

Index

- abuse-of-dominance 38–9
 - Articles, differentiating 87–8
 - behaviors, classification of 87–8
- Amazon 196
- American Bar Association 18
- Amnesty Plus Program (1993) 7–8, 125–6, 138–9
- Andrews, P.W.S. 158
- Anti-Monopoly Law (2008), China 13, 16–18
- antitrust agencies/authorities 2, 26, 137–8
 - areas of enforcement
 - international cartel (*see* international cartel)
 - mergers and acquisitions 18–19
 - single-firm conduct by dominant firms 19–20
 - areas of overregulation by 15
 - restrict pleas when bulletproof evidence 127–8
 - take action foreign firms 13–14
- antitrust decisions 17
- antitrust enforcement 3, 17, 140
 - burden on business entities 2
 - economic analysis of 25
 - effects-based 3, 14, 25–6
 - laws 14
- Antitrust Law Journal* 112
- antitrust laws 2, 14, 23, 26, 150
- antitrust leniency 136
- antitrust proliferation, pitfalls of
 - burden of compliance costs with multiple agencies 16
 - enforcement externalities 14–16
 - forum shopping (*see* forum shipping)
 - pursuit of different objectives across jurisdictions 16–17
- Apple Computer Inc. 130, 196–7
- Arellano–Bond test 67
- artificial equilibrium 119
- Asker, John 158
- Australia Productivity Commission 32
- Bang, Se Hoon 9–10, 174–87
- Bar-Isaac, Heski 158
- Bertrand equilibrium 115, 118
- best-response function 122
- bid rigging 125, 141
- bilateral agreements 3, 24–6
- Breyer, Stephen 161–2
- British Airways 19
- Bureau of Competition Policy 43
- Bureau of Economics (BE) 42, 45–6
- Burger King 150
- buyback options 149
- Carrefour 151
- cartel(s) 1, 3, 7–9, 24, 120, 128, 140, 147 *see also* settlement negotiation; US Department of Justice (DOJ) Antitrust Division
 - dynamic random-access memory (DRAM) conspiracy (*see* dynamic random-access memory (DRAM) conspiracy)
 - flexibility to be provided for 126, 139
 - hardcore 21, 23
 - international 20–22
 - penalties imposition on firms 126
 - prosecution 125
 - vitamins 128–30
- Chang, Woohyun 10–11, 190–207
- China
 - Anti-Monopoly Bureau of the Ministry of Commerce (MOFCOM) 18
 - Anti-Monopoly Law (2008) (*see* Anti-Monopoly Law (2008))
- Choi, Jay Pil 1–11, 13–27, 52–4, 64, 69, 72, 94, 137–8, 140, 187
- civil litigation 126–7

