



Competition and Regulation European Summer School and Conference (CRESSE)

CRESSE 2013

8th International Conference on
Competition and Regulation

5-7 July 2013

Corfu, Greece

GRECOTEL CORFU IMPERIAL EXCLUSIVE RESORT

CONFERENCE PROGRAMME

CONFERENCE THEME:

Advances in the Analysis of Competition Policy and Regulation

2013 CONFERENCE POLICY LECTURE

Professor MICHAEL KATZ (Haas School of Business, University of California, Berkeley)

J J LAFFONT LECTURE

Professor XAVIER VIVES (IESE Business School, University of Navarra)

Organised by



Athens University of
Economics and Business



Who we are:

CRESSE is a Network of academics and professionals, practicing in Competition or Regulatory Authorities, Consultancies and Legal Practices, with an interest in Competition Policy and Sectoral Regulation. It was initiated by Prof. Y. Katsoulacos in 2005. The specific format and content of the CRESSE Summer School and Annual Conference has been influenced by the suggestions and ideas of a large number of people. Special mention should be made of Prof. Joe Harrington, Prof. M. Motta, Prof. Pierre Régibeau, Prof. Patrick Rey and Prof. D. Ulph.

The objective of CRESSE is threefold:

- (i)** To organize an annual Conference in which some of the latest research in the areas of Competition and Regulation is presented and discussed;
- (ii)** To organize an annual Summer School in which Visiting Faculty from a large number of European and US Universities, give the opportunity of high quality training to practitioners of competition policy and sectoral regulation that wish to be acquainted with the new economic literature and the recent legal developments;
- (iii)** To disseminate research in the areas of competition policy and regulation and to contribute, through the organization of Special Policy Sessions and Round Tables, to public debates on specific policy issues.

Management:

The institution responsible for organising and administering CRESSE is the Athens University of Economics and Business (AUEB). Responsible for day-to-day management is Prof. Y. Katsoulacos (AUEB).

Conference and School Scientific Committee:

The CRESSE Scientific Committee consists of Prof. Joe Harrington (Business Economics and Public Policy Department, The Wharton School, University of Pennsylvania), Prof. Patrick Rey (University of Toulouse), Prof. David Ulph (University of St. Andrews), Prof. Pierre Régibeau (Charles River Associates and Imperial College London), and Prof. Yannis Katsoulacos (Athens University of Economics and Business), who also acts as Chairman and Coordinator.

CRESSE Associates:

CRESSE Associates is a network of younger top scholars that are involved in the Summer School and / or the Conference as regular participants and provide a channel between CRESSE and the academic/policy community. The group includes: Prof. Juan-Pablo Montero, Prof. Volker Nocke, Prof. Martin Peitz, Prof. Maarten Pieter Schinkel, Prof. Giancarlo Spagnolo, Prof. Yossi Spiegel, Prof. Tommaso Valletti, Prof. Frank Verboven, Prof. Nikolaos Vettas, Prof. Glen Weyl, Prof. Julian Wright, Prof. Xinzhu Zhang.

CRESSE Advisory Committee:

Dr. Cristina Caffarra, Prof. Claude Crampes, Prof. Vincenzo Denicolo, Prof. Federico Etro, Prof. Damien Geradin, Prof. Ioannis Kokkoris, Dr. Assimakis Komninou, Dr. Ioannis Lianos, Dr Philip Marsden, Prof. Peter Mollgaard, Prof. Michele Polo, Prof. Rune Stenbacka, Prof. Dimitris Tzouganatos

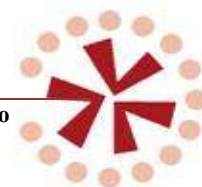
Past CRESSE Conference Keynote Lecturers:

Prof Joe Farrell & Prof. Massimo Motta (2012), Prof. Jacques Crémer & Prof. Michael D. Whinston (2011), Prof. Jonathan Baker & Prof. Mark Armstrong (2010), Prof. Joe Harrington & Prof. Paul Klemperer (2009), Prof. William Kovacic & Prof. Richard Schmalensee (2008), Prof. Martin Cave & Prof. Martin Hellwig (2007), Prof. Patrick Rey (2006).



