

Country survey: Israel

Israel is a small country with a tough set of antitrust laws. EMILY GRAY finds out whether Israel's Antitrust Authority is managing to strike the right balance between encouraging liberalisation and punishing offenders

In May 2006, Israeli telecoms start-up Hot Telecom found itself unable to provide fixed-line services for a day and a half. Customer complaints fell on deaf ears – Hot Telecom could do nothing to resolve the problem. Its network was tied to that of former state-owned monopoly, and chief rival Bezeq, and the telecoms incumbent was refusing to restore the service, or to allow Hot Telecom staff the access needed to make repairs.

Bezeq, which is one of the largest employers in Israel, and controls almost the entire telecoms market, blamed the prolonged disruption on striking employees.

Spotting a major problem, Israel's Antitrust Authority swiftly entered the ring by commencing an investigation. It soon discovered that Bezeq's management had been forewarned about the strike, but had failed to take steps to rectify the problems. Bezeq's network interconnection maintenance had lapsed, and no precautionary measures had been taken to prepare for the predicted strike.

"That's why it took them so long to get organised, get to court and get an order for their workers to repair what had happened," says one source at the authority. "We felt that was not appropriate behaviour for a monopoly, and that it constituted an abuse of dominant position."

After an 18-month investigation, the authority ruled against Bezeq and charged the company with violating the country's restrictive trade practices law. The authority also found that the telecoms incumbent had stalled efforts to provide new fixed-line operators with access to its networks.

Eytan Epstein, a competition lawyer at Epstein Chomsky Osnat & Co, says the ruling was a show of strength from the authority. "A monopoly will be deemed to have abused its dominant position in cases where management does not effectively ensure prevention of a breach of legal duties," he says.

Given its response in this case, Israel's Antitrust Authority is clearly capable of

acting swiftly and decisively. But some Israeli competition specialists say that, in general, the authority is falling behind on dominance cases. This is symptomatic, they say, of an enforcement programme that is hampered by an imperfect law and limited resources.

Trouble at the top

By definition, an abuse of dominance case will tend to hinge on a powerful individual market player, with relatively few parties available to give evidence against it. That means more investigative work, more time and more money – none of which the authority has in abundance. Sources say the authority is forced to make tough decisions when selecting which cases to pursue, and it has simply decided not to prioritise abuse of dominance.

"There's a lack of dominance enforcement by the authority because it's difficult to collect evidence proving an abuse," says one Israeli antitrust specialist. "Information is usually exchanged through informal discussions between colleagues – there's less external communication and so less chance of catching the violators than in a wider cross-sector cartel."

But that's just the tip of the iceberg.

Another source says that the authority simply doesn't frighten monopolies. For a number of reasons – including the authority's inability to impose administrative fines, an underdeveloped case law and an unhelpful judiciary – it seems that the balance of power has shifted away from the enforcers.

This is indicative of wider problems within the agency, which, like many government agencies, complains of limited resources and the need to be selective in taking on cases that have the maximum influence on the economy and on consumers.

Nonetheless, local lawyers say the authority has failed to use the resources that are available to it of late, submitting no criminal indictments to the courts in the last two years. "We're a specialist regime and antitrust offences are criminal here," says

one source. "We should be taking advantage of that."

Opinions are divided, though, on the chief reasons for the apparent decline in enforcement. Some blame the management at the authority, claiming director general Ronit Kan is unwilling to take potentially controversial decisions for fear of opening herself up to public criticism. Others praise the progress she has made since coming to office in 2005, but say that case handlers and other more junior staff lack expertise in the private sector and require more training.

The authority's internal management has also undergone a somewhat tumultuous period, with the cartel investigations department relocating from Tel Aviv to Jerusalem. Although the move was designed to improve cooperation between the department, which is responsible for tracking down cartel violators, and the rest of the authority, sources say that work has fallen through the cracks during the relocation and re-staffing of the group. Although full integration may prove beneficial in future cartel cases, for now at least, it seems that the upheaval has served to disrupt the once successful stream of cartel prosecutions.

A double-edged sword

Israel enacted its first Trade Practices Act in 1958. It lay all but dormant for 30 years, until it was dusted off, with some amendments, in 1988. Six years later, the authority was given independence and antitrust enforcement took off.

