's 2006 Leniency Notice as it revealed the existence of the cartel to the Commission.

<sup>6</sup> T-799/17 *Scania AB v Commission*.

<sup>7</sup> Royal Mail and BT issued separate follow-on proceedings against DAF in the High Court, which were transferred to the specialist CAT by consent in June 2018 and directed to be jointly heard together in November 2018.

<sup>8</sup> *Ryder Ltd & Another v MAN SE & Others* [2020] CAT 3 and Judgment, at 75.

<sup>9</sup> *Royal Mail Group Ltd v DAF Trucks Ltd* [2020] CAT 7. This was upheld on appeal (*AB Volvo (PUBL) v Ryder Ltd* [2020] EWCA Civ 1475). See our December 2020 alert memo “[No Reversing Allowed: Trucks Defendants in Follow-on Cases Required to Stand by Their Admissions to the Commission](#)”.

<sup>10</sup> Judgment, at 477-478.

<sup>11</sup> Judgment, at 481-485.

was c.£261 million<sup>12</sup> and the VoC for BT was agreed between the parties to be c.£45 million.<sup>13</sup>

- **Mitigation.** All of DAF’s mitigation “defences” failed, including the argument that the claimants passed on any overcharge through prices to the claimants’ own customers (referred to as **Supply Pass On** in the Judgment) and so suffered no loss.<sup>14</sup>
- **Interest.** Royal Mail’s claim for damages for the cost of financing the overcharge partially succeeded (albeit on a secondary calculation basis different from the primary one it argued)<sup>15</sup> and it was awarded damages on a compound basis. BT only claimed simple interest and succeeded.

## Analysis

### 1. DAF’s failure to adduce factual evidence on how the cartel operated counted against it

The CAT noted that there were significant gaps in its understanding of how, and the extent to which, the cartel was implemented within DAF:

- Under the Commission’s settlement procedure,<sup>16</sup> the addressees admitted liability, leading to a

Settlement Decision notable for its “*brevity*”.<sup>17</sup> The CAT observed that his “*creates an obstacle for future damages claimants*” because “*there is less detail about the infringement and much less information about the effects of the cartel on prices*”.<sup>18</sup>

- The Settlement Decision was “*drafted in rather general terms*” and, since it was a “*by object*” infringement, there were “*no findings as to the implementation and effect*” of the addressees’ conduct.<sup>19</sup>
- This was compounded by DAF’s decision not to call any evidence from individuals who knew about and participated in the cartel. The CAT described the absence of such evidence as “*unfortunate*”.<sup>20</sup>

In the absence of factual evidence to the contrary from DAF, the CAT, after referring to case law that allows inferences to be drawn against a party that failed to rebut a “*hypothesis*” with a “*reasonable basis*” (in this case, that the 14-year infringement led to an increase in transaction prices)<sup>21</sup>, found that:<sup>22</sup>

- DAF’s own admissions and the Settlement Decision<sup>23</sup> established a “*prima facie*” case that

<sup>12</sup> The CAT ruled in favour of Royal Mail that the price of bodies (which could be sourced separately) it paid to DAF should be included on the basis that (i) the Settlement Decision did not expressly exclude bodies and (ii) DAF provided no evidence on how the cartel affected the pricing of bodies as against the whole trucks: Judgment, at 465 and 473.

<sup>13</sup> Judgment, at 464.

<sup>14</sup> One CAT member agreed with the majority’s conclusion that, as a matter of law, there should be no deduction from the claimants’ damages award for Supply Pass On but disagreed that DAF failed to show Supply Pass On as a factual matter.

<sup>15</sup> Judgment, at 796. The CAT rejected the use of weighted average cost of capital (WACC) as a measure of Royal Mail’s financing losses on the basis that it did not reflect any actual costs incurred by Royal Mail in financing the overcharge. The financing losses were instead to be calculated in accordance with an “*alternative interest rate*” based on Royal Mail’s expert’s “*weighting of the cost of debt and short-term investment returns*”.

<sup>16</sup> The settlement procedure is set out in amendments to Regulation 773/2004 (as amended), accompanied by the Commission Notice on the conduct of settlement procedures (2008) Official Journal C 167/01.

<sup>17</sup> Judgment, at 15.

<sup>18</sup> Judgment, at 15, citing the Court of Appeal in *AB Volvo (PUBL) v Ryder Ltd* [2020] EWCA Civ 1475, at 83.

<sup>19</sup> Judgment, at 18.

<sup>20</sup> Judgment, at 18-19.