9:00 – 9:25	REGISTRATION
<p>9:25 – 9:30 Welcome Speech by Yannis Katsoulacos (Athens University of Economics and Business)</p>	
9:30 – 11:30	PLENARY SESSION 1 ¹ : ADVANCES IN APPLIED IO AND COMPETITION POLICY
<p>Chair: David Ulph (University of St. Andrews)</p>	<p>Tom Ross* (University of British Columbia), Zhiqi Chen (Carleton University) and Subhadip Ghosh (Simon Fraser University)</p> <p style="text-align: center;">“Denying Leniency to Cartel Instigators: Costs and Benefits”</p> <p>Discussant: Yossi Spiegel (Tel Aviv University)</p>
	<p>Yossi Spiegel* (Recanati Graduate School of Business Administration, Tel Aviv University, CEPR, and ZEW) and Konrad Stahl (Universität Mannheim CEPR, CESifo and ZEW)</p> <p style="text-align: center;">“A Dynamic Model of Predation”</p> <p>Discussant: Tom Ross (University of British Columbia)</p>
	<p>Jay Pil Choi (Michigan State University) and Martin Peitz* (University of Mannheim)</p> <p style="text-align: center;">“You Are Judged by the Company You Keep: Reputation Leverage in Vertically Related Markets”</p> <p>Discussant: Rune Stenbacka (Hanken School of Economics)</p>
	<p>Gary Biglaiser (University of North Carolina at Chapel Hill) and Jacques Crémer* (Toulouse School of Economics (CNRS & IDEI)</p> <p style="text-align: center;">“The value of incumbency in heterogenous networks”</p> <p>Discussant: Van Alstyne Marshall (MIT and Boston University)</p>
	<p>11:30 – 12:00 COFFEE BREAK</p>
12:00 – 14:15	PARALLEL SESSIONS 1 & 2
<p>Chair: Martin Peitz (University of Mannheim)</p>	PARALLEL SESSION 1: MERGERS
	<p>Geza Sapi (European Commission - DG COMP)</p> <p style="text-align: center;">“Bargaining, Vertical Mergers and Entry”</p> <p>Discussant: Martin Peitz (University of Mannheim)</p>
	<p>Roberto Burguet* and Ramon Caminal (Institut d’Anàlisi Econòmica, CSIC, and Barcelona GSE)</p> <p style="text-align: center;">“Bargaining Failures and Merger Policy”</p> <p>Discussant: Lily Samkharadze (University of Mannheim)</p>
	<p>Mohamed Lesenda Grace (Competition Commission South Africa)</p> <p style="text-align: center;">“The elusive constructs of barriers to entry and countervailing power: Post-merger analyses - the SA experience”</p> <p>Discussant: Caroline Buts (Vrije Universiteit Brussel)</p>
	<p>Lars Mathiesen, Øivind A. Nilsen, Lars Sorgard, and Simen A. Ulsaker* Norwegian School of Economics (NHH)</p> <p style="text-align: center;">“Upstream Merger in a Successive Oligopoly: Who Pays the Price?”</p> <p>Discussant: Dragan Jovanovic (Goethe University Frankfurt)</p>
<p>Chair: Gergely Csorba (Institute of Economics, Research Centre for Economic and Regional Studies)</p>	<p>Dragan Jovanovic (Goethe University Frankfurt)</p> <p style="text-align: center;">“Mergers, Managerial Incentives, and Efficiencies”</p> <p>Discussant: Simen Ulsaker (Norwegian School of Economics, NHH)</p>
	PARALLEL SESSION 2: REGULATION AND MERGERS
<p>Gergely Csorba* (Institute of Economics, Research Centre for Economic and Regional Studies of the Hungarian Academy of Sciences (MTA-KRTK-KTI)) and Zoltán Pápai (Infrapont Economic Consulting)</p> <p style="text-align: center;">“Does one more or one less mobile operator affect prices? A comprehensive ex-post evaluation of entries and mergers in European mobile telecommunication markets”</p> <p>Discussant: Sumit Majumdar (University of Texas at Dallas)</p>	

