



George Mason University's antitrust institute responds to JFTC draft guidelines on distribution systems

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IN BRIEF

MLex Summary: The Global Antitrust Institute at Scalia Law School at George Mason University released a report in response to draft guidelines published by the Japan Fair Trade Commission concerning the nation's distribution systems and business practices. The 15-page report, dated May 4, urges the JFTC to reconsider an approach regarding resale price maintenance practices, saying that vertical restraints, including resale price maintenance, rarely harm competition and often benefit consumers.

(Summary continues)

As for the "foreclosure effects" and "price maintenance effects" cited by the JFTC, the report calls for proof of their actual anticompetitive effects just as the regulator requires proof of procompetitive effects, adding that the commission should take into account only "substantial" foreclosure effects. The report, referring to so-called multi-sided platforms, says that the JFTC should avoid any presumption that "network effects" create barriers to entry and that the trade watchdog should approach the issue on a case-by-case basis. The report makes these and other proposals regarding the draft guidelines, for which the JFTC is seeking public comment until May 10. The JFTC released the guidelines on April 7 on its website.

The report is attached.

File Attachment(s)

report.pdf