<sup>21</sup> Judgment, at 114 (“*There must be a reasonable basis for some hypothesis in the evidence or the inherent probabilities, before a court can draw useful inferences from a party’s failure to rebut it*”) and 116 (“*the basis of a finding of an infringement by object is that it is very likely to have had negative effects on transaction prices.*”).

<sup>22</sup> Judgment, at 109 and 114.

<sup>23</sup> DAF expressly admitted the recitals in the Settlement Decision that the CAT held to be binding in the Binding Recitals Judgment and did not seek permission to contest,

the cartel had an adverse effect on transaction prices.

- It was not open to DAF to argue or speculate that, “*as a matter of fact*”, it did not use the information obtained to achieve prices that were higher than they would otherwise have been.<sup>24</sup>

Further, “*given DAF’s silence on these issues*”, the CAT approved the claimants’ attempts, by reference to the available facts, to fill in the gaps with proposed mechanisms by which DAF might have been able to influence transaction prices in the UK with information from the cartel.<sup>25</sup> Specifically, the CAT found that DAF could have influenced UK transaction prices through:<sup>26</sup>

- DAF’s Dutch Headquarters setting UK gross list prices and margin targets;
- DAF employing a mandate structure that required senior approval for significant transactions that deviated from the target ranges; and
- Indicating the price premia that DAF expected its UK’s sales units to achieve on new emission standard trucks.

## 2. The CAT adopted a proportionate approach to the assessment of factual evidence

In order to recover damages from DAF, the CAT held that the claimants must prove that the infringement:

- Had an effect in the UK; and
- In particular on prices paid by the claimants.<sup>27</sup>

It is thus insufficient for a claimant to rely solely, in the abstract, on the premise that a “*by object*”

infringement is likely to have anti-competitive effects to prove its case.<sup>28</sup>

In principle, one could, as the High Court did in *BritNed v ABB* (the first reasoned judgment awarding damages in a cartel follow-on action in the UK)<sup>29</sup>, conduct an in-depth analysis of the evolution of the tender process and the negotiating dynamics, including influence (or lack thereof) of individuals involved in the cartel for each contract.

The duration and complexity of the infringement (“*involving many hundreds of transactions*” and “*involv[ing] contacts and communications between the participants over a 14 year period, with different involvement on the particular occasions*”), however, posed practical challenges with this approach for these proceedings.

Accordingly, with regard to the principles of effectiveness (whereby cases should not be unreasonably difficult to bring) and proportionality, the CAT held in the Disclosure Judgment that:<sup>30</sup>

- By contrast with *BritNed v ABB* which centred on one or two large tenders, it is “*unlikely to be realistic*” for the issues to be approached by “*examining each price charged for each transaction subject to the claim*” and “*seeking to ascertain how any antecedent exchange of information or coordination between the OEMs may have influenced that price*”.
- Rather, the issues have to be approached “*by the analysis of large amounts of pricing and market data*”, “*using established economic techniques to determine what, if any, was the effect of the infringement on prices and any pass-on through the relevant period*”.

pursuant to one of the specified gateways, other non-essential facts set out in the Settlement Decision that the claimants relied on: Judgment, at 40-42.

<sup>24</sup> Judgment, at 116-117.

<sup>25</sup> Judgment, at 118.

<sup>26</sup> Judgment, at 119-166.

<sup>27</sup> Judgment, at 34.

<sup>28</sup> Judgment, at 33.

<sup>29</sup> *BritNed v ABB* [2018] EWHC 2616 (Ch). See our November 2018 UK Competition Law Newsletter “[High Court Hands Down First Cartel Damages Judgment](#)”.

<sup>30</sup> Judgment, at 82 and Disclosure Judgment, at 40-41.

Nevertheless, the CAT emphasized “[t]hat is not to say that evidence of witnesses of fact would be irrelevant”. Rather, witness evidence should be “of a more general nature”, for example, “explaining how the OEMs priced their trucks and the nature of the relationship between gross and net prices, the significance of configurators, and so forth”.<sup>31</sup>

### 3. The CAT found the scale of expert evidence unjustified and burdensome

The parties filed some 48 expert reports in the case running to many thousands of pages. The CAT accepted that that reports going to the central issues of overcharge and Supply Pass On “could be justified”. In contrast, “disproportionate time and money” were spent on “complex analyses” in respect of subsidiary issues that could only have a minor effect on the quantum, such as “volume loss”, and so were “less justified”.<sup>32</sup>

The CAT found this “highly burdensome” and urged parties in other similar cases to “exercise some restraint” and “sense of proportion” in the preparation of their expert evidence.<sup>33</sup>