¹ Plenary Session 1 “Advance in Applied IO and Competition Policy” has been co-financed by the European Union (European Social Fund –ESF) and Greek national funds through the Operational Program “Education and Lifelong Learning” of the National Strategic Reference Framework (NSRF) – Research Funding Program: ARISTEIA –CoLEG.



of the Hungarian Academy of Sciences (MTA-KRTK-KTI))	Anna D'Annunzio* (University of Rome Sapienza and Toulouse School of Economics) and Antonio Russo (European University Institute) “Network Neutrality and Competition on Advertising Markets” Discussant: Raffaele Fiocco (Humboldt-Universität zu Berlin, Institute for Economic Theory I)
	Raffaele Fiocco* and Dongyu Guo (Humboldt-Universität zu Berlin, Institute for Economic Theory I) “Merger policy in regulated multiproduct industries with privately known efficiency gains” Discussant: Anna D'Annunzio (University of Rome Sapienza and Toulouse School of Economics)
	Maarten Pieter Schinkel , Lukáš Tóth* and Jan Tuinstra (ACLE and CeNDEF, University of Amsterdam) “Prioritizing in Government Agencies: Performance Effects of Budget Cuts and Institutional Mergers” Discussant: Gergerly Csorba (Institute of Economics, Research Centre for Economic and Regional Studies of the Hungarian Academy of Sciences (MTA-KRTK-KTI))
	Johannes Muck (Düsseldorf Institute for Competition Economics) “The Effect of On-net/Off-net Differentiation and Heterogeneous Consumers on Network Size in Mobile Telecommunications – An Agent-based Approach” Discussant: Simona Fabrizi (Massey University)

14:15 – 15:15 LUNCH BREAK

15:15 – 17:15	PARALLEL SESSIONS 3 & 4
Chair: Winand Emons (University of Bern)	PARALLEL SESSION 3: IPR AND LICENCING
	Jacob Seifert (School of Economics & Finance, University of St Andrews) “Compulsory Licensing, Innovation and Welfare” Discussant: Yassine Lefouili (Toulouse School of Economics)
	Benno Buehler (European Commission, DG Competition) “No-challenge clauses in patent licensing - blessing or curse?” Discussant: Krešimir Žigić (CERGE-EI Center for Economic Research and Graduate Education-Economics Institute)
	Doh-Shin Jeon and Yassine Lefouili* (Toulouse School of Economics) “Cross-Licensing and Competition” Discussant: Jacob Seifert (School of Economics & Finance, University of St Andrews)
	Michael Kúnin , Jiří Střelický and Krešimir Žigić* (CERGE-EI Center for Economic Research and Graduate Education-Economics Institute) “The Interaction between the Private and the Public IPR Protection in a Software Market: a Positive and Normative Analysis” Discussant: Benno Buehler (European Commission, DG Competition)
Chair: Tommy Stahl Gabrielsen (University of Bergen)	PARALLEL SESSION 4: ANTITRUST AND REGULATION
	Tom Ovington* (Frontier Economics), Juana Santamaria (Frontier Economics) and Ron Smith (Birkbeck, University of London) “The impact of intra-platform competition on broadband penetration” Discussant: Emanuele Giovannetti (Institute for International Management Practice - Anglia Ruskin University, Cambridge and DSE -University of Verona)
	Alessio D'Ignazio (Bank of Italy) and Emanuele Giovannetti* (Institute for International Management Practice - Anglia Ruskin University, Cambridge and DSE -University of Verona) “Internet Connectivity Wars: The Impact of Providers' Asymmetry and Mutual Trust” Discussant: Tom Ovington* (Frontier Economics)
	Frans Saxén (Hanken School of Economics, HECER Helsinki Center of Economic Research and FDPE Finnish Doctoral Programme in Economics) “Market share requirements and buyer groups: A bargaining power approach” Discussant: Germain Gaudin (Télécom ParisTech)
	Germain Gaudin* (Télécom ParisTech) and Alexander White (Tsinghua University School of Economics and Management) “On the Antitrust Economics of the Electronic Books Industry” Discussant: Frans Saxén (Hanken School of Economics, HECER Helsinki Center of Economic Research and FDPE Finnish Doctoral Programme in Economics)





