

Press-release of 08.07.2010

08 июля 2010, 13:37

The aim of the antitrust law is to increase consumer welfare while safeguarding competition, said Judge of the United States Court of Appeals for the District of Columbia Circuit Douglas Ginsburg, speaking on 8th July 2010 at the Russian - American seminar on antimonopoly enforcement.

In his speech, the renowned American judge outlined the legal framework for antitrust enforcement in the USA and the basics of antitrust economics (the nature and objectives of competition, and fundamental principles underlying the law and economics of competition).

According to Judge Ginsburg, coordinated activities (agreements) between companies at the same level, for instance, retail companies, are called horizontal. They are considered illegal in case of:

- price fixing;
- geographical market division or market division according to consumer groups;
- organization of trade associations (lawful, but can be against the law if used for the purposes of monopolization);
- establishing standards (lawful, but can be against the law if used for the purposes of monopolization).

The Federal Judge defined market power as a company's ability to increase profit by reducing the output or fixing prices above the marginal costs.

"Judges face a difficult task to verify whether economic models and their underlying assumptions are justified. It is unrealistic to expect judges to become experts in economics", - thinks Judge Ginsburg. In his opinion, however, judges can request oral presentation of evidence in a form clear to an educated non-economist and to explain technical issues in plain language.

Judge Ginsburg pointed out that antimonopoly authorities watch closely mergers and acquisitions to prevent monopolization and concentration of market power comparable with monopoly. For instance, antimonopoly authorities prohibited merger between Gerber and Beech Nut on the market of baby food.

In conclusion, the Federal Judge stated that in the US private parties can file lawsuits to recover financial damage. For instance, consumers can file lawsuits about overpricing caused by price collusion or market division and competitors can recover damages and seek judicial restraint of monopolization attempts and abuse of market power ("abusing market dominance").

Judge Douglas Ginsburg has been a judge of the United States Court of Appeals for the District of Columbia Circuit since 1986, and served as the Chief Judge in 2001 - 2008. He is an Adjunct-Professor of Law at the George Mason University, in 2009-2010 was a visiting lecturer at Columbia University Law School and the University of Chicago Law School.

Judge Ginsburg was a professor at Harvard Law School and served as Administrator of the Office of Information and Regulatory Affairs, in the Office of Management and Budget, and as Deputy Assistant Attorney General and Assistant Attorney General in the Antitrust Division of the US Department of Justice.

Judge Douglas Ginsburg graduated from Cornell University and the University of Chicago Law School (1973), where he edited a law journal. He serves on the advisory boards of Competition Policy International, Journal of Competition Law and Economics, Journal of Law, Economics and Policy, Supreme Court Economic Review, Law and Economics Center, George Mason University School of Law, the Jevons Institute for Competition Law and Economics, University College of London, as well as Harvard Journal of Law and Public Policy University of Chicago Law Review.

Recent publications of Judge Ginsburg on competition policy include: Antitrust Decisions of the Supreme Court, 1967-2007, Vol. 3, No. 2 Comp. Pol. Intl (2007) (with L. Brannon); "Synthetic Competition," 16 Media Law & Policy 1 (2006); Determinants of Private Antitrust Enforcement in the United States, Vol. 1, No. 2 Comp. Pol. Intl 29 (2005) (with L. Brannon); Comparing Antitrust Enforcement in the United States and Europe, 1 J. Comp. Law & Econ. 427 (2005).