- Clayton Act, US 85
- Coca-Cola 18
- collusion 1–2, 7–8, 10, 20, 120, 125–6, 129, 131, 136–40, 142, 160, 164, 177, 186, 188, 190, 193, 200–201
- collusive pricing 8, 120, 147, 168–9
- Compaq Computer Corporation 130
- competition agency(ies) 13, 30, 33, 37, 46 *see also* antitrust agencies/authorities; competition law
 - compulsory process 33
 - functions of 3–4, 35–6
 - fundamental structural reforms 38–9
 - iso-elastic specification 117
 - market-studies framework 31
 - market studies-research (*see* market studies-research)
 - methods to face challenges 4
 - statutory mandate to protect from political attacks 32
 - vulnerable to political backlash 32
- competition-agency programs 31
- Competition and Markets Authority (CMA), UK 122
- competition authority(ies) 2, 7, 10, 18–19, 26, 34, 47, 82, 92–3, 99, 117, 126–7, 138–9, 175, 187, 206
- Competition Commission (CC), UK 34
- Competition Directorate of the European Commission 48
- competition law 2, 13, 174 *see also* antitrust agencies/authorities; competition agency
 - enforcement of prohibitions 30
 - failure to accord with basic principles 8–9
 - implementation 32
 - perspectives of 30
- competition policy(ies) 191 *see also* resale price maintenance (RPM); vertical restraints
 - economic principles for 8
 - towards vertical restraints 8–9
 - to focus on anticompetitive effects 169
 - goals 31
 - knowledge about markets and business practices, importance of 30
 - policy
 - harmonization of 3, 14, 18, 22–6
 - towards single-firm decisions 146
 - regulates firm decisions or conduct 146
- competition policy R&D 31, 36
- conducting law-enforcement
 - investigations process 38
- conglomerates 1
- conjectural variation (CV) 118–21
- consignment selling arrangements 149
- Coordination Office 43
- corporate crimes 126
- Cournot equilibrium 118
- Cowling–Waterson formula 115
- criminal finding 126–7
- criminal pleas 7–8, 128, 139
- decentralized enforcement 2
- Dell Inc. 130
- demand-enhancing activity 152
- Disneyland pricing 166
- diversion ratio, concept of 26
- domestic home market-concentration
 - ratio in Korea 51, 54, 58–63, 66–7, 76, 78
- domino effect 21
- Dorfman–Steiner theorem 152–3, 156
- downstream retailing sector 147
- dynamic random-access memory (DRAM) conspiracy 130–31
- economic analysis 3, 6, 14, 25, 114, 117
- economic crisis of 1997 in Korea
 - failure of business groups 1
 - reason for 1
- effects-based approach 3, 14, 25
- Elpida Plea Agreement 130
- Enterprise Act of 2002, UK 34
- entry barriers 5, 77, 90, 114
- essential facility 20
- European Commission (EC) 90, 178
 - decision in *Vitamins* 128
 - Guidelines on Vertical Restraints (2010) 10, 78, 161, 187–8
 - jurisdictions in common market 26
 - Merger Control Regulation (1989) 27
- exclusion/exclusionary 169
 - abuse 87

- effects 91–3, 98–9
- incentive 160
- meaning of 93
- use of RPM 163
- Expert Report of B. Douglas Bernheim 128
- ex post* negotiation
 - for cartel members 7
 - leniency programs 7
- Fair Trade Act 86
- Fair Trade Commission (FTC) 1–2, 24, 82–3, 86–7, 97–9
 - investigation procedures
 - empirical evidence of harm 94–7
 - identification of theory of harm 91–4
 - to identify tying and tied products 88–93
 - to show market power existence 89–91
 - tying to enhance efficiency claims 97
 - structured rule of reason approach 82, 86–7
- Farrell, Joseph 6–7, 111–22
- Federal Communication Commission 46
- Federal Trade Commission Act, US 85
- Fletcher, Amelia 111
- folk theorems 118–19
- foreign sector in Korea market
 - acute competitive pressure
 - estimation model 72–3
 - results of estimation 73–6
 - computation of concentration ratio 4–5
 - degree of dependence on trade 51–2
 - degree of potential competition 52
 - domestic home market-
 - concentration ratio in Korea (see domestic home market-concentration ratio in Korea)
 - empirical analyses of 61–3
 - importance of 4
 - import penetration ratio in Korea (see import penetration ratio in Korea)
 - potential competitive pressure from 52–4, 64
 - estimation model 64–5
 - estimation results 67–72
 - industry data 65–7
 - profit margins 66
 - results and implications 77–8
- forum shopping 3, 17, 20
- fraud 126
- Friday, Frank A. 158
- Gateway, Inc. 130
- General Electric 18, 158
- generalized method of moments (GMM) for dynamic panel model 65, 67
- general non-linear pricing schedules 149
- good market 89–90
 - principal inputs for study of 4, 39
 - tied 93–4, 96
- government-imposed trade barriers 13
- Greene, Hillary 112
- gross upward pricing pressure index (GUPPI) 122
- Hammond, Scott D. 125–6
- Hart–Scott–Rodino Act 121, 123
- Hewlett-Packard Company 130
- high-enough prices 119
- Honeywell 18
- horizontal externality 156
- Hourihan, Anthony P. 157
- Huiyuan 18
- human capital 40
 - importance for market studies 39
 - skilled 4, 39
- Iacobucci, Edward 169
- illustrative price rise (IPR) 6, 116–17
- import penetration (IP) ratio in Korea 4, 55–8, 62–3, 65–6, 76–8
- Improving Health Care: A Dose of Competition* report 37
- industrial policy 1
- industry-specific profit margin (PM) 66
- innocent pricing 94
- interbrand competition 147–8
- International Business Machines Corporation 130
- International Competition Network (ICN) 3, 26