17:15 – 17:30 COFFEE BREAK

17:30 – 19:30	PLENARY SESSION 2: ADVANCES IN APPLIED IO AND COMPETITION POLICY
Chair: Volker Nocke (University of Mannheim and CEPR)	Patrick Rey (Toulouse School of Economics (TSE)) “Cooperation Vs collusion: How essentiality shapes co-operation” Discussant: Juan Pablo Montero (Pontificia Universidad Católica de Chile (PUC-Chile))
	N. Figueroa, E. Ide-Carvalho, Juan Pablo Montero* (Pontificia Universidad Católica de Chile (PUC-Chile)) “Exclusionary Contracts, Welfare, and Antitrust Mechanism Design” Discussant: Patrick Rey (Toulouse School of Economics (TSE))
	Ben Mermelstein (Northwestern University), Volker Nocke* (University of Mannheim and CEPR), Mark Satterthwaite (Northwestern University), Michael Whinston (Northwestern University and NBER) “Internal vs. External Growth in Industries with Scale Economies: A Computational Model of Optimal Merger Policy” Discussant: Giancarlo Spagnolo (Stockholm School of Economics-SITE, University of "Tor Vergata" & CEPR)
	Jeffrey V. Butler (<i>EIEF</i>), Enrica Carbone (Second <i>University of Naples "SUN"</i>), Pierluigi Conzo (University of Turin) and Giancarlo Spagnolo* (Stockholm School of Economics-SITE, University of "Tor Vergata" & CEPR) “Reputation and Entry” Discussant: Volker Nocke (University of Mannheim and CEPR)
	19:30



8:30 – 11:00	PARALLEL SESSIONS 5 & 6
Chair: George Deltas (University of Illinois)	PARALLEL SESSION 5: ENFORCEMENT AND MARKET DEFINITION
	Catarina Marvão (Trinity College Dublin) “Heterogeneity of Penalties and Private Information”
	Discussant: João Vareda (AdC and CEFAGE) João Vareda (AdC and CEFAGE)
	“Delineating Markets for Bundles with Consumer Level Data: The Case of Triple-Play”
	Discussant: Catarina Marvão (Trinity College Dublin) Gunnar Niels* (Oxera Consulting Ltd) and Annemieke Tuinstra-Karel* (Netherlands Authority for Consumers and Markets (ACM))
	“Report on the implications of behavioral economics on Competition Policy”
	Discussant: Cento Veljanovski (Case Associates) Cento Veljanovski (Case Associates)
	“The deterrent effects of the UK Competition Act 1998”
	Discussant: Gunnar Niels (OXERA Consulting Ltd) Lucia Helena Salgado (Rio de Janeiro State University (UERJ) and Institute for Applied Economic Research (Ipea)), Rafael Pinho de Morais* (Rio de Janeiro State University (UERJ))
	“A New Test for Anticompetitive Litigation”
Discussant: Cesar Mattos (FA Consultoria)	
Chair: Joseph Harrington (Business Economics and Public Policy Department, The Wharton School, University of Pennsylvania)	PARALLEL SESSION 6: APPLIED IO AND ANTITRUST
	Ulrich Heimeshoff and Gordon Klein* (Heinrich-Heine-Universität Düsseldorf) “Bargaining Power and Local Heroes”
	Discussant: Roberto Burguet (Institut d’Anàlisi Econòmica, CSIC, and Barcelona GSE) Bjørn Olav Johansen (University of Bergen) and Tore Nilssen* (University of Oslo)
	“The Economics of Retailing Formats: Competition versus Bargaining”
	Discussant: Maria Luisa Mancusi (Università Cattolica) Conor Flanagan, Boryana Miteva and Enrico Pesaresi* (Office of Fair Trading, OFT)
	“Pattern asymmetry in the pass-through of input price shocks in the UK road fuels sector”
	Discussant: Panagiotis Fotis (Hellenic Competition Commission) Panagiotis Fotis* and George Athanasiou (Hellenic Competition Commission)
	“Price leadership and Minority Share Ownership”
	Discussant: Peter Dijkstra (University of Groningen) Peter Dijkstra (University of Groningen)
	“Price Leadership and Asymmetric Market Sharing: the Stability of Collusion in Experimental Markets”
Discussant: Joe Harrington (Business Economics and Public Policy Department, The Wharton School, University of Pennsylvania)	

