

Platform Competition & Misuse of Competition Law

(Sogang Univ. ICT Law & Economy Institute Seminar, 24 Feb 2020)

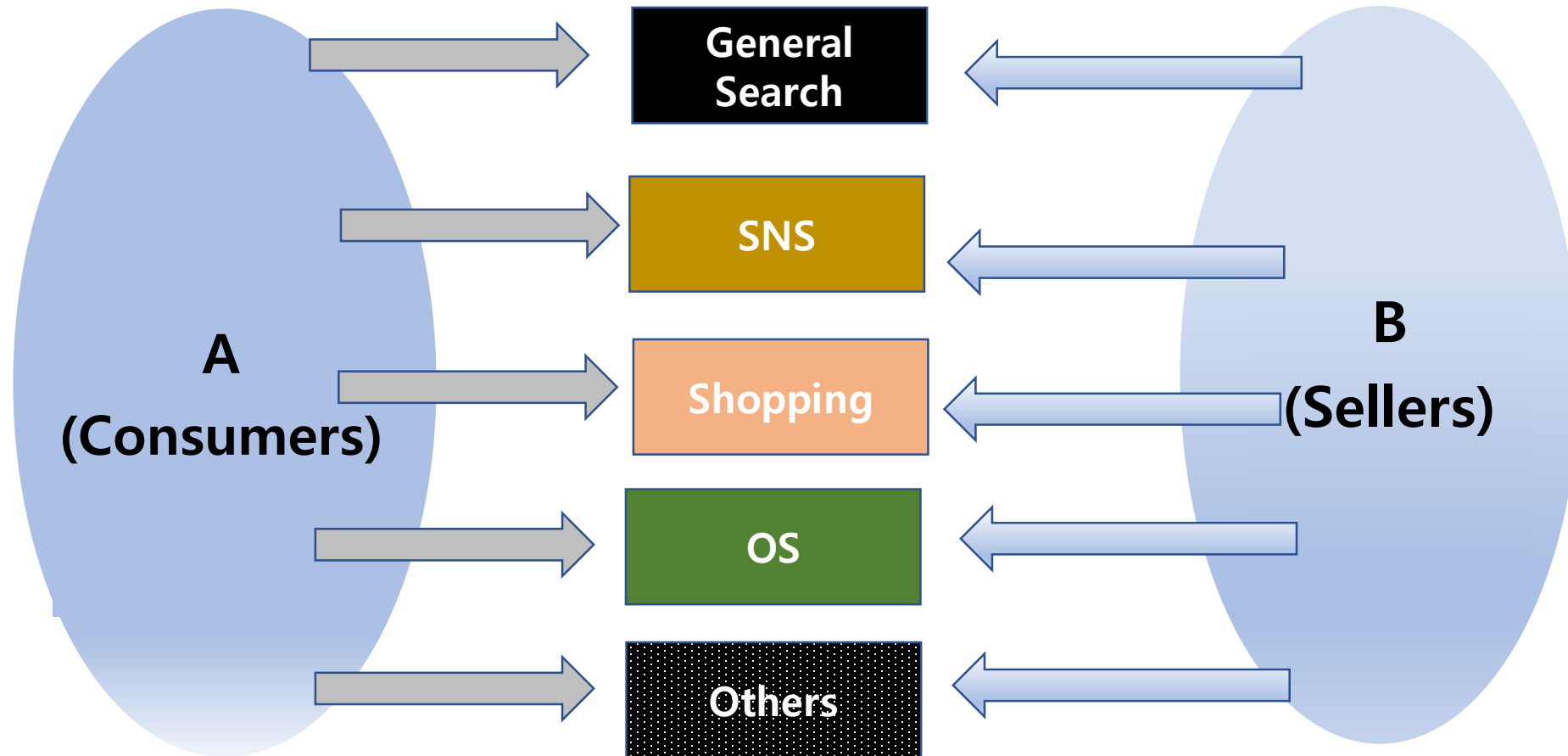
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Platform business

- Platform business model creates value by facilitating exchanges between two or more interdependent groups



