

ANTITRUST LAW

Description

This course provides an introduction to the legal doctrines, public policies, and intellectual theories that inform the practice and administration of federal antitrust law. Throughout the semester, you will encounter problems posed by monopolies, mergers, joint ventures, tying arrangements, exclusive dealing, collaboration in pricing, and other business behavior, as they have arisen in a wide variety of industries and markets. We will discuss these problems together, applying the recurring terms and elements of antitrust law, including geographic market definition, product market definition, entry barriers, market foreclosure, antitrust injury, legitimate business purposes, market structure, market concentration, market performance, market failure, monopoly power, market power, the rule of reason, and the per se rule. After taking this course, you will be familiar with the historical development of the law, its present state, and the ideologies and policy choices that will shape its future paths. You will also be able to apply the principles of antitrust law to new industries and markets, so that you can be an informed observer, or even a participant, in its future development.

Casebook, Supplement, and Additional Materials

The casebook is PITOFKY ET AL., *TRADE REGULATION: CASES AND MATERIALS* (5th ed. 2003), published by Foundation Press. There is also a 2009 supplement, from which additional cases will be assigned. Further required materials will be posted on the course Web site, as indicated in the reading assignments below (“Web”) or as announced in class.

Web-Based Simulations

Accompanying certain topics are Web-based simulations that may assist you in visualizing some of the more technical concepts in the course. In each case, try inputting different values and options and see if you can predict the outcomes of the simulation before they happen. This mode of learning may be new to many of you. If you experience any difficulties, try asking a classmate for help, or come by during office hours and we’ll work through it together.

Class Participation and Grading

The class will be divided into four rotating “on-call” groups, each of which will be assigned a number of cases (generally two). You may volunteer during any class session, and are strongly encouraged to do so. If you are on call but unprepared and wish to be spared being called on in class, you may email or speak to me before class and I will do my best to remember not to call on you.

During class, you may not use your computer in a way likely to distract other students from appropriate classroom activities.

There will be a three-hour open book, open note final examination. Your participation grade will be A+, which will count for between 0% and 20% of your final grade, based on the overall quality of your assigned and unassigned participation. The examination likely will consist of three or four questions, at least one of which will involve some discussion of theoretical and policy issues, and the remainder of an issue-spotting variety similar to the assigned problems.

Office Hours

Room 5079, 962-4116. Tuesdays, Wednesdays and Thursdays, 11-12; other times if my door is open; and by appointment. At other times, email is preferred. Do not rely on voicemail for time-sensitive matters.

Secretary

Debbie Edge, Faculty Support Center, Room 5125.

Order of Topics

The principal cases are listed for your convenience; however, you are responsible for all of the material on the pages listed, whether or not it is covered in class. *Minor revisions to this syllabus are likely; they will be announced in class and posted on the class Web site.*

<i>Unit</i>	<i>Group</i>	<i>Topics</i>	<i>Principal Cases</i>	<i>Pages (S=Supplement)</i>	<i>Problems</i>
1		Antitrust policy		1-15 (read), 15-23(skim)	
2		Monopoly power and market performance		169-72; Web demo	
3	1	Historical cases; competition, monopoly and economic performance	Dyer's, Schoolmaster, Case of Monopolies, Mitchel	23-35	
4	2	Legislative history; cartels; early cases	Trans-Missouri Freight, Addyston Pipe & Steel	47-67	
5	3	Monopoly power; product market definition	Alcoa, DuPont (Cellophane)	128-168	
6	4	Product market definition	Microsoft, Oracle, Staples	113-17, 167-68, 1062-64, S159-68	
7	1	Geographic market definition	Grinnell, Eastman Kodak	172-92, 725-26	1
8	2	Cartels: The "per se" rule	Chicago Board of Trade, Appalachian Coals, Socony Vacuum	197-228	2
9	3	Cartels: Characterization questions	Superior Court Lawyers, BMI, Virginia Excelsior, NCAA	228-65	
10	4		Brown University	265-76	3
11	1	Cont'd	California Dental, Texaco, Window Glass Manufacturers	276-305, S17-22	4
12	2	Market division	Topco, General Leaseways, Palmer, Note on Pharmaceuticals	305-27, S23-25	5
13	3	Concerted refusals to deal	Fashion, Klor's, Nynex	329-45	
14	4	Cont'd	Toys "R" Us, Radiant Burners, Northwest Stationers	345-62	
15	1	Cont'd	Indiana Dentists, Superior Court Lawyers	362-78	6
16	2	Joint ventures	Associated Press, SCFC ILC	378-98	

17	3	Cont'd	FTC Guidelines	398-410	7
18	4	Price leadership and "conscious parallelism"	Interstate Circuit, Theatre Enterprises	490-505	10
19	1	Vertical price fixing	Dr. Miles, State Oil, Leegin	624-648, S37-78	14
20	2	Customer/territorial restraints	Continental TV, Colgate	648-86	
21	3	Vertical restraints and refusals to deal	Monsanto, Business Electronics	686-712, 719-20	15
22	4	Monopolization	Aspen Skiing, Verizon, Credit Suisse, (<i>Pacific Bell</i>)	736-65, S79-105	
23		Cont'd	(<i>Microsoft</i>)	765-813, S106-08	
24	1	Exclusive dealing	(<i>Standard Fashion, Tampa Electric, Brown Shoe</i> ,) U.S. Healthcare	935-62	
25	2	Predatory pricing	Brooke Group, (<i>AMR</i>)	847-76, S109-22	
26	3	Tying arrangements	International Salt, Jefferson Parish	876-903,	
27	4	Tying arrangements (cont'd)	Illinois Tool Works	S132-36	