Antitrust Theories of Harm

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Theories involving a related market

- Precipitating action:
  - **Contract**
  - **Acquisition**
  - **Direct Exclusion**

Theories involving head to head competition
Theories involving a related market

Sherman Act section 1:
- Ex. Monopoly sales agency
  - R
  - A
  - B

Theories involving head to head competition

- Ex. Price fixing
  - A
  - B
Theories involving a related market

- Ex. Customer or input foreclosure / RRC
- Ex. Merger of head to head competitors

Clayton Act section 7

Contract

Acquisition

Direct Exclusion

Theories involving head to head competition

- Ex. Merger of head to head competitors
Theories involving a related market

Sherman Act section 2

- Contract
- Acquisition
- Direct Exclusion

Ex. Open early, closed late
Ex. predation

Theories involving head to head competition
Theories involving a related market

- Ex. Monopoly sales agency
- Ex. Customer or input foreclosure / RRC
- Ex. Open early, closed late

Contract

- A - B

Acquisition

- A - B

Direct Exclusion

- A - B

Theories involving head to head competition

- Ex. Price fixing
- Ex. Merger of head to head competitors
- Ex. Predation
Implications for the Merger Guidelines

• Why combine VMGs and HMGs?

• There is only one locus of competition we care about: head to head competition
  – It can be lessened in three main ways, as described
  – each *both* through a head-to-head (h2h) competitor or a related market

• Clayton 7 only covers only one way of lessening competition
  – That action (a merger) lessens h2h competition *either directly or through a related market*