In fact, in terms of penalties, Israel has one of the harshest antitrust laws anywhere. One can theoretically be jailed not only for operating a cartel, but also for abusing a dominant position or even for failing to notify a merger. It is the only nation outside the US with a strong track record of securing incarceration for antitrust offences.

But these powers have proved to be a double-edged sword. The authority has to tread carefully.

If a party fails to notify a merger, or to provide enough details about a transaction,

the authority lacks the power to impose administrative sanctions that would bring an immediate result. It may impose only criminal sanctions – a lengthy process that would be inappropriate for a minor offence.

There is also some disparity in Israel's courts on competition offences. While the antitrust authority has enjoyed support from the Supreme Court, the lower courts have proved more reluctant to impose strict penalties for antitrust violations. Judges have been squeamish about awarding more than community service orders or suspended sentences. When a district court convicted conspirators in an energy cartel, for example, it handed down only community service sentences against the cartellists.

The authority has tried to use its time before the courts to evolve the body of case law at its disposal and to determine the parameters of its enforcement capabilities. This approach has won mixed reviews from private practitioners, some of whom question the wisdom of allowing the authority to set and shape the law, rather than simply enforce it.

“It's the court's jurisdiction to interpret the law, but antitrust authority guidelines have now become the law,” says one Tel Aviv-based competition partner. “Parties often can't afford to take cases to court, because the ruling can take several years, and so the economic price becomes too high.” She says the courts are frequently biased towards the state's position: “They simply expect the authority to be in the right.”

Tal Eyal-Boger, of Fischer Behar Chen Well Orion & Co, says that although Israel has a competition tribunal where “the language spoken is pure competition law”, an Israeli practitioner “may need a more diversified legal lexicon when litigating competition matters before courts whose jurisdiction is not solely competition-focused.”

Meeting the challenge

The authority is quick to contest the criticism it receives, highlighting the role it has played in educating the courts, the government and the public about the role of competition in the Israeli economy.

Sources praise the agency's advocacy work and awareness-raising drives. Kan says this is particularly important in a small country like Israel, which effectively has an island economy, and therefore no competitive threat from its immediate geographical neighbours.

“This has implications for our international trade and the structure of the internal market,” says Kan. “It also plays a role when we establish our priorities.”

The authority gives special attention to concentrated markets, which are in the process of liberalisation. It has focused its efforts on opening the fixed-line telephone market to competition and aiding the privatisation of Israel's oil refineries.

“The business sector sees the authority as a practical body, which is clean from political considerations,” says Tamar Dolev, of Epstein Chomsky Osnat & Co. Competition law has also registered with the Israeli government, as the authority tackles bank charges, interconnectivity tariffs on cell phones, and other oligopolistic practices.

Kan is also quick to reject claims that the authority's progress in these sectors has caused lapses elsewhere. She points to the almost 90 monopolies declared in Israel, to disabuse critics of the notion that the agency has slackened its pursuit of dominance cases. “This is not a minor body of work,” she says, adding that the importance of the authority's case against Bezeq cannot be underestimated.

“Defendants always lose when a class action is launched, whether or not they are guilty”

The agency recently took on an abuse of dominance case in the geriatric hospital sector, issuing an administrative decision against companies that failed to compete for a public contract, under orders from the sector's governing body.

“In both this case and the Bezeq case, we tried to evolve the law and push it forward,” says Kan. “Rather than just using the tools we already have experience with, we're trying to move forward and develop the body of case law. This is one of our responsibilities as a young agency – to push things forward and to progress.”

The future of enforcement

The authority's case against Bezeq highlights perhaps the most important trend in Israeli antitrust enforcement of late – the sharp increase in private litigation.

The ruling, which may yet be appealed, provides a platform for Bezeq's rivals, including Hot Telecom, Cellcom Israel, and their subscribers, to file class actions against the company.

Indeed, administrative or criminal decisions, consent decrees and even authority investigations may now all trigger civil suits.

Local lawyers say the authority must be aware of the message it sends to potential plaintiffs when they take any enforcement action, and weigh up this additional burden for defendants. “Defendants always lose when a class action is launched, regardless of whether or not they are guilty,” says one source. “There are no fees for filing in class actions, but the defendants always incur costs.”

