

March 18, 2015

Companies are competing to win a contract. One pays a bribe to exclude its competitor from the bidding process, or to win the contract. If caught, it faces prosecution under the UK's Bribery Act 2010, as do its bribing directors or employees. The bribing company also risks termination of its contract and claims from its customer.

But could it also be sued by its aggrieved competitor for compensation?

In England, and other common law countries, the answer is yes. And the available claims are not limited to wasted bidding expenditure. Lost profits can also be recovered.

The issue was tested in England in the recent case of *Jalal Bezee Mejel Al-Gaood v Innospec Ltd* [2014] EWHC 3147. The defendant, Innospec, had previously admitted paying bribes in criminal proceedings in both the UK and the US. It had also settled a civil claim made against it by a manufacturer of competing chemicals in New York.

The circumstances seemed promising for a claim, but Innospec successfully defended the case. The Court decided that a claim by a bribing competitor was legally possible. However, it rejected the case because the claimant could not show that its product would have been purchased by the customer in the absence of bribery. This was because the product did not meet the required technical specification. That finding meant the claimant had suffered no loss and its claim failed.

[Read the full article \(pdf\)](#)

This content is provided for general informational purposes only, and your access or use of the content does not create an attorney-client relationship between you or your organization and Cooley LLP, Cooley (UK) LLP, or any other affiliated practice or entity (collectively referred to as "Cooley"). By accessing this content, you agree that the information provided does not constitute legal or other professional advice. This content is not a substitute for obtaining legal advice from a qualified attorney licensed in your jurisdiction, and you should not act or refrain from acting based on this content. This content may be changed without notice. It is not guaranteed to be complete, correct or up to date, and it may not reflect the most current legal developments. Prior results do not guarantee a similar outcome. Do not send any confidential information to Cooley, as we do not have any duty to keep any information you provide to us confidential. When advising companies, our attorney-client relationship is with the company, not with any individual. This content may have been generated with the assistance of artificial intelligence (AI) in accordance with our AI Principles, may be considered Attorney Advertising and is subject to our [legal notices](#).

Key Contacts

James Maton London	jmaton@cooley.com +44 20 7556 4547
------------------------------	---

This information is a general description of the law; it is not intended to provide specific legal advice nor is it intended to create an attorney-client relationship with Cooley LLP. Before taking any action on this information you should seek professional counsel.

Copyright © 2023 Cooley LLP, 3175 Hanover Street, Palo Alto, CA 94304; Cooley (UK) LLP, 22 Bishopsgate, London, UK EC2N 4BQ. Permission is granted to make and redistribute, without charge, copies of this entire document provided that such copies are complete and unaltered and identify Cooley LLP as the author. All other rights reserved.