11:00 – 11:30 COFFEE BREAK

11:30 – 12:10	JJ LAFFONT KEYNOTE LECTURE Chair: Patrick Rey (University of Toulouse)
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XAVIER VIVES
(IESE Business School, University of Navarra)

“Competition, Regulation and Fragility in Banking”





12:10 – 14:10	SPECIAL POLICY SESSION 1: CARTELS
Chair: Cristina Caffarra (Vice-President, Charles River Associates)	Rosa Abrantes Metz (Stern School of Business NYU) “Proactive versus reactive cartel detection policy: The role of screening”
	Willem H. Boshoff (Stellenbosch University) “Determining overcharge for markets with a legal collusion history: bitumen prices in South Africa”
	Vikram Kumar (Penn State University), Robert Marshall (Penn State University), Leslie Marx (Duke University) and Lily Samkharadze* (University of Mannheim) “Buyer Resistance for Cartel versus Merger”
	Francis Bloch (Ecole Polytechnique), Simona Fabrizi (Massey University) and Steffen Lippert* (University of Otago) “Learning and Collusion in New Markets with Uncertain Entry Costs”

14:10 – 15:10 LUNCH BREAK

15:10 – 17:10	SPECIAL POLICY SESSION 2: RECENT DEVELOPMENTS IN THE ECONOMICS OF INFORMATION TECHNOLOGIES - MICROSOFT sponsored session
Chair: Jacques Crémer (Toulouse School of Economics (CNRS & IDEI))	Gregor Langus* (Charles River Associates (CRA)), Vilen Lipatov (Goethe University Frankfurt and University of Siegen) and Damien Neven (The Graduate Institute, Geneva and Charles River Associates (CRA)) “Standard essential patents: who is really holding up (and when)?”
	Alexandre de Corniere and Greg Taylor* (Oxford University) “Integration and Search Engine Bias”
	Geoffrey Parker (Tulane University) and Van Alstyne Marshall* (MIT and Boston University) “Innovation, Openness & Platform Control”
	Andrei Hagiu and Bruno Jullien* (Toulouse School of Economics) “Strategic Search Diversion, Product Affiliation and Platform Competition”

17:10 – 17:40 COFFEE BREAK

17:40 – 18:25	CRESSE CONFERENCE COMPETITION POLICY KEYNOTE LECTURE Chair: Joseph Harrington (Business Economics and Public Policy Department, The Wharton School, University of Pennsylvania)
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MICHAEL KATZ
(Haas School of Business, University of California, Berkeley)
“Competition policy in the health sector”