### 4. Experts must avoid the influence of undue factors (e.g., their clients’ commercial interests)

The corollary of factual evidence playing a more limited role was that expert evidence assumed a front-and-centre position. 12 out of 25 days of the trial was spent on expert evidence, almost twice that of the time spent on factual witnesses.<sup>34</sup>

The CAT stressed that “experts’ primary duty is to assist [the CAT]”.<sup>35</sup> Whilst it might be an “inevitable

consequence of the adversarial process” that both parties’ experts “firmly concluded on the side that produced the outcome in favour of their respective clients”, the CAT found that the experts could have adopted a more balanced approach:<sup>36</sup>

- There should have been “more recognition, on certain issues, of the scope for a range of possible results and of the reasonableness of the other expert’s opinion”.
- The tendency of both experts to defend their positions without acknowledging the inherent difficulties in their own approach was “disappointing” and, significantly, “inconsistent with their primary duty to assist the Tribunal”.

Further, the CAT emphasized that it was “particularly important” for experts “not only to be independent” but also “seen to be independent”.<sup>37</sup> In this connection, the CAT expressed concerns about both parties’ experts, although the bulk of the criticism was directed at DAF’s principal expert:

- DAF’s expert failed properly to disclose his association with DAF going back to 2013 (before the Settlement Decision), and his appointment as DAF’s expert across many EU jurisdictions.<sup>38</sup> The CAT considered that this “lack of candour ... undermines his credibility to a certain extent”.<sup>39</sup>
- The claimants’ expert failed to disclose prior to cross-examination that his original model arrived at a much-lower overcharge estimate of

<sup>31</sup> Disclosure Judgment, at 41.

<sup>32</sup> Judgment, at 8 and 231.

<sup>33</sup> Judgment, at 8.

<sup>34</sup> Judgment, at 7.

<sup>35</sup> Judgment, at 235. See also the CAT’s Guide to Proceedings, at 7.65 (“the Tribunal will take into account the principles and procedures envisaged by Part 35 of the CPR”) and Civil Procedure Rules Rule 35.3 (“(1) It is the duty of experts to help the court on matters within their expertise” and “(2) This duty overrides any obligation to

the person from whom experts have received instructions or by whom they are paid.”).

<sup>36</sup> Judgment, at 235 and 476.

<sup>37</sup> Judgment, at 239.

<sup>38</sup> DAF’s expert did not disclose the “true extent of his engagement with DAF from 2013”, nor “the information that he has received from DAF” that is relevant to the proceedings. The CAT noted that the terms of that original engagement “still remains unclear”: Judgment, at 237-238.

<sup>39</sup> Judgment, at 239 and 257.



1-2% than the one (c.9-11%) he eventually presented.<sup>40</sup> The CAT disapproved this “*lack of transparency*” and considered it “*inescapable*” that the claimants’ expert’s approach “*had the effect of shifting the goalposts ex post after his original model using the standard demand controls reached an inconvenient result*”.<sup>41</sup>

- The CAT considered that both experts’ conclusions on overcharge were “*clearly influenced in favour of the commercial interests of their respective clients*”.<sup>42</sup>

This background formed part of the matrix of considerations that ultimately led the CAT to decline reliance on either expert’s regression analyses to “*distil*” the overcharge into a “*simple definitive figure*”.<sup>43</sup> In terms of the substantive assessment, the CAT also found that, particularly since the 14-year infringement period straddled periods of great upheaval (including the global financial crisis that began in 2008 and the extreme currency fluctuations between GBP/EUR):<sup>44</sup>

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- There were “*numerous serious gaps and unresolved issues*” in the analyses and

“*insoluble practical problems*” to enable one to “*navigate successfully between the rival claims and conflicting conclusions*”; and

- “*Several of the imperfections in the experts’ regression models do not yield a definitive solution*” and the CAT concluded that “*no regression model could*” in the circumstances.

Accordingly, whilst acknowledging that the experts’ analyses and debates “*did yield useful insights*”<sup>45</sup>, the CAT decided to adopt a “*broad axe*” approach and held, on the basis of all the evidence before it, that DAF was liable for an overcharge of 5% (“*approximately half of what [the Claimants] are claiming*”) over the entire claim period.<sup>46</sup>

#### 5. DAF’s mitigation “defences” failed due to deficient data and the absence of factual underpinnings

DAF advanced three ways by which the claimants might have mitigated their losses arising from the overcharge, which came into play once the CAT had established the existence of an overcharge:

- a) “**Complements**”.<sup>47</sup> DAF argued that any increase in the price of trucks (specifically the tractor unit) would cause a reduction in the demand and prices for trailers/bodies that were supplied by third-party manufacturers, to the claimants’ benefit.<sup>48</sup>
- b) “**Resale Pass On**”. DAF argued that the claimants sold used trucks and would have achieved higher used truck prices due to the overcharge.<sup>49</sup>

<sup>40</sup> Judgment, at 420.

