

## Mexico's competition bar

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Alex Wilts

Mexico's antitrust bar continues to thrive as the country's enforcers become increasingly active. Alex Wilts profiles the country's top competition practices

Mexico's far-reaching reforms in 2013 created two new formidable agencies with the authority to enforce competition matters: the Federal Telecommunications Institute (IFT) and the Federal Economic Competition Commission (COFECE). Changes to the country's competition laws in 2014 also greatly expanded COFECE's capabilities, enabling the authority to impose higher fines, mandate structural remedies and launch market investigations into areas it thinks may suffer from insufficient competition.

As the two authorities continue to open more investigations and utilise their new powers, firms across Mexico's competition bar have been rewarded with an influx of fresh cases – giving capable rivals to the jurisdiction's top talent even more opportunities to emerge. Dominated by local firms, the top of Mexico's antitrust bar has remained relatively consistent, despite the trend for talented practitioners to break off from more established practices to start their own.

### Elite

*Who's Who Legal: Competition* nominee [Gabriel Castañeda](#) continues to be a prominent player in the competition arena and says his three-lawyer, one-economist boutique [Castañeda y Asociados](#) has been as active as ever. It advised cement company Lafarge in its acquisition of Holcim, which COFECE approved in February 2015. The firm also counselled TRW Automotive Holdings in its tie-up with German auto supplier ZF Friedrichshafen, as well as US packaging corporation WestRock in its joint venture with Mexican company Grupo Gondi.

On the investigations side, Castañeda is representing Praxair in the commission's ongoing probe into the industrial and medical gases industry. The firm also succeeded in its 10-year battle to overturn a fine against client Accor, now Edenred, which is a voucher service. Castañeda said he continues to be selective when it comes to client work, preferring to emphasise "quality over quantity".

Luis Gerardo García Santos Coy leads the competition practice at [Creel García-Cuéllar Aiza y Enriquez](#). He and fellow *Who's Who Legal: Competition* nominee Mauricio Serralde Rodríguez said about 40 per cent of the firm's antitrust time is spent on investigations, including the COFECE's probe into competition barriers at Mexico City's international airport.

The two partners and 10 associates in the practice have been busy with other air travel matters over the past year. They have been representing Delta Air Lines in several matters, including a cooperation agreement with Aeromexico that would see the airlines jointly operate their flights between Mexico and the US. COFECE imposed conditions on the deal in May.

The firm also receives a large amount of cross-border work because of strong relationships with major international firms in the US and Europe. Creel works with Simpson Thacher & Bartlett on the ChemChina/Syngenta deal, and is advising pharmaceutical company Sanofi on its US\$25 billion merger with Boehringer Ingelheim. García said one of the key reasons the firm is successful is its positive relationship with COFECE: "We do care about our reputation. We will not lose our reputation or put it at risk for any client."

Hogan Lovells is new on the scene in Mexico City following its merger with the reputable and long-standing firm Barrera Siqueiros Torres y Landa SC in August 2014. *Who's Who Legal: Competition* nominees Ricardo Pons Mestre and Omar Guerrero Rodríguez, both of whom had been at Barrera for more than two decades, still lead the competition practice, now for Hogan Lovells. However, litigator Bernardo Ledesma Uribe left to start his own boutique following the combination.

Rivals say the competition group has lost out on some matters because international firms are less eager to refer cases to Pons and Guerrero now that they operate under the Hogan Lovells name. But Guerrero said their amount of work is

improving, the group is representing target companies in several of the competition commission's investigations into industries, including poultry, maritime transportation and pension funds.

In mergers, the firm advised chicken producer Pilgrim's Pride on its purchase last year of Tyson de Mexico for US\$575 million, and was involved in GE's sale of its Mexican equipment lending and leasing business to Linzor Capital Partners. Guerrero said that coming under the Hogan Lovells umbrella has allowed his group to focus more on international matters and provide multi-jurisdictional advice.

Valdés Abascal Abogados remains a dominant force in the market. *Who's Who Legal: Competition* nominee Rafael Valdés Abascal and partner José Ángel Santiago Abrego were both enforcers at the Federer Competition Commission, the predecessor antitrust agency to COFECE and IFT, and now lead a five-lawyer competition practice.