Yet private litigation could be another weapon in Israel's antitrust enforcement arsenal. One source says the civil courts have been known to take action to cover for the authority's lack of attention. “In the banking cartel, for example, the court certified a class so that plaintiffs didn't have to wait for the results of the authority's investigation,” says one.

And so, as the antitrust authority strives to maintain a vigorous enforcement programme, it seems that private suits are starting to fill the gaps it has missed. Legislation introduced in 2006 has strengthened plaintiffs rights in bringing class action cases, and Israel recently saw a follow-on suit launched in response to the European Commission's findings in the gas insulated switchgear cartel.

In March, Israeli consumers filed a class action against Mitsubishi and 12 other companies accused of price-fixing in the market for equipment used to regulate the flow of electricity in grids and power substations. The suit was launched in response to DG Comp's record €751 million fine levied against Siemens, Toshiba, Hitachi and other electrical manufacturers.

“It's a new phenomenon when decisions taken by an antitrust authority abroad, such as the European Commission, encourage class actions in Israel,” says Eyal-Boger. “That's an interesting part of what the future holds for competition law in Israel.”

Both agency staff and private practitioners agree that businesses are acutely aware of the potential for private litigation. As one source says, antitrust law “is no longer merely a shield, it is also a sword”.

An interview with Ronit Kan

EMILY GRAY met with Ronit Kan, director general of Israel's Antitrust Authority, to discuss the challenges and rewards of the role and the future of Israeli antitrust enforcement



What is your role and background?

I have been serving as director general of the Israel Antitrust Authority since November 2005. I've been in the civil service for 15 years. I started at the foreign trade administration in the ministry for industry and trade, and was nominated director in 2001. International trade is a subject I've enjoyed dealing with through the years. Trade used to be seen as the macro opponent to competition. Liberalisation and privatisation have changed the government's perspective on trade and the Israeli economy. Our bilateral and multilateral agreements have opened industries to international competition that would otherwise have been protected.

What do you find challenging about your role?

The challenges are almost endless, whether it's tackling existing cases or detecting cartels. An additional challenge is to introduce legislative amendments, and we have been active in that field, making changes to enhance competition in the aviation, energy and transportation sectors.

I believe that competition should be a major consideration when the Israeli government designs its economic policies. I cannot speak more highly of its importance. As we are an island economy, competition has a huge impact on market developments. It is an engine for economic growth.

What are you most proud of at this point in your career?

I'm proud of dealing with meaningful issues that have a significant impact. I'm proud of

the cases we've selected and our successes before the courts. I'm also proud of our achievements in specific sectors, such as finance, energy and transportation.

Some private practitioners have suggested that the authority has been less active in dominance work of late. Do you think that is a fair observation?

The authority has declared almost 90 monopolies – that is not a minor work. We cover all major players, as well as companies in smaller sectors. And once we've declared a monopoly, we then also look at potential abuse of dominance.

We issued an important administrative decision against former state-owned telecoms monopoly Bezeq, after it failed to prevent its employees from delaying connection of rival fixed-line service providers. Bezeq then refused, for over 30 hours, to repair a rival's connection line that had fallen. When you look at a market and see monopolies or dominant players creating obstacles for competitors, you have to come out strongly in opposition. We took a strong decision, by determining that even inaction of the management could constitute abuse of dominant position.

We have tackled other sectors as well, issuing an administrative decision against the geriatric hospital sector this year after members were instructed not to take part in a bid that had been published by the ministry of finance and the ministry of health.

In both this case, and in Bezeq, we made substantial progress. Rather than just using the tools we already have experience with, we're trying to move forward and develop

the body of case law. This is one of our responsibilities as a young agency – to push things forward and to progress.

What are the current enforcement priorities? How do you establish your policy priorities?

We consider which sectors have considerable overall impact on the market, and prioritise our interventions accordingly. We strive to be a fierce enforcer when we see bold or repeated infringements of the law.

Do you operate a mandatory pre-merger notification system?

In Israel there is a compulsory pre-merger notification system. Aside from enforcement, we also see ourselves as providing a service to the business community, and we strive to improve the time it takes us to review merger applications. It takes us an average of 23 days to review a merger. Non-problematic mergers classified as "green" mergers are reviewed in less than 14 days on average. Together with publishing the merger guidelines, we have put significant efforts in being efficient and transparent in the handling of merger requests and in providing good services to the public.