<sup>41</sup> Judgment, at 425 and 439.

<sup>42</sup> Judgment, at 480.

<sup>43</sup> Judgment, at 475.

<sup>44</sup> Judgment, at 372, 410, 439, 475 and 479.

<sup>45</sup> Judgment, at 476.

<sup>46</sup> Judgment, at 481-485.

<sup>47</sup> This is based on the observation that every truck purchase is paired with a trailer purchase (in other words, they are complements because one needs both elements to have a useful vehicle): Judgment, at 487 and 489.

<sup>48</sup> There is a separate market for bodies and trailers, with approximately 20 manufacturers that were not involved in the cartel: Judgment, at 467.

<sup>49</sup> DAF advanced two mechanisms: (i) As new and used trucks are substitutes, the increase in new truck prices due to the overcharge would cause some demand to switch to used trucks and thereby increase the latter’s prices and (ii)

- c) **“Supply Pass On”**. DAF argued that the claimants mitigated their loss by passing it on to their customers by increasing the prices they charged for their own products (such as postage stamps in the case of Royal Mail or telephone line rentals in the case of BT<sup>50</sup>).

The CAT, citing a recent body of case law, held that a claimant must demonstrate “*a legal and proximate, causal connection between the overcharge and the act of mitigation*”.<sup>51</sup>

In respect of Complements and Resale Pass On, the CAT held that the legal test for causation could in principle be satisfied through “*the very close relationship*” or “*association*” (if proven) between the overcharge and the prices of bodies/used trucks.<sup>52</sup> Nevertheless, the CAT held that DAF failed to substantiate its “defences” due to deficient data, the use of simplifying assumptions, and the absence of factual underpinnings to the results.<sup>53</sup>

In respect of Supply Pass On, the CAT unanimously concluded that there should be no deduction from the claimants’ damages award.<sup>54</sup> It was, however, split on the reasoning as between (i) the majority, comprising the Chair (Mr. Justice Michael Green) and Sir Iain McMillan and (ii) Mr. Derek Ridyard.<sup>55</sup> The dissenting opinion of Mr. Ridyard is discussed in the next section.

For the purposes of the legal test for causation, the CAT unanimously held that the following factors are relevant for determining whether the “*requisite degree of proximity*” to establish a “*direct causative link*”

between the overcharge and the prices charged by the claimants to their clients existed:<sup>56</sup>

- a) The claimants’ knowledge of the overcharge or the specific increase in the cost in question;
- b) The relative size of the overcharge against the claimants’ overall costs and revenue;
- c) The relationship or association between what the overcharge is incurred on (trucks in this case) and the product whose prices have been increased; and
- d) Whether there are identifiable claims (against DAF) by identifiable purchasers from the claimants in respect of losses caused by the overcharge.

The majority found that none of the four factors were present in the case:<sup>57</sup>

- a) The claimants were unaware of the infringement and “*could not be said to be reacting to the imposition of the overcharge by increasing their prices*”.
- b) The size of the overcharge was “*tiny*” relative to the claimants’ overall costs and revenue (it “*never exceeded 0.05%*” of Royal Mail’s relevant revenue in any year and is “*less than 0.003% of Openreach’s revenues over the entire period*”).
- c) There was no “*direct association*” between truck costs and the products and, even if it can be shown that there was a correlation, “*it will be impossible to identify which prices in*

the overcharge would have reduced the number of new trucks delivered in the UK and enabled the claimants to achieve higher prices for any trucks they purchased from DAF when they eventually came to sell them: Judgment, at 511 and 515.

<sup>50</sup> Judgment, at 10.

<sup>51</sup> Judgment, at 216, citing the Court of Appeal’s decision in *NTN Corporation & Others v Stellantis NV* [2022] EWCA Civ 16, at 33, which itself applied the Supreme Court decision in *Sainsbury’s Supermarkets Ltd v Mastercard Incorporated and Others* [2020] UKSC 24.

<sup>52</sup> Judgment, at 225-227.

<sup>53</sup> Judgment, at 503 (“*the paucity in the relevant data*”, “*a network of simplifying (and often arbitrary) assumptions*”, and “*an absence of any significant empirical or real-world underpinning to his results*”), 509, and 547-548.

<sup>54</sup> Judgment, at 753.

<sup>55</sup> Judgment, at 549.

<sup>56</sup> Judgment, at 550.

<sup>57</sup> Judgment, at 551-552, 557-558, 572.