18:25	END OF SECOND DAY
20:25	Departure by bus for Conference Dinner Restaurant



9:00 – 11:30	PARALLEL SESSION 7 & 8
Chair: Nikos Vettas (Athens University of Economics and Business)	PARALLEL SESSION 7: REGULATION
	Wing Man Wynne Lam (University of Bologna, Toulouse School of Economics) “Cloud Computing: Investment, Competition, and Demand Correlation” Discussant: Federico Etro (University of Venice, Ca’ Foscari)
	Lapo Filistrucchi* (CentER, TILEC, Tilburg University and Department of Economics, University of Florence) and Tobias J. Klein (CentER, TILEC, Tilburg University) “Price Competition in Two-Sided Markets with Heterogeneous Consumers and Network Effects” Discussant: Konstantinos Serfes (Bennett S. LeBow College of Business, Drexel University)
	Frago Kourandi* (University of Ioannina and National & Kapodistrian University of Athens), Jan Krämer (Karlsruhe Institute of Technology) and Tommaso Valletti (Imperial College London, University of Rome and CEPR) “Net Neutrality, Exclusivity Contracts and Internet Fragmentation” Discussant: Wing Man Wynne Lam (University of Bologna, Toulouse School of Economics)
	Remco van Eijkel (University of Groningen) “Why Do OTC Markets and Centralized Exchanges Coexist in Energy Industries?” Discussant: José L. Moraga-González (VU University Amsterdam and University of Groningen)
	Patrick Legros (ECARES, Université Libre de Bruxelles and CEPR) and Claudio Karl* (Universidad del Rosario) “Ownership and Non Discriminatory Access” Discussant: Frago Kourandi (University of Ioannina and National & Kapodistrian University of Athens)
	PARALLEL SESSION 8: APPLIED IO AND REGULATION
	David J. Balan (Bureau of Economics, Federal Trade Commission) and George Deltas* (University of Illinois) “Better Product at Same Cost: Leader Innovation vs Generic Product Improvement” Discussant: Maria Letizia Giorgetti (Università degli Studi di Milano and Università Cattolica, Milano)
	Charitini Stavropoulou (University of Surrey) and Tommaso Valletti* (Imperial College London, University of Rome II and CEPR) “Compulsory licensing and access to drugs” Discussant: Anton-Giulio Manganelli (Toulouse School of Economics)
	Anton-Giulio Manganelli (Toulouse School of Economics) “Should Reverse Payments in the Pharmaceutical Industry be Banned per se?” Discussant: Klenio Barbosa (Sao Paulo School of Economics, Getulio Vargas Foundation)
Magnus Söderberg* (CERNA, Mines ParisTech), Flavio Menezes (School of Economics, University of Queensland) and Miguel Santolino (Riskcenter-IREA, University of Barcelona) “Regulatory behaviour under threat of court reversal” Discussant: Johannes Muck (Düsseldorf Institute for Competition Economics)	
Gianni Amisano (DG-Research, European Central Bank), Maria Letizia Giorgetti* (Università degli Studi di Milano and Università Cattolica, Milano) and Maria Luisa Mancusi (Catholic University (Milan) and KITeS-Bocconi) “Unveiling the effects of sunk costs: barrier to entry vs. commitment” Discussant: George Deltas (University of Illinois)	

11:30 – 12:00 COFFEE BREAK



12:00 – 14:00	SPECIAL POLICY SESSION 3: ENERGY REGULATION
Chair: Claude Crampes (Toulouse School of Economics)	Claude Crampes (Toulouse School of Economics) “EU competition policy and the three 20s”
	Juan Pablo Montero (Pontificia Universidad Católica de Chile (PUC-Chile)) “Why firms don't contract forward”
	José L. Moraga-González (VU University Amsterdam and University of Groningen) “Market Transparency and Forward Contracts: an Application to the Wholesale Market for Natural Gas.”
	Miltos Aslanoglou (Vice-President, Regulatory Authority of Energy, Greece) “Electricity market reform in Greece: No time to waste”

14:00 – 15:00 LUNCH BREAK

15:00 – 17:00	PLENARY SESSION 3: ADVANCES IN APPLIED IO AND COMPETITION POLICY
Chair: Patrick Rey (Toulouse School of Economics (TSE))	Simon Anderson (University of Virginia) “Competition for Advertisers and viewers in media markets”
	Discussant: Jacques Crémer (Toulouse School of Economics (CNRS & IDEI))
	Oz Shy (Federal Reserve Bank Boston) and Rune Stenbacka* (Hanken School of Economics) “Customer Privacy and Competition”
	Discussant: David Ulph (University of St. Andrews)
	Sumit K. Majumdar (University of Texas at Dallas) “How Do Incumbents’ Mergers Influence New Firm Entry? An Evaluation”
	Discussant: Enrico Pesaresi (Office of Fair Trading, OFT)
Paolo Bertoletti (University of Pavia) and Federico Etro* (University of Venice, Ca’ Foscari) “Monopolistic Competition: A Dual Approach”	
Discussant: Simon Anderson (University of Virginia)	
17:00	END OF CONFERENCE

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