Can a party come to you for informal advice before filing?

We have a pre-ruling procedure. Companies can come and seek advice and gauge the authority's perception of a merger. Parties often do seek our advice and I think that's an important process as it teaches the business community where there could be a potential problem. We've created a

reputation within the business community for being approachable, discreet and fair in our opinions.

Are cartels becoming more difficult to detect as they become more sophisticated? Have cartels gone underground in the wake of the authority's vigorous enforcement efforts?

Antitrust enforcement has increased immensely since the establishment of the authority and has created greater awareness among the business community of antitrust restrictions. But yes, I think those cartels that do exist have become more sophisticated and hence increasingly difficult to detect.

We have put a lot of effort into restructuring our investigations department, which used to be based in Tel Aviv but is now in-house here in Jerusalem. It was a strategic decision, which was taken in 2006 to help boost the in-depth antitrust knowledge within the department. We have a new staff and a new head of department with significant experience and expertise in the field of economic crime, which enhances our ability to fight cartels these days.

What accounts for the reduced number of criminal sanctions imposed in the last couple of years?

Criminal cases take up a lot of time and resources under the Israeli judicial system, however we still see a considerable number of convictions by Israeli courts, including the Supreme Court.

I think criminal charges should be taken where there is a cartel, or an otherwise bold or repeated infringement of the law. It's difficult to envisage another way of handling cartels without imposing criminal charges. But in civil actions, I would like to be better equipped and have the tools for administrative sanctions, which are not available at the moment, but would produce much quicker results.

Do you welcome the move towards increased private litigation?

I think the business community is aware that the potential for private litigation is enormous. Certain civil actions taken by the authority can prompt a private action. It's also important that consumers be aware of their rights, and that they may be awarded damages for infringements to competition.

Which other competition agencies do you admire?

We are working towards joining the OECD, which combined with our role in the ICN,

has given us the perspective of different competition authorities and different legal frameworks that other authorities work within. We look closely at other agencies that have criminal actions – we obviously learn a lot from the US authorities.

We look at the UK's Office of Fair Trading and Competition Commission, and we have found many similarities between the UK and the Israeli markets. We have both looked at supermarkets, banking, energy and telecommunications. The international benchmark is very helpful.

We're very open to learning from other agencies; we just had Dennis Carlton from the US Department of Justice here for an oligopoly conference. We also had Frederic Jenny, who chairs the OECD competition committee, and director Alberto Heimler from Italy's Competition Authority for a seminar organised with the European Commission.

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What is the highest fine the antitrust authority has ever imposed?

The longest period of imprisonment was nine months, which was imposed in addition to fines. We fined one insurance company 12 million New Israeli shekels, and the highest fine imposed on an individual is over one million New Israeli shekels.

Has the authority ever pursued a company based outside Israel for a cartel offence?

We pursued an international restrictive arrangement. It involved restrictions on the import of salt to Israel, and had abuse of dominance implications.

What impact has the leniency policy made on the work of the authority?

It's too early to discuss this, as no cases have been publicised.

Are you happy with your level of independence?

We are entirely independent in all aspects of our work. One of the amazing things about this place and this position is that we are able to focus on competition and competition only – there are no other considerations. The only pressure is a professional one – we want to make the right decisions. There is no interference, political or otherwise, in the authority's decision-making process. This is both a privilege and a real responsibility because one must make a clear and clean decision, considering only the competition aspects.

We are not willing to discuss anything with lobbyists or anyone else who tries to intervene in our work, or to promote an agenda. It's very important for the authority to maintain its independence and strictly professional character.

Do other sectoral regulators have any competition powers?

Competition enforcement powers are all ours. We review mergers, restrictive arrangements and monopolies. This doesn't fall to other regulators.

But more and more regulators now consider competition when taking decisions about regulating markets, which is a great advancement. Most of them are increasingly seeking our advice on ways and means to create more competition in regulated markets.

We have distributed the OECD's competition toolkit to several regulators and also to members of parliament, because it's important to the process of reviewing legislation and drafting new legislation.

Is competition high on the government's agenda?

Israel has undergone a privatisation and liberalisation process, which, together with the agency's substantial activity, has put competition on a high profile with the government. We bring up competition reforms and amendments, and we find that the government is receptive to our concerns. Competition also has a high profile in court decisions and in economic reasoning.

