

ANTITRUST AND THE TECH GIANTS


Sherry Qiu



Microsoft

amazon



- 
- What is antitrust?
 - Past cases
 - Modern-day cases
 - Potential modifications


What is antitrust?

- Regulate conduct and organization of business corporations, to promote fair competition
- Clayton Act
- Federal Trade Commission Act
- **Sherman Act**
 - **Prohibits “unreasonable” restraint of trade through acquisitions, mergers, exclusionary tactics, and predatory pricing**

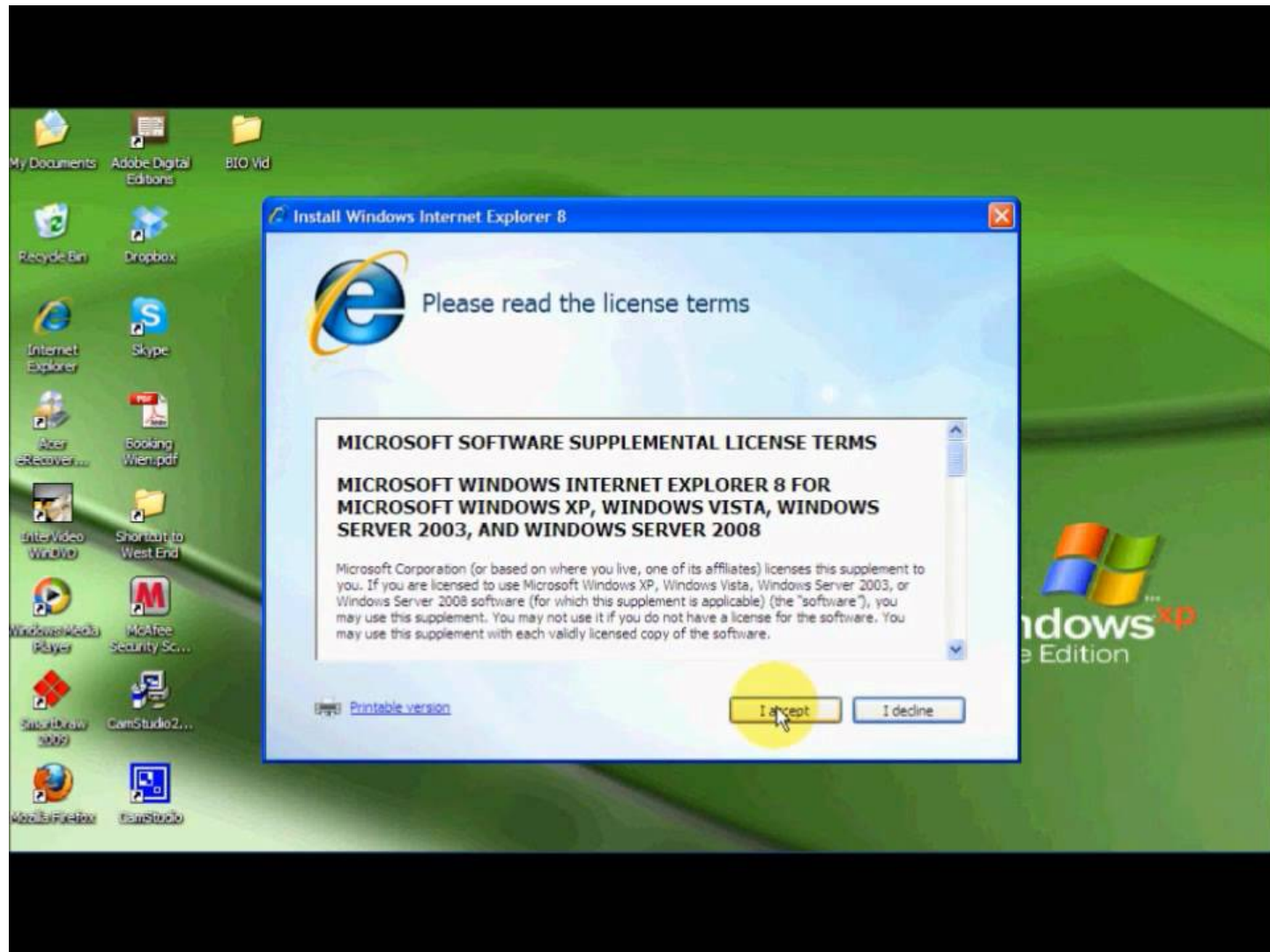
The high-tech economy



- Rapid pace of innovation
- Network effects
- First-mover advantage

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U.S. vs. Microsoft



U.S. vs. Microsoft (cont.)

