

Funai demands €312m from Philips

THE HAGUE, THE NETHERLANDS: Electronics manufacturer Funai is suing Philips for €312m in compensation for the failed sale of the Dutch company's entertainment business.



Funai is asking the Court of Arbitration to rule in its favour that Philips pay it €312m in compensation for a failed deal in which Funai attempted to buy the electronic products division from the Dutch company. Image: Wikipedia

Japan's Funai and Philips have traded accusations after Philips last year shelved the planned €150m sale of its entertainment arm to long-time partner Funai, citing breach of contract.

"In the course of its arbitration proceedings with Philips, Funai filed a statement with the International Court of Arbitration that includes the amount of compensatory damages claimed against Philips," Funai said in a statement.

Philips announced in October last year it was terminating the sale to Funai of its entertainment division which includes hi-fi systems and DVD players.

The Amsterdam-based Philips said that while it had completed preparations for the transfer of the business to Funai, the Japanese company refused to take the necessary steps to enable completion of the transaction and the transfer of the business.

It sued Funai for €171m for breach of contract before the Paris-based Court of Arbitration a year ago.

Claims and counter-claims

However, Funai said in a counter-claim that Philips was in breach of contract.

"Philips' invalidly terminated the contract and consequently the business did not transfer to Funai and Funai was unable to realise the contemplated synergies," it said.

Philips has confirmed it had received notification of the counter-claim.

"We believe that Funai's counter-claim has no merit," said Steve Klink, spokesman for Philips.

He said a decision in the case is was not expected before the end of next year.

Philips has meanwhile found a new buyer for its entertainment arm, the Nashville-based Gibson Brands. Philips sold the division, now renamed WOOX Innovations, to focus on health and lighting products.

In April 2012 the company sold its troubled television branch to TPV Technology.

In a separate case, a US jury ordered Philips to pay \$466.8m to US-based company Masimo for violating two medical device patents.

Source: AFP via I-Net Bridge



Philips sold its electronic division, which includes hi-fi systems to Gibson Brands after cancelling its deal with Funai. Image: [Pricetag](#)

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