

NEWS RELEASES

Federal Jury Finds Japanese Auto Parts Clients Not Guilty In Antitrust Case

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INDIANAPOLIS – In a federal court jury ruling issued Nov. 29 in Ohio, Tokai Kogyo Co. Ltd., a Japanese company, and its wholly owned U.S. subsidiary, Green Tokai Co. Ltd., were cleared of their involvement in an alleged automotive parts bid-rigging and price fixing conspiracy.

A June 2016 series of indictments purported a global agreement between multiple manufacturers in Japan and the U.S., including Barnes & Thornburg clients Tokai Kogyo and Green Tokai, in connection to automobile body sealing parts sold to Honda Motor Co. Ltd. and certain subsidiaries between 2008 and 2011. This was the first case to be tried arising from the Department of Justice Antitrust Division's investigation into alleged bid-rigging in the auto parts industry since that investigation began in 2009.

After weeks of testimony and hundreds of exhibits before the U.S. District Court for the Southern District of Ohio in Cincinnati, the jury took less than four hours to deliberate and return not guilty verdicts in favor of Tokai Kogyo and Green Tokai. The prosecution relied upon insider testimony from Japanese employees from one competitor, Nishikawa Rubber. The defense team, led by partner Larry Mackey of Barnes & Thornburg, countered with proof of intense competition in the market and challenged the credibility of the immunized prosecution witnesses.

"Juries never fail to marvel," said Mackey. "Faced with foreign language challenges, interpreters and complex facts, this jury – in only a few hours' time – reached the right result. The Kimura family (owners of Tokai Kogyo) deserves praise for standing tall against the Department of Justice."

In addition to Mackey, the Barnes & Thornburg team representing Tokai Kogyo and Green Tokai included Meena Sinfelt and Neal Brackett from the firm's White Collar and Investigations Practice Group; Kendall Millard and Brad Love of the Antitrust and Competition Practice Group; Mari Yamamoto Regnier of the Japanese Services Group and Corporate Department; and Hide Niiyama, the firm's Japanese client services supervisor.

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