*relation to which specific products actually increased because of the Overcharge”.*

- d) Based on its findings on the above factors, the majority questioned “*how there can be sufficiently identifiable purchasers from the Claimants who could make a claim in respect of the Overcharge*”.

Nevertheless, noting that the relevant factors are not themselves “*decisive or necessary*”, the majority went on to examine the evidence and the experts’ opinions thereon to see if “*it is strong enough to overcome the absence of the relevant factors*”.<sup>58</sup> The majority concluded that it was not for the following reasons:<sup>59</sup>

- DAF relied on “*a broad and generalised link between costs and prices*” and failed to show anything other than that “*the increase in truck costs represented by the Overcharge was taken into account in the price setting process*” by the claimants or the price cap-setting regulators.<sup>60</sup>
- For Royal Mail, the regulatory price control anchored on costs did not dictate the exact prices Royal Mail must set. In practice, Royal Mail’s price setting process for each product involved “*both commercial and regulatory*” judgment, as well as “*inherent uncertainty and imprecision*”.
- In respect of periods or products/business lines where no regulatory caps applied, “*a company’s pricing decisions are far more complex than simply seeking to recover its costs*” and “*it is impossible to say that a very small costs increase would have actually caused*” a claimant’s prices to have raised “*commensurately*”.

Accordingly, the majority found that DAF had not established, “*on the balance of probabilities*” that the prices charged to the claimants’ customers would have been lower in the counterfactual absent the overcharge.<sup>61</sup>

#### **6. One CAT member agreed with the majority’s conclusion but considered that DAF successfully showed Supply Pass On**

Contrary to the majority view, Mr. Ridyard considered that both claimants “*likely... did pass on a substantial amount of the Overcharge to their downstream consumers*” and there was a “*sufficiently close causal connection*” between the overcharge and the prices charged by the claimants to their clients.<sup>62</sup>

In respect of the legal test for causation, the principal area of disagreement between Mr. Ridyard and the majority was the significance of the small size of the overcharge relative to the claimant’s downstream businesses. He rejected the notion that “*an effect that is too small to measure cannot exist*” and considered that DAF’s expert presented a “*convincing account*” that the way in which the regulatory processes controlled the claimants’ downstream pricing enabled the claimants to pass on “*reasonably incurred costs*” (including truck costs).<sup>63</sup>

In the end, Mr. Ridyard agreed with the majority’s conclusion on the alternative basis that any reduction in the damages awarded to the claimants would, in his view, “*jeopardise the principle of effectiveness*”. This is because he considered that it would be “*excessively difficult or impossible*” for the claimants’ customers to mount successful claims based on the overcharge passed on to them, given that it is “*far too small in*

<sup>58</sup> Judgment, at 573-4.

<sup>59</sup> Judgment, at 588, 606, 658, 681, 688, 691.

<sup>60</sup> For part of the claim period, the claimants were subject to price controls by the regulators Postcomm and Ofcom.

<sup>61</sup> Judgment, at 688 and 691.

<sup>62</sup> Judgment, at 692.

<sup>63</sup> Judgment, at 704, 710, and 738. Mr. Ridyard placed no “*significant weight*” on the factor that the claimants did not know about the overcharge, reasoned that the “*economic substance*” is that trucks were purchased by the claimants in order to enable them to provide their downstream services which established the necessary “*association*”, and considered that “*users of postal and telecommunication services*” were the identifiable purchasers from the claimants.



*value to be viable*” and given the likely fees and costs involved therein.<sup>64</sup>

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The Judgment marks only the second time that a UK Court/Tribunal has proceeded to full trial and judgment in the UK in a cartel follow-on damages claim (the first being *BritNed v ABB* over four years ago in October 2018). It was also the first time that the issue of downstream pass on has been fully litigated and argued in the context of a cartel follow-on damages claim.<sup>65</sup>

The Judgment shows the importance of grappling with the underlying facts, provides guidance for experts in fulfilling their duties to the Courts, and sets out a framework for analysing pass-on and other mitigation defences. The Judgment also shows the CAT’s readiness to wield the “*broad axe*” in assessing damages and, through its discussion of the position of purchasers from the claimants in the context of pass-on, echoes the broader approach of looking at parallel cases involving claimants at different levels of the relevant supply chain in other follow-on cases.

It is expected that parties involved in the numerous other claims following on from the Settlement Decision, and in follow-on proceedings more generally, will study the Judgment closely for insights into how a Court might approach the central issues of overcharge and pass on against the specific factual and evidential context of their own cases.

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<sup>64</sup> Judgment, at 692 and 730-733.

<sup>65</sup> The Courts examined the issue in the context of the multilateral interchange fee cases but they did not concern a secret cartel.