- adoption of best practices 24
- Anti-Cartel Enforcement Manual* 24
- Anti-Cartel Templates* 24
- competition agencies 13
 - complemented by bilateral agreements 24–5
 - formed in 2001 13
 - goals 24
 - Working Group 24
- intra-industry price-concentration 113
- Ippolito, Pauline 160

- Jin, Yangsoo 9, 174–87
- joint monopoly 7
- Jo, S. 52–4, 64, 69, 72, 78

- Klawiter, Don 140
- Klein–Murphy theory 158
- Korea Development Institute (KDI) 148, 190, 194–5
- Korea Fair Trade Commission (KFTC)
 - structured rule of reason 5
 - Supreme Court ruling of 2007 5
- Korean department stores industry 10–11, 206 *see also* specific
 - purchase contracts (SPCs)
 - conflict between wholesale model and agency model 196–7
 - and retail price equalization 194–6
- Korean government, investment risks of private-sector firms 1
- Korean retail industry
 - sales from 2007–11 195
 - shares of purchasing by type (2005–09) 196
- Korea Standard Industry Classification (KSIC) 52, 65
- Kovacic, Bill 140
- Kovacic, William E. 3–4, 30–46

- laissez-faire approach 84
- Lee, Sang-Hyop 1–11
- Lee, Suil 4–5, 51–78
- leniency applications/programs 7, 140 *see also* cartel; settlement
 - negotiation
 - for multi-product colluders 136–9
- leverage theory 93
- Lim, Wonhyuk 1–11
- loyalty contracts 149

- market allocations 24, 141
- market analysis, need for high-quality 4
- market structure(s) 2, 31, 67, 95, 147, 179
 - aim of analyses 51
 - domestic 53, 64, 69
 - oligopoly 38
- market studies-research *see also*
 - competition agency
 - analyses trends within and across industries 30–31
 - challenges and hazards
 - exercise of political interference 41
 - loss of control over competition policy agenda 40–41
 - need for effective priority-setting and strategy 41–2
 - political backlash, possibilities for 41
 - concept of 31
 - contributions of 36–8
 - information-gathering powers 33
 - legal mandate 32
 - own costs of 46
 - policy tool to address complex markets 39
 - political implications of 46
 - principle prerequisites to conduct 39–40
 - regulation 35, 37, 46
 - remedial consequences 33–5
 - scope of 31–2
 - solution of challenges and hazards
 - coordination of research agenda 42–3
 - project implementation protocols 43–6
 - supply important complement to traditional law 46
- Markham, Jesse W. 157
- Markov-perfect equilibria 120
- Marshall, Robert C. 7–8, 125–40
- Marx, Leslie M. 7–8, 125–40
- Mathewson, Frank 169
- McDonalds 150
- merger guidelines
 - coordinated effects 118–21
 - purpose of 111–12
 - retrospectives 121–2
- merger simulations 115

