

Press release: £1.71m fine for laundry companies found to be market sharing

It follows enforcement action by the Competition and Markets Authority (CMA) against the companies known today as 'Micronclean Limited' and 'Berendsen Cleanroom Services Limited'.

The specialist laundry services they supply include the cleaning of garments worn by people working in 'cleanrooms'. These are highly sanitised environments used by businesses such as pharmaceutical and medical device manufacturers as well as NHS pharmacies.

Both businesses had been trading under the 'Micronclean' brand since the 1980s in a longstanding joint venture agreement. In May 2012 the companies entered into new, reciprocal trademark licence arrangements under which they agreed not to compete against each other.

Under the agreement, Micronclean Limited served customers in an area north of a line drawn broadly between London and Anglesey, and Berendsen Cleanroom Services Limited served customers located south of that line. The companies also agreed not to compete for certain other customers, irrespective of their location.

Market-sharing arrangements like these are generally illegal under competition law. For customers, these arrangements prevented them from shopping around to get a better deal and that can lead to higher prices, less choice and less innovation in the market.

In reaching its decision, the CMA considered whether the wider joint venture between the companies, including any benefits which flowed from it, meant that these market-sharing arrangements were necessary or justified. The CMA concluded that they were not.

Ann Pope, CMA Senior Director for Antitrust Enforcement, said:

Market-sharing agreements are well established and serious breaches of competition law.

Organisations like the NHS rely on the cleanroom laundry services provided by these companies, but we have found the 2 biggest players were dividing customers between them, leaving those customers with very little choice in service provider.

Companies must regularly check their trading arrangements, including long-running joint ventures and collaborative agreements, to make sure they're not breaking the law. The entry into new trade mark licence agreements in 2012 was an opportunity for the businesses to consider the competition law implications of their commercial arrangements.

Notes to editors

1. The CMA is the UK's primary competition and consumer authority. It is an independent non-ministerial government department with responsibility for carrying out investigations into mergers, markets and the regulated industries and enforcing competition and consumer law. For CMA updates, follow us on Twitter [@CMAgovuk](#), [Facebook](#), [Flickr](#) and [LinkedIn](#).
2. The suppliers involved were:
 - Micronclean Limited, known prior to 1 July 2016 as Fenland Laundries Limited (Fenland); and
 - Berendsen Cleanroom Services Limited, known prior to 15 September 2015 as Micronclean (Newbury) Limited (Berendsen Newbury).
3. The total fine for Micronclean Limited was £510,118. The total fine for Berendsen Cleanroom Services Limited was £1,197,956. As the parent company of Berendsen Cleanroom Services Limited for the latter part of the period during which the law was broken, Berendsen plc is jointly and severally liable for £1,028,671 of Berendsen Cleanroom Services Limited's fine.
4. The case concerns the period from signature of the trademark licences on 30 May 2012 until the trademark licences were terminated and the related joint venture was disbanded on 2 February 2016.
5. The non-confidential decision will be published on the [case page](#) in due course following the redaction of commercially sensitive information.
6. The case came to the CMA's attention in the context of 2 related merger reviews. The CMA investigated and cleared a [merger between the joint venture](#) vehicle then jointly owned by Fenland and Berendsen Newbury, ie Micronclean Limited (since re-named, as of 1 July 2016, Fenland Laundries Limited), and Guardline Technology Limited. The CMA also investigated a proposed merger between [Fenland and Fishers Cleanroom](#), which was ultimately abandoned.
7. For more information on how to achieve compliance with competition law, see the CMA's [guidance for businesses](#). The CMA has also produced a series of [animated videos](#) explaining the main principles of competition law and how they affect small businesses.
8. Any businesses or individuals that have concerns about competition law can contact CMA by email (general.enquiries@cma.gsi.gov.uk) or by phone (020 3738 6000).

9. Media enquiries to the CMA should be directed to press@cma.gsi.gov.uk or 020 3738 6633.