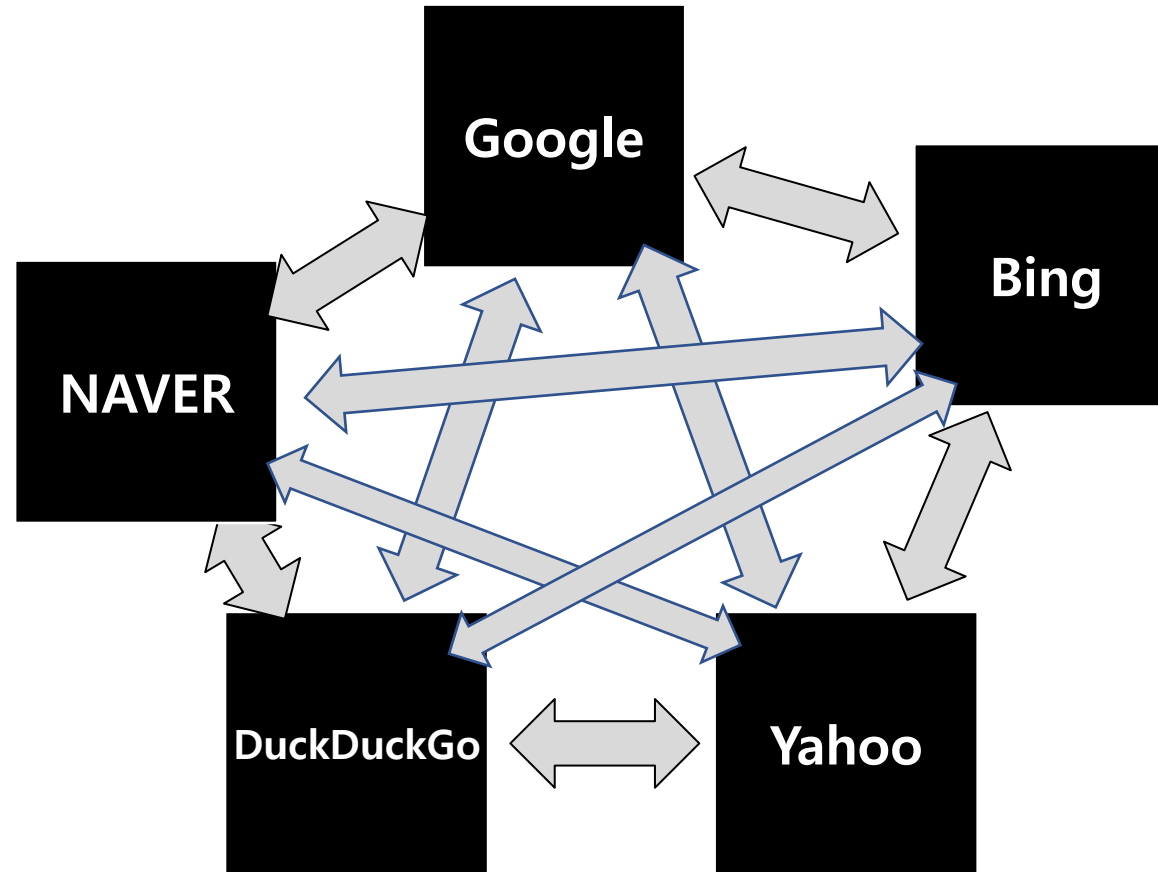
Various platforms



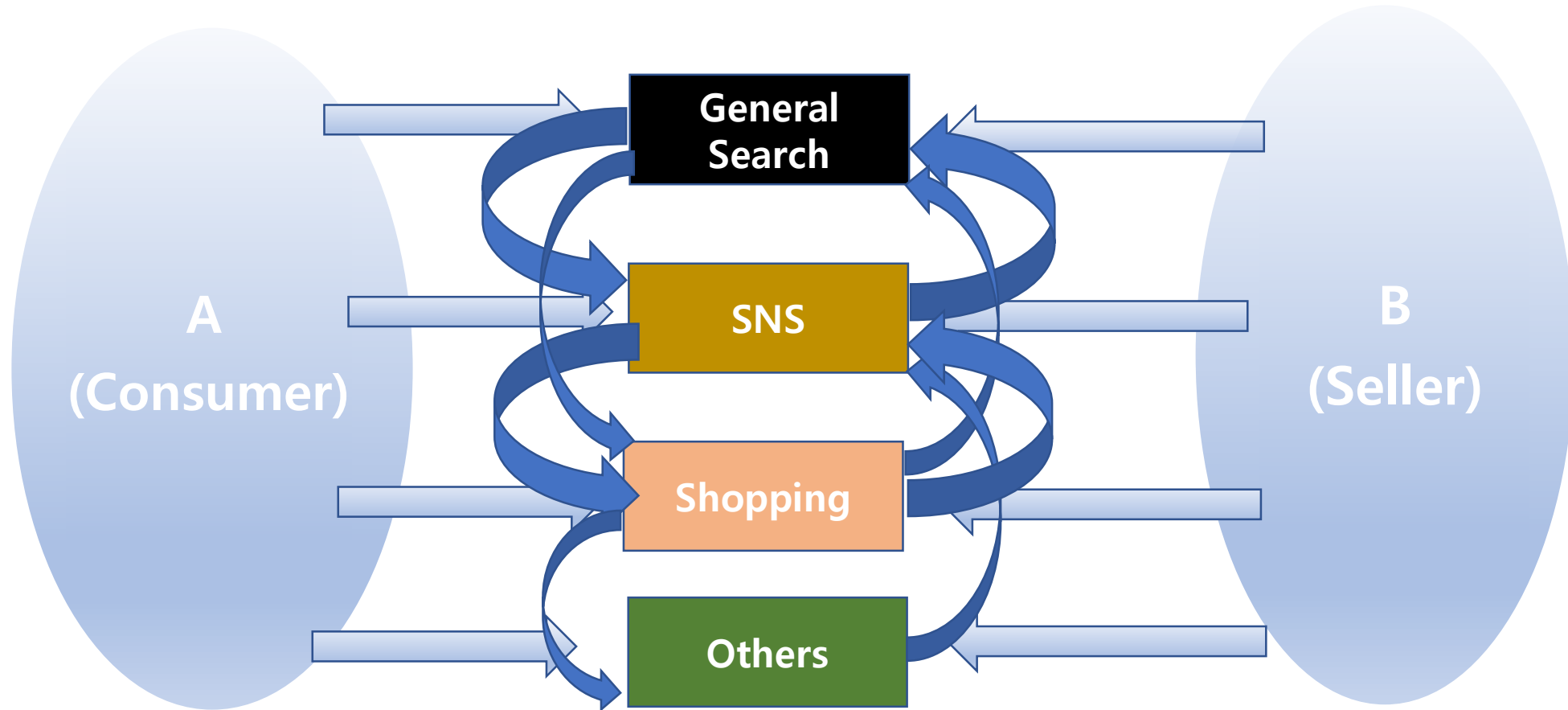
Platform competition

- Platforms compete each other in various way
 - Google v. NAVER (same)
 - Google v. Facebook (different)