The authority is never in a position to stop advocating in favour of competition. We make a point to push forward legislative amendments, to develop more accurate enforcement tools and to deal with meaningful cases. Competition should be embedded into the recommendations and decisions of the government, and in the creation of the economic agenda.

Thank you.

Israel's competition bar

The Israeli competition bar is surging, following a wave of international transactions, a boom in private litigation and fierce antitrust enforcement by the country's competition authority.

EMILY GRAY looks at the firms riding the tide

Over the last decade, antitrust enforcement has crept up Israel's political agenda from a niche specialisation to a mainstream economic tool. Widespread market liberalisation and the resulting privatisation boom have opened up sectors of the economy that had been sewn up by state-owned monopolies for decades. Such a climate has proved increasingly attractive for foreign investment and has prompted a rise in international transactions.

In the wake of these advancements, competition law enforcement has also swelled. No longer confined to the realms of academia, antitrust has become a priority. "In a relatively short time, antitrust has gone from obscurity to being the first question asked by companies wanting to do a deal," says one local source.

Given the current geopolitical climate, the impact of competition in Israel's economy cannot be overstated. As one source explains, "our neighbours are our enemies", meaning that Israel enjoys little competition from surrounding countries, and most trade is done by air and sea, much like an island economy.

The national antitrust authority has ramped up its efforts to bust cartels, to prevent abuse of market dominance and to bar restrictive arrangements.

It is an active body, able to bring criminal charges against companies or individuals who violate competition law. It enjoys support from Israel's Supreme Court and is working to increase the severity of criminal sentences imposed for antitrust offences.

The boom in antitrust enforcement has seen corporate law firms building competition teams able to handle both behavioural work and transactional work, in support of their M&A department. Local sources also report an upswing in private litigation, supported by legislation introduced in 2006 to strengthen consumers' rights to bring class action suits. Antitrust expertise allows firms to offer a full service and has proved to be a draw to

clients, according to one Israeli competition specialist.

But corporate firms continue to face fierce competition from boutiques, many of whom boast veteran private practitioners, with experience at the Antitrust Authority, as name partners. Competition boutiques continue to handle more litigation and behavioural work than their full-service rivals.

Competition boutiques continue to handle more litigation and behavioural work than their full-service rivals

Elite

GCR found that three firms dominate competition work in Israel. Zvi Agmon Law Offices and Weinstock-Zecler & Co are both competition boutiques. The third firm, Fischer Behar Chen Well Orion & Co, is a large, full-service firm, which began life as a competition group and grew from there.

Fischer Behar is the sole Israeli firm in the *GCR 100*. Its antitrust practice, which is one of the largest in the country, comprises three equity partners, two senior counsel, two senior associates and four associates.

Rivals are quick to praise the strength of the group. "They're a strong team, and they're able to pull in local and global clients as a result," says one source.

Tal Eyal-Boger, a nominee to the *International Who's Who of Competition Lawyers and Economists*, leads the team. She describes the practice as well balanced, but litigation oriented.

"We do advise the M&A and commercial departments in structuring transactions, some of which are straightforward merger filings and some of which involve complex competition aspects, which can 'make or break' the transaction," she says. "But the majority of our time is spent on litigation, including class action lawsuits."

The firm represented Bank Discount, the country's third-largest bank, in two high-profile class action suits based on a cartel claim. It advised New Cinema, the Israeli importer of Crocs shoes, in another private action stemming from cartel charges and allegations of abusive behaviour.

Fischer Behar is also defending ABB against a class action prompted by DG Comp's decision in the gas insulated switchgear cartel case. Last year, the European Commission fined members of the cartel €751 million for price fixing.

"Enforcement actions taken by the Israeli Antitrust Authority, such as investigations, administrative decisions, consent decrees and, of course, criminal proceedings, are triggering increasing numbers of private enforcement lawsuits, including class action lawsuits," says Eyal-Boger. "But it's a new step when decisions taken abroad encourage class actions in Israel."

Other clients of the firm include Visa Cal, Intel, telecoms company Hot and newspaper group Israel Today.

Established in 1992, Zvi Agmon Law Offices also wins high praise from rivals, one of whom describes founding partner Agmon as "the best antitrust lawyer in Israel".