- Mezzetti, Claudio 7–8, 125–40
- Microsoft 19–20
- Miller, Chip 140
- monopolistic competition 113
- monopoly(ies) 38
- joint 7
 - power 4, 39–40, 46
 - regulation of 82
 - rents 46
- Monopoly Regulation and Fair Trade Act (MRFTA) 1981 1, 148
- abusive behaviors to be challenged under 5, 84
 - Article 3-2 102
 - Article 5 103–4
 - Article 23 102–3
 - Article 29(1) 146–7
 - Article 36 105–9
 - prohibits minimum RPM implementation 147
- monopoly regulation, issues on
- abusive behaviors, competing articles for 84–6
 - rule of reason or *per se* rule 84
- Nash equilibrium 118, 122
- new empirical industrial organization 25
- Office of Policy Planning 43
- Oldale, Alison 111
- Omnibus Cartel Repeal Act 1999 1
- original equipment manufacturers (OEMs) 130–31
- overregulation 14–15, 19
- parallel accommodating conduct 7, 121
- policy research and development (R&D), notion of 35–8, 43, 45, 50
- political
- appointees 17
 - backlash 32, 35, 41
 - capital 4, 39–40
 - considerations 3, 19, 25
 - hazards 4
 - interference 41
 - resources 41
 - risks 4, 40
- Posner, Richard 164
- presale services 9
- brand-specific 182–5
 - perfectly generic 181–2
- price
- ceilings 149
 - effort 152
 - fixing 125–7, 141
 - floors 149, 153–4
- quick-look approach 84
- reaction function 122
- regulatory capture 17
- Republic of Korea
- abusive behaviors of monopolist 82–3
 - Monopoly Regulation and Fair Trade Act (MRFTA) 1981 (*see* Monopoly Regulation and Fair Trade Act (MRFTA) 1981)
- requirements tying, definition of 164
- resale price maintenance (RPM) 8–10, 146–9, 190, 204–6 *see also* competition policy; vertical restraints; specific purchase contracts (SPCs)
- anticompetitive effects of 158, 174–5, 177–8, 186, 192–4
- arrangements in Korea 195
- Bertrand competition in prices 182
- competition law attitudes towards 174
- debate on prohibition 191–2
- empirical tests of impact of 159–60, 171
- equilibrium analysis
- manufacturers use of RPM 181–5
 - when RPM is not allowed 181
- European Union (EU) guidelines/regulation on 174
- analytical framework 177–8
- burden of proof 178
- Treaty on the Functioning of the European Union (TFEU) 176–7
- facilitate collusion among upstream firms 164, 177, 186, 188, 193–4
- increase in services 168–9
- and inventory incentives 157–8

- Korea Supreme Court ruling on 174–5
- law in Canada 150
- model setup
 - infinitesimal consumers 179–80
 - manufacturers and distributors 178–9
 - presale services 180
- monopolistic manufacturers use of 192
- observation of 151
- by oligopoly manufacturers 178
- optimal policy towards 160
- per se* illegality of 159
- policy fallacies 161–4
- procompetitiveness of 174–8, 180, 184–7
- rise in price 169
- by single manufacturer
 - Dorfman–Steiner theorem (*see* Dorfman–Steiner theorem)
 - heterogeneous consumers 151–2
 - market-failure question 152–3
 - price and sales effort 152
 - retailers to set prices 151–2
- theories of incentive
 - demand uncertainty and incentives to retailers 156
 - free-riding story 155–6, 162, 178, 184
 - missing externality theory 156–7
 - quality of product 154
 - retailer efforts for product promotion 154–5
 - willingness of consumers 154
- US Supreme Court decision in *Leegin* case 146, 158–61, 174–5, 192
- research and development (R&D) 30–31
- retailer cartel theory 170
- royalty contracts 149
- Rozanski, George 140
- rule of reason approach 5, 9, 84, 146, 169, 174, 177, 187, 190, 192
- sales effort 8, 151–6, 168, 170, 177, 188
- Schulenberg, Steve 140
- settlement negotiation(s) 7, 125 *see also* cartel; leniency applications
- enforcement authority and firm, parameters
 - case study 134–5
 - results 133–4
 - setup 131–2
 - negative effects of 8
- settlement terms affect follow-on litigation 126–31
- Shapiro, Carl 26, 113–15, 117, 120
- Sherman Act, US 84–5, 151
- single industries 3–4, 31
- single state-owned enterprise (SOE) 38
- single worldwide price 130–31
- slotting allowances 149
- small but significant and nontransitory increase in price (SSNIP) test 89
- soft harmonization approach 23
- specific purchase contracts (SPCs) 10
 - see also* Korean department stores industry; Korean retail industry; resale price maintenance (RPM)
- anticompetitive effects 10
- conditions on producers 190–91
- definition of 10, 194
- future model development 206
- impact on retail prices 191
- model development in East Asia 197
- price-coordination mechanism 10–11, 191, 204–5
- price equalization effects caused by, case study 197–8
 - competition 198–200, 203–5
 - price coordination through SPC 202–5
 - retailers set purchase fee collusively 200–201, 203–5
 - property rights to product 191
- Standing Committee on Industry, Science and Technology (SCIST), Canada Parliament 168
- strictest regime wins 14
- subgame-perfect equilibrium 119–20
- supply-chain contracts 148
- top-down research 45
- trade liberalization
 - requires sound competition policy 13
 - rise in movement of goods and services 13