Telefónica, the second largest telecommunications provider in Mexico, has been one of the firm's biggest clients for more than eight years and recently obtained a final court ruling regarding Telmex's refusal to deal with GTM, an affiliate of Telefónica. This confirmed the government's sanction against Telmex and the company's culpability in delaying interconnection services. "That delay was equal to a refusal to deal because it had no justification," Santiago said.

The practice also provides consulting services to clients. Santiago said companies' uncertainty about how IFT and COFECE will apply Mexico's new competition laws has increased compliance work. The firm also advised Grupo Herdez on its acquisition of Nestlé's ice cream business in Mexico.

The competition group at Von Wobeser & Sierra is led by partner and *Who's Who Legal: Competition* nominee Fernando Carreño. The two-partner, eight-associate team boasts Guillermo Ortiz Mayagoitia, a former justice of the Mexican Supreme Court, as one of its members.

Carreño says the antitrust practice is currently involved in more than half of the investigations COFECE is conducting. The firm advises Pilgrim's Pride on the commission's probe into per se illegal practices in the poultry market, as well as gas distributor Infra on the inquiry into the air gases market. Von Wobeser & Sierra also represents target companies in the commission's investigations into the sugar, maritime transportation, barley and medicinal serum industries.

The firm is also active in premerger filings. Recently, it advised Anheuser-Busch InBev in its acquisition of SABMiller, which COFECE cleared earlier this year, and Berkshire Hathaway in its US\$20 billion acquisition of Heinz. Other major clients include beauty products manufacturer Coty, private equity fund Palladium and automotive supplier Getrag.

#### Highly recommended

*Who's Who Legal: Competition* nominee Luis Alberto Aziz Checa, who has worked on antitrust matters for more than 20 years, left SAI Law & Economics two years ago to start the law firm Aziz & Kaye. The new one-partner, three-associate practice boasts an array of big-name clients, including Aeromexico, telecoms giant América Móvil and agrochemical maker Monsanto.

Aziz has counselled Aeromexico for 18 years, and his firm is advising the company in two of COFECE's investigations, as well as on its joint cooperation agreement with Delta Air Lines. Additionally, Aziz & Kaye represents América Móvil in the IFT's abuse of dominance investigation into the company.

Basham Ringe y Correa sc's antitrust group is headed by *Who's Who Legal: Competition* nominee Amilcar Peredo Rivera, the only partner focusing solely on competition matters, who is backed by three associates. The firm is advising clients in COFECE's probes into the maritime transportation, auto parts and other industries.

In 2014, the firm acted for the industrial paint company PPG in its US\$2.3 billion acquisition of Comex. It was a difficult deal, Peredo says, because the competition agency had twice rejected Sherwin Williams' attempts to acquire Comex, a Mexican paint company. Basham also represented drinks packager Crown Holdings in its purchase of Heineken's Mexican packaging business Empaque for US\$1.2 billion.

*Who's Who Legal: Competition* nominee Francisco Fuentes-Ostos leads the nine-associate antitrust team at Mijares Angoitia Cortes y Fuentes sc with partner Pilar Mata Fernández. The firm's biggest client was Televisa until about 2011, Fuentes-Ostos said, but the group has expanded its client base since then. Last year, the practice represented Citibank's subsidiary Banamex in the sale of its acquiring business to EVO Payments. Among other matters, Mijares also advised drinks can maker Ball Corp during the government's review of its purchase of rival Rexam, and divestiture buyer Molson Coors in the AB InBev/SABMiller tie-up.

The team is acting on behalf of two clients in COFECOE's investigation regarding alleged relative monopolistic practices in the market for the generation, processing and trading of credit information. It is also involved in the commission's slot inquiry at Mexico City's international airport.

Despite losing long-time partner Luis Alberto Aziz Checa about two years ago, SAI Law & Economics continues to do high-level antitrust work. *Who's Who Legal: Competition* nominee and head [Lucía Ojeda Cárdenas](#) said the group has been very busy this past year, especially with respect to cartel investigations. She said the group has represented clients in several cartel and abuse of dominance investigations, including pension fund, pay-TV, egg and medical devices markets.

The firm also advised Kimberly-Clark de México in its purchase of P&G's Escudo soap brand this year. In 2015, SAI represented Johnson & Johnson in the sale of its Cordis business, which makes vascular technology, to Cardinal Health for US\$1.9 billion, and Vitro SAB, the largest glass manufacturer in Mexico, in the sale of its food and beverage glass container business for US\$2.15 billion to Owens-Illinois.