"The firm is well known and well liked," says another source. "They take a very pragmatic approach to competition work."

Agmon refers to his firm as a "boutique of barristers", all of whom spend about 50 per cent of their time on competition.

The team is known for its litigation work, including class actions, though it is active in all aspects of competition law, including mergers and consent decrees.

The firm declined to provide client names or a staff breakdown.

At Weinstock-Zecler, *Who's Who* nominee Niv Zecler leads a five-strong competition team, which includes two partners. Zecler opened the firm in 1997, after leaving his job as head counsel at Israel's Antitrust Authority.

Described by one rival as a "traditional and strong practice", the firm is especially known for its merger control work.

It is representing former telecoms monopoly Bezeq in its merger with Israeli satellite company Diez. The tie-up was blocked by Israel's Antitrust Authority, and an appeal is now pending before the antitrust court.

Boutiques have begun recruiting a new generation of competition specialists

Other clients include Telefon, a mobile phone company, and Strauss Elite, one of the country's largest food groups, which has faced antitrust complaints for allegedly monopolistic behaviour.

Weinstock-Zecler also acts for ISBI, a collecting society that represents all major record companies in the issuing of blanket music licences. Such agreements constitute a restrictive arrangement under Israeli competition law, and so require an exemption from the country's Antitrust Tribunal. The ISBI's application is before the antitrust court.

Highly recommended

At Epstein Chomsky Osnat & Co, *Who's Who* nominee Eytan Epstein heads a five-strong competition team, alongside senior associate Tamar Dolev, who spent four years

heading the telecommunications team at the Antitrust Authority.

The firm advised on the Israeli aspects of Motorola/Emerson and Siemens/Nokia. It is also particularly proud of its work for MasterCard, whose interchange fees case is pending before the tribunal.

"A major part of our work is done in cooperation with international firms," says Dolev. "But as the firm expands, we are also covering the domestic market more and more."

Local clients include the ISS Group, several Israeli oil refineries, and Israeli Railways. The firm has also seen an increase in private enforcement in recent years, as civil courts "become more interested in the field".

In October 2006, antitrust specialist Ziv Abramovich departed Epstein Chomsky to join Lapidot Melchior & Co as a name partner.

The first competition specialist to join the firm, now known as Lapidot Melchior Abramovich & Co, Abramovich was responsible for establishing an antitrust department. Rivals are quick to praise the progress he has made. "He has some fine antitrust clients," says one local source. "It's a young, but strong practice," says another.

Those clients include beer monopoly Tempo, cellular provider Cellcom and the Israeli Bar.

Based in Jerusalem, the firm has also handled several major international merger cases, including *Siemens/UGS*, *Schering Plough/Organon* and the tie up of Orico and IBM's printing divisions.

Abramovich says the group roughly divides its time between transactions, cartels and dominance work. He was invited to be a non-governmental adviser to Israel's Antitrust Authority at the International Competition Network's seventh annual conference in Kyoto this year.

Tadmor & Co has also become a dominant player since its 2005 inception. David Tadmor, former director general of the Antitrust Authority, left Caspi & Co to set up his own firm with three associates in tow.

It has since grown to include more than 20 lawyers with expertise not only in competition, but also in M&A and telecommunications law. Tadmor says the firm continues to expand and diversify.

Tadmor is a well-respected name in Israeli antitrust circles. As director general of the authority between 1997 and 2001, he tripled the staff headcount and established an official compliance programme.

"Tadmor has established a fine law firm," says one Israeli competition specialist. "He continues to be a major player in the field."

Another lawyer says that Tadmor's experience at the authority serves him well. "He utilises personal ties with staff members, and sometimes receives a response from the authority before other parties," says the source.

You can no longer call yourself a real player unless you have some antitrust expertise

Tadmor & Co has two partners and two associates specialising in antitrust. Clients include El Al, Deutsche Bank and Tetra Laval.

At Gross Kleinhendler Hodak Berkman & Co, the competition team forms part of the wider M&A group.

The 14-strong department does some civil litigation work but mainly handles counselling. Lawyers there spend 40 to 50 per cent of their time on competition work.

"Competition doesn't justify a separate team, as we don't deal with litigation," says Rona Bergman Naveh, who heads the practice alongside special counsel Tamar Ben-David. "We support all the other departments, as there are competition aspects to so many transactions."

