Arkema Complains Again to EU about Honeywell

For the second time since in six years, French chemical producer Arkema has filed an anti-trust complaint with the European Commission accusing Honeywell of abusing its dominant position by refusing to license its patented refrigerant 1234yf used in vehicle air conditioning systems, thus preventing fair competition in the market.

With its latest filing, Arkema has withdrawn the complaint it made on Apr. 1, 2011. The Paris-headquartered group said it is convinced there are compelling new grounds for the Commission to pursue the case. By refusing to grant licenses, it said the US player is harming consumers, automobile manufacturers and the environment.

EU rules require that all new vehicles produced from Jan. 1, 2017 use a refrigerant with a global warming potential (GWP) of less than 150. Currently, 1234yf, which has a GWP of less than 1, is the only product that meets the new standards aimed at replacing the long-time industry standard R134a, which has raised concerns about greenhouse gas emissions.

As a major producer of fluorogases, the French group said it aims to participate in the 1234yf market, for which it has developed its own production technology, and is ready to quickly supply customers.

Arkema said it looks forward to a thorough and timely investigation of Honeywell’s anti-competitive practices and is confident of obtaining a worldwide fair, reasonable and non-discriminatory license to Honeywell’s patents.

In October 2014, the Commission began a probe into Honeywell’s licensing practices, telling the company and its development partner Chemours (then part of DuPont) they might have unfairly limited supplies of the refrigerant, which they sell under the name Solstice yf. The probe appears to have stalled since then, although a Commission spokesman told the Bloomberg news agency that the case is still ongoing.
Honeywell has called the latest complaint by its French rival “without merit,” saying it is compliant with all EU competition rules.

The two groups have a history of legal spats over rights to 1234yf, starting in 2009 when the Honeywell sued Arkema in Germany for infringement of a European patent.

During the years that followed, both players made claims and counterclaims against each other’s patents in the US and Europe.

Arkema had originally planned to build a new plant to produce 1234yf in Changshu, China, with production anticipated to begin in 2016. The current status of this project is unclear.

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