

Emerging Issues in e-commerce: Competition, Distribution, Data and Platform Power



Image by Gerd Altmann from Pixabay

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New York State Bar
Association
2019 Regional Meeting
Stockholm, Sweden
May 7, 2019

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Overview

- “Special Responsibility” of Dominant Firms
- Competition Between the Platform and Its Suppliers.
- Platform Price Price Restraints.
- Data Collection and Abuse of Dominance.

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“Special Responsibility” of Dominant Firms

- Maintenance of a competitive structure.
- Promoting competition among platforms?
 - Interoperability.
 - Data portability.
 - Multi-homing.
- The “kill zone”:
 - Availability of venture capital.
 - Impact on start-ups.
 - Government intervention to promote potential or nascent competition.

Competition Between the Platform and Its Suppliers

- Spotify complaint against Apple.
- Platform as a gateway-regulator: rules of access and exclusion.
- Platform functions:
 - A distributor for others supplying products to end-users.
 - A supplier of products to end-users.
- Vertical integration.
 - Dual distribution in the brick and mortar world—or something more in the online space?
 - Self-preference (Google shopping).
- Essential facility?

Platform Price Price Restraints

- Resale price maintenance (RPM): limits on supplier prices downstream.
 - Competition among suppliers.
 - Competition between platform and suppliers.
- Most favored nation (MFN) provisions:
 - Narrow: within the channel (platform).
 - Wide: across all distribution channels.
- Platform-established pricing as a condition of access: multi-party conspiracy?
 - Apple, Uber, and Eturas.

Data Collection and Abuse of Dominance

- Bundeskartellamt proceeding against Facebook: competition and privacy intersect?
- Uses of data:
 - Improve services to users.
 - Monetize zero-price products—e.g., improved targeted advertising.
 - Identify user preferences—develop platform-supplied product offerings to compete with platform suppliers.
 - Identify emerging product offerings—potential competition and expansion into complementary product areas.