- traditional business practices 10–11
- transition economies 38
- Treaty Establishing the European Community 84
- Treaty on the Functioning of the European Union (TFEU) 84–6, 176–8
- two-part pricing contract 166–7

- unilateral effects of mergers 115–17
- United Kingdom (UK)
 - market investigations regime 34
 - market-studies mechanism 34
 - remedial schemes 34
- upward pricing pressure (UPP),
 - concept of 6, 26, 116–17, 122
- US Commerce Department's Bureau of Economic Analysis 48
- US Congressional Budget Office 48
- US Department of Justice (DOJ) 18, 24, 27, 84, 111, 140, 169
 - Amnesty Plus Program (1993) (*see* Amnesty Plus Program (1993))
 - Antitrust Division
 - investigation of cartel 125–6
 - Leniency Program 125
 - Economic Analysis Group 48, 121
 - evidence on cartel activities from 2005 to 2008 128
 - press releases on cartel cases 127, 141
 - scarce enforcement resources 128
- US Federal Reserve Board 48
- US Federal Trade Commission (FTC) 4, 6, 18, 31, 33, 44, 48, 111–12, 123, 169
 - assembled top researchers 38
 - Bureau of Economics 121
 - competition-law enforcement program 37
 - electric and natural gas utility holding companies, study of 47
 - jurisdiction over industry 41
 - line of business market inquiry 47
 - market studies
 - examine dynamic oligopoly models 37–8
 - insights into aspects of industries 37
 - use as form of policy R&D 36–7
 - methods used by chairmen to review
 - ongoing projects 45
 - pharmaceutical report of 1999 37
 - research-production process 42
 - staff members to propose projects proposals 45
 - undertake retrospective studies of past decisions 38
- US Foreign Trade Antitrust Improvement Act 20–21
- US Hatch-Waxman Act 37
- US *Horizontal Merger Guidelines* (HMG) 2010 6–7, 25–6, 111, 122
 - economics of 112–14
 - oligopoly behavior 121
 - substantive central question and types of evidence 114
 - Supreme Court decision *Philadelphia National Bank* (PNB) 112–14
 - unilateral effects of mergers (*see* unilateral effects of mergers)
- US International Trade Commission 130

- vertical inventory 156
- vertical price
 - ceilings 146
 - advantage of 150
 - double marginalization problem 150
 - floors 146, 149, 153–4, 157, 170
 - definition of 150–51
 - per se* illegal in US 151
- vertical restraints 2, 8 *see also* competition policy; resale price maintenance (RPM); vertical price
 - anticompetitive, reasons for 168
 - constrain prices 146
 - contracts 153
 - contracts restriction on action of buyers 149
 - definition of 146
 - exclusivity restrictions 164–7
 - legal prohibition of 147
 - manufacturer, reason for adoption by 147
 - non-price 38, 84
 - payment terms, types of 148–9
 - in US 146

- vertical territorial restrictions 164
- Vitamins Antitrust Litigation 128
- Walmart 151
- Westinghouse 158
- whistleblowers 140
- Wils, Wouter 140
- Winter, Ralph A. 8–9, 146–69, 187
- Yang, Yong Hyeon 5, 82–99