



CRESSE 2019 Lawyers' Course

"The Role of Economics in Competition Law and Practice"

Friday, July 5th – Monday, July 8th, 2019
Rhodes, Greece

Detailed Course Contents

(Minor changes on the timing of the sessions can be made at any time)

Lecturers (in alphabetical order):

Matthew Bennett (Vice President, Charles River Associates)
John Davies (Senior Vice President, Compass Lexecon)
Ariel Ezrachi (Pembroke College, Oxford)
Amelia Fletcher (University of East Anglia)
Frederic Jenny (ESSEC Business School)
Yannis Katsoulacos (Athens University of Economics and Business)
William Kovacic (Director, Competition Law Center, The George Washington University)
Pierre Regibeau (Vice President, Charles River Associates)
Patrick Rey (Toulouse School of Economics)
Maarten Pieter Schinkel (University of Amsterdam)



Friday, July 5th, 11:20 - 13:00	SESSION 1: The Role of Economics and Review of Fundamental Economic Concepts I by Prof. Yannis Katsoulacos (Athens University of Economics and Business) The importance and effects of Competition Policy. Dimensions of competition - price, quality, variety, innovation. Types of competition - static vs. dynamic. Economic objectives of competition law. The use of the error-cost framework; the advantages (and disadvantages) of an economics-based approach. Demand, cost concepts, supply, profit maximisation. The notion of equilibrium.
Friday, July 5th, 14:00 - 15:40	SESSION 2: Markets, Welfare and the Benefits of Competition by Prof. Patrick Rey (Toulouse School of Economics) Markets at work: supply and demand; competitive equilibrium. Competition in practice: a market game. Measuring well-being: consumer surplus, profits and total welfare; productive and allocative efficiency. The benefits of competition.
Friday, July 5th, 16:00 - 17:40	SESSION 3: The Role of Economics and Review of Fundamental Economic Concepts II by Prof. Yannis Katsoulacos (Athens University of Economics and Business) Types of markets: perfect competition, monopoly, monopolistic competition, oligopoly. The Lerner index and the measurement of market power. The concept of market structure and its measurement.
Friday, July 5th, 18:00 - 19:40	SESSION 4: Game Theory: Applications in Competition Policy by Prof. Maarten Pieter Schinkel (University of Amsterdam) The role of oligopolies in economy. Introduction to game theory. Static games. Cournot and Bertrand models of oligopoly. Dynamic games. Applications of game theory in competition policy.



<p>Saturday, July 6th, 09:10 - 10:50</p>	<p>SESSION 5: Market Definition and Determinants of Market Power by Prof. Yannis Katsoulacos (Athens University of Economics and Business)</p> <p>The role of product and geographic market definition in the enforcement of competition law. Demand and supply substitution. The hypothetical monopoly test. Critical loss analysis. Shortcomings and fallacies. Legal definitions, concepts, basic economics of and measurement of “market power”. Factors that influence market power.</p>
<p>Saturday, July 6th, 11:10 - 13:00</p>	<p>SESSION 6: Cartels and Other Coordinated Practices by Prof. Maarten Pieter Schinkel (University of Amsterdam)</p> <p>Economic theory of collusion. Tacit collusion. Different forms of collusive practices including horizontal price fixing, horizontal market sharing, restrictions in production, collusive tendering, information exchanges, bid rigging. Structural factors conducive to coordinated conduct. Facilitating factors. Detecting and discouraging cartels. The role of leniency programs.</p>
<p>Saturday, July 6th, 14:00 - 15:40 and 16:00 - 17:40</p>	<p>SESSIONS 7 AND 8: Assessment of Mergers by Dr. Matthew Bennett (Vice President, Charles River Associates)</p> <p>Horizontal Mergers: Legal and economic framework; unilateral effects; the role of diversion ratios; merger simulation models; upward pricing pressure (UPP); coordinated effects; analysis of efficiencies. Conglomerate and vertical mergers.</p>
<p>Saturday, July 6th, 17:50 - 18:30</p>	<p>SPECIAL KEYNOTE LAWYERS’ LECTURE by Prof. Ariel Ezrachi (Pembroke College, Oxford)</p>



Sunday, July 7th, 08:30 - 10:10	SESSION 9: Assessment of Pricing Abuses by Dominant Firms by Prof. Frederic Jenny (ESSEC Business School) When does foreclosure lead to competitive harm? Tests for unilateral anticompetitive abuse by dominant firms: predatory pricing, loyalty rebates, margin squeeze.
Sunday, July 7th, 10:20 - 12:00	SESSION 10: Assessment of Non-Pricing Abuses by Dominant Firms by Prof. Amelia Fletcher (University of East Anglia) Refusal to sell; anticompetitive and pro-competitive exclusive dealing; anticompetitive and pro-competitive tying; bundling and bundled discounts.
Sunday, July 7th, 13:40 - 15:20	SESSION 11: Assessing Economic Evidence in Courts by Prof. Frederic Jenny (ESSEC Business School) The session will cover three main issues: 1) the difference between the legal and the economic approach to law enforcement; 2) the different ways to improve the understanding of economics by judges and 3) The lessons from experience on how to present complex evidence in courts.
Sunday, July 7th, 15:40 - 17:20	SESSION 12: The Economics of Exploitative Abuses by Dr. John Davies (Senior Vice President, Compass Lexecon) Excessive prices, market power and consumer welfare. Risks of intervention. United Brands: (a) price-cost tests and (b) 'unfair' prices. Economic measures of costs and profit. Economic value. 'Unfair when compared with other products' - price benchmarks. 'Unfair in itself'? Relationship with other abuses.
Sunday, July 7th, 17:40 - 18:40	SESSION 13: The Implications for Competition Policy of Behavioural Economics by Prof. William Kovacic (Director, Competition Law Center, The George Washington University) The session examines a significant new development in competition policy. It considers the role that behavioural economics is already playing, and how this might be expected to develop going forward.



Monday,
July 8th,
10:30-12:10
and
12:30-14:10

SESSIONS 14 AND 15: The Economics of Inter-firm Vertical Agreements - Vertical Restraints in Practice

by Prof. Patrick Rey (Toulouse School of Economics)

Categorisation of vertical restraints, economic effects of vertical restraints. Vertical coordination: double marginalisation, retail services, marketing, quality, reputation, free-riding. Competition dampening: how can vertical restraints be used to soften competition among rival structures. Facilitating practices: how can vertical restraints be used to facilitate collusion.

Monday,
July 8th,
15:40 -17:20

SESSION 16: Antitrust and Intellectual Property

by Prof. Pierre Regibeau (Vice President, Charles River Associates)

Economics of intellectual property rights. Conflicts between objectives of antitrust and IP and role of IP in antitrust. Licensing practises under articles 101 and 102. Agreements among groups of IP owners; standard setting; patent pools (are the effects of agreements different when IP is involved from their effects in ordinary markets?)

Abusive licensing by a single dominant IP owner.