□ Allegation

- ▣ Tying Internet Explorer to Windows OS in an attempt to monopolize market for Internet browsers

□ Reasoning

- ▣ Microsoft has a monopoly in the PC operating systems market
- ▣ Microsoft used its dominance in the market to exclude rivals

□ Conclusion

- ▣ Disclose APIs to allow other companies to integrate their software with Windows OS

E.U. vs. Google

Shop for flip flops on Google

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★★★★★ (286)



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Tory Burch
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Tory Burch

★★★★★ (302)

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E.U. vs. Google (cont.)

□ Allegation


- ▣ Used dominance of search market to increase traffic to Google Shopping comparison service

□ Reasoning

- ▣ High entry barriers to search markets
- ▣ Prominent placement of Google Shopping results caused traffic to drop significantly for competitors

□ Conclusion

- ▣ “Equal treatment to rival comparison shopping services and its own service”

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Amazon

- Central infrastructure for internet economy
 - ▣ 46% of all e-commerce in the U.S.
- Pricing
 - ▣ Personalized pricing
 - ▣ Below-cost pricing to intimidate rivals

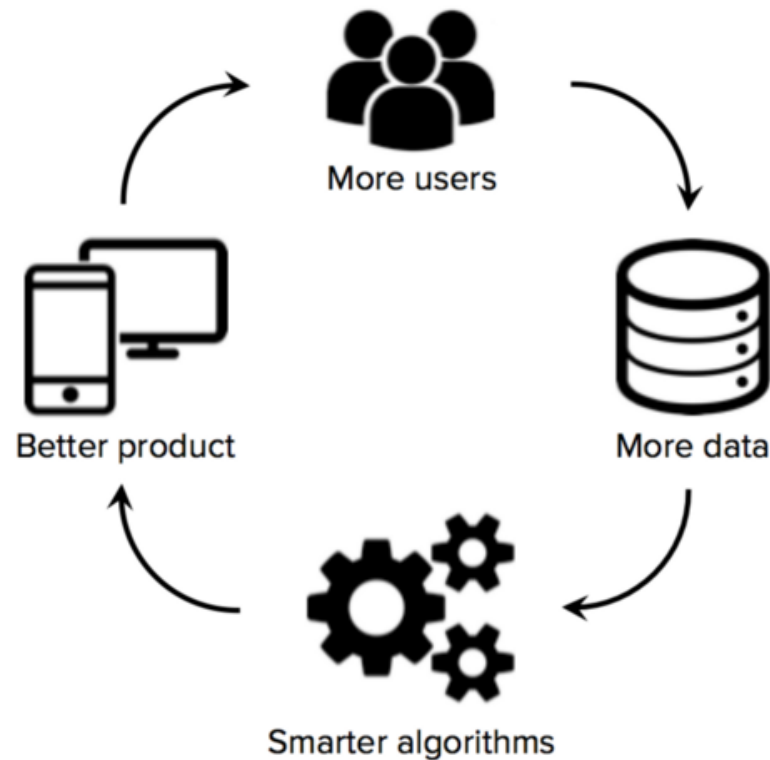



ABOUT BRANDS CULTURE CAREERS PRESS ROOM



Facebook

- Social network dominance driven by data collection
- Data privacy concerns



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New approach

- Currently only looking at market power and consumer welfare
- Instead, focus on market structure and competitive process
 - ▣ Entry barriers
 - ▣ Conflicts of interest
 - ▣ Gatekeepers or bottlenecks
 - ▣ Use and control over data
 - ▣ Dynamics of bargaining power

Resources

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Thoughts?