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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.

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