The firm was unable to release client names, though it says it advises companies in the oil, banking, high-tech and insurance industries.

Lawyers at Ron Gazit Rotenberg & Co describe the firm as a "commercial law firm with boutique-like tendencies". The competition group, like the wider firm, is focused on the food and beverage, telecoms, media, IT and retail industries.

Clients have included Orange, Microsoft, Central Bottling Company and Beverage Containers Collection Corporation.

The firm declined to provide a breakdown of its competition staff. “They aren’t a big practice, but they have some real expertise,” says one rival.

Recommended

Herzog Fox & Neeman is the largest law firm in Israel. It receives a lot of work from its strong M&A department, headed by Ehud Sol, who also oversees the competition team.

“We carry out a lot of transactional work, which accompanies our M&A and joint venture filings,” says antitrust partner Gal Rozent, who works alongside one associate. “There’s a lot of analysis and formatting to be done to meet antitrust requirements on both Israeli and international transactions.”

Rozent joined the firm in 2004 from the antitrust authority, where she was head of

the telecommunications, hi-tech, low-tech and construction legal team.

Herzog Fox works closely with international firms, including Allen & Overy LLP, Clifford Chance LLP, Herbert Smith LLP and Latham & Watkins LLP.

It counts Israel’s electric, postal and water monopolies as clients, as well as international companies such as Reuters and the Israeli division of Orange.

According to Rozent, the team spends approximately 40 per cent of its time on transactional work, 40 per cent giving behavioural advice, and 20 per cent on litigation.

S Horowitz & Co, another large, full-service firm, says it has worked on antitrust since its inception in 1959. Partners Asgad Stern and Hagai Doron head a team of four other partners and one associate with competition expertise.

“The firm has a good litigation practice and some young talent, but the competition group is not entirely distinct from other departments,” says one local source.

Stern’s practice also includes other corporate, commercial and civil litigation.

Much of the group’s work is centred on transactional work and obtaining antitrust approval for both domestic and cross-border mergers. It won Israeli antitrust approval for the tie up of Gamble and Gillette, as well as Maersk and P&O.

As antitrust continues to grow, so too do competition practices. Boutiques have begun recruiting a new generation of competition specialists, able to take the helm if one big name partner were to retire. Meanwhile, competition expertise at corporate firms has gone from strength to strength. According to one Tel Aviv-based lawyer, “you can no longer call yourself a real player unless you have some antitrust expertise”.

| FIRM | HEAD OF COMPETITION PRACTICE | SIZE | CLIENTS |
|---------------------------------------|-------------------------------------|-------------------------------|--|
| ELITE | | | |
| Fischer Behar Chen Well Orion & Co | Tal Eyal-Boger | 3ep, 2c, 2sa, 4a | Hot, Bank Discount, Visa Cal, Intel, Israel Today |
| Zvi Agmon Law Offices | Zvi Agmon | Declined to provide an answer | |
| Weinstock-Zecler & Co | Niv Zecler | 2p, 3a | Bezeq, Straus-Elite, SuperGas, ISBI |
| HIGHLY RECOMMENDED | | | |
| Epstein Chomsky Osnat & Co | Eytan Epstein | 1p, 1sa, 3a | Mastercard, ISS Group, Israeli Railways, Siemens/Nokia |
| Lapidot Melchior Abramovich & Co | Ziv Abramovich | 1p, 2a | Tempo, Cellcom, Siemens, Kimberley, Israeli bar |
| Tadmor & Co | David Tadmor | 2p, 2a | El Al, Deutsche Bank, Tetra Laval |
| Gross Kleinhendler Hodak Berkman & Co | Rona Bergman Naveh, Tamar Ben-David | 4p, 10a* | Declined to provide an answer |
| Ron Gazit Rotenberg & Co | Ron Gazit | Declined to provide an answer | |
| RECOMMENDED | | | |
| Herzog Fox & Neeman | Gal Rozent, Ehud Sol | 1p, 1a | Verent (postal monopoly), Reuters, UPS, Orange |
| S Horowitz & Co | Asgad Stern, Hagai Doron | 6p, 1a | Gamble/Gillette, Maersk/P&O |

KEY

ep equity partner

p partner

c counsel

sa senior associate

a associate

* the competition team is part of the firm’s wider M&A group