*Who's Who Legal: Competition* nominee Iker Arriola leads the antitrust group at White & Case, where the three partners and eight associates are a good mix between litigators and non-litigators. Over the past couple of years, the group has worked on several headline-grabbing matters.

Along with Hogan Lovells and Basham, the firm advised Comex in its tie-up with PPG, a matter that included getting the International Chamber of Commerce in Mexico to overrule a resolution saying Comex had substantial market power, which was necessary for the merger to be approved. White & Case also advised Tyson de Mexico in the chicken supplier's merger with Pilgrim's Pride. Among other matters, the firm is acting on behalf of clients in COFECE's investigation of the pension funds industry and the use of slots at Mexico City's international airport.

#### Recommended

Global firm Dentons merged with López Velarde Heftye y Soria this year to form Dentons López Velarde. Partner Jorge Jiménez leads the two-partner, three-associate team that works on competition matters, but he said none of the firm's lawyers focuses 100 per cent on antitrust. The firm is known for its involvement in a large number of sectors, including energy, mining and transportation. "What we have done is develop a competition practice around our knowledge of those industries," Jiménez said. He said he anticipates that the firm's merger with Dentons will significantly expand the competition practice in Mexico City and bring more antitrust work.

Other firms also have strong antitrust practices. Former Federal Competition Commission official Cristina Massa Sánchez leads the competition group at González Calvillo SC, while her one-time fellow commissioner Miguel Flores Bernés joined Greenberg Traurig last year, as did Víctor Manuel Frías. *Who's Who Legal* nominee and partner Christian Lippert H at Galicia Abogados SC has won clearance for high-profile deals such as Cinemex's merger with Cinemark.

FIRM	HEAD(S) OF COMPETITION	SIZE	WHO'S WHO LEGAL: COMPETITION NOMINEES	CLIENTS
<b>ELITE</b>				
Castañeda y Asociados	<a href="#">Gabriel Castañeda</a>	2 partners, 1 associate, 1 economist	<a href="#">Gabriel Castañeda</a> , Ricardo Hernandez	Praxair, TRW, WestRock, Edenred
Creel García-Cuéllar Aiza y Enriquez	Luis Gerardo García Santos Coy	2 partners, 10 associates	Luis Gerardo García Santos Coy, Mauricio Serralde Rodríguez	Delta Air Lines, Sanofi Anheuser-Busch InBev, lusacell, AT & T
Hogan Lovells	Omar Guerrero Rodríguez, Ricardo Pons Mestre	2 partners, 4 associates	Omar Guerrero Rodríguez, Ricardo Pons Mestre	Bachoco, Alstom, Samsung, Ford, GE, Mitsui, Dell
Valdés Abascal	Rafael Valdés-Abascal	2 partners,	Rafael Valdés-Abascal	Telefónica, Movistar, Grupo Herde

SC		associates		Continental Tire
Von Wobeser y Sierra Partners	Fernando Carreño	2 partners, 8 associates	Fernando Carreño	Pilgrim's Pride, Sabre, Fresenius, Grupo Modelo, Infra

#### HIGHLY RECOMMENDED

Aziz & Kaye	Luis Alberto Aziz Checa	1 partner, 3 associates	Luis Alberto Aziz Checa	América Móvil, Aeroméxico, Monsanto, PC Capital, Y &
Basham Ringe y Correa SC	Amilcar Peredo Rivera	1 partner, 3 associates	Amilcar Peredo Rivera	Microsoft, Coca-Cola, Mitsubishi, PPG, Crow Holdings, GlaxoSmithKline, Johnson & Johnson
Mijares Angoitia Cortes y Fuentes SC	Francisco Fuentes-Ostos	2 partners, 9 associates	Francisco Fuentes-Ostos	Grupo Televisa, Banamex, Ball, Eutelsat, Nippon Yusen, Kubushiki Kaisha, MM
SAI Law & Economics	<u>Lucia Ojeda Cárdenas</u>	4 partners, 6 associates	<u>Lucia Ojeda Cárdenas</u>	Enova, Vitro, Bayer, Nestlé, Unilever, Hutchison Port Holdings, Ternium, MV
White & Case	Iker Arriola	3 partners, 8 associates	Iker Arriola	Aeroméxico, Tyson Foods, Principal Afore, Comex, Pfizer, BlackRock, Kansas City Southern

#### RECOMMENDED

Dentons López Velarde	Jorge Jiménez			
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