 - iOS (closed/no license) v. Android (open/license)

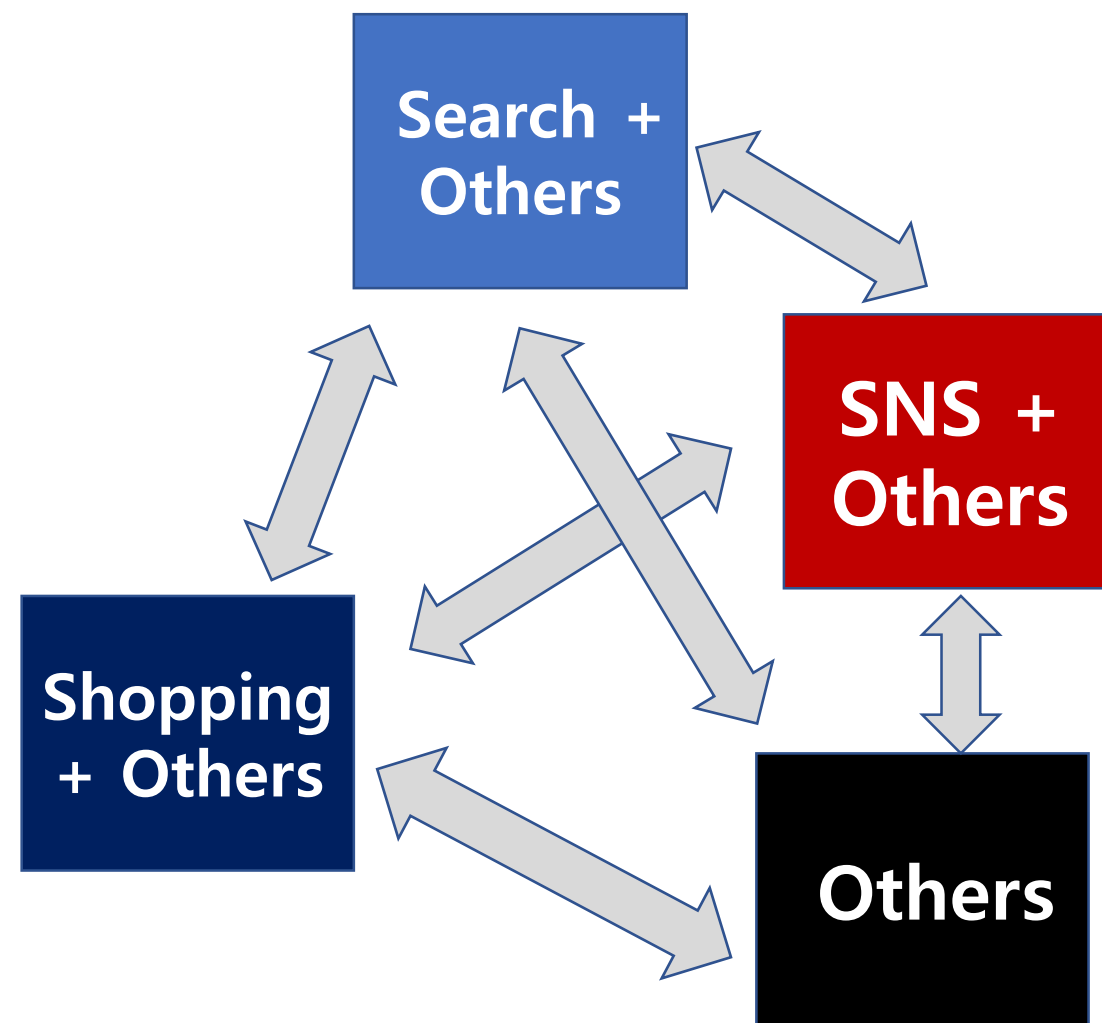
Competition among same types of platforms (e.g., General search)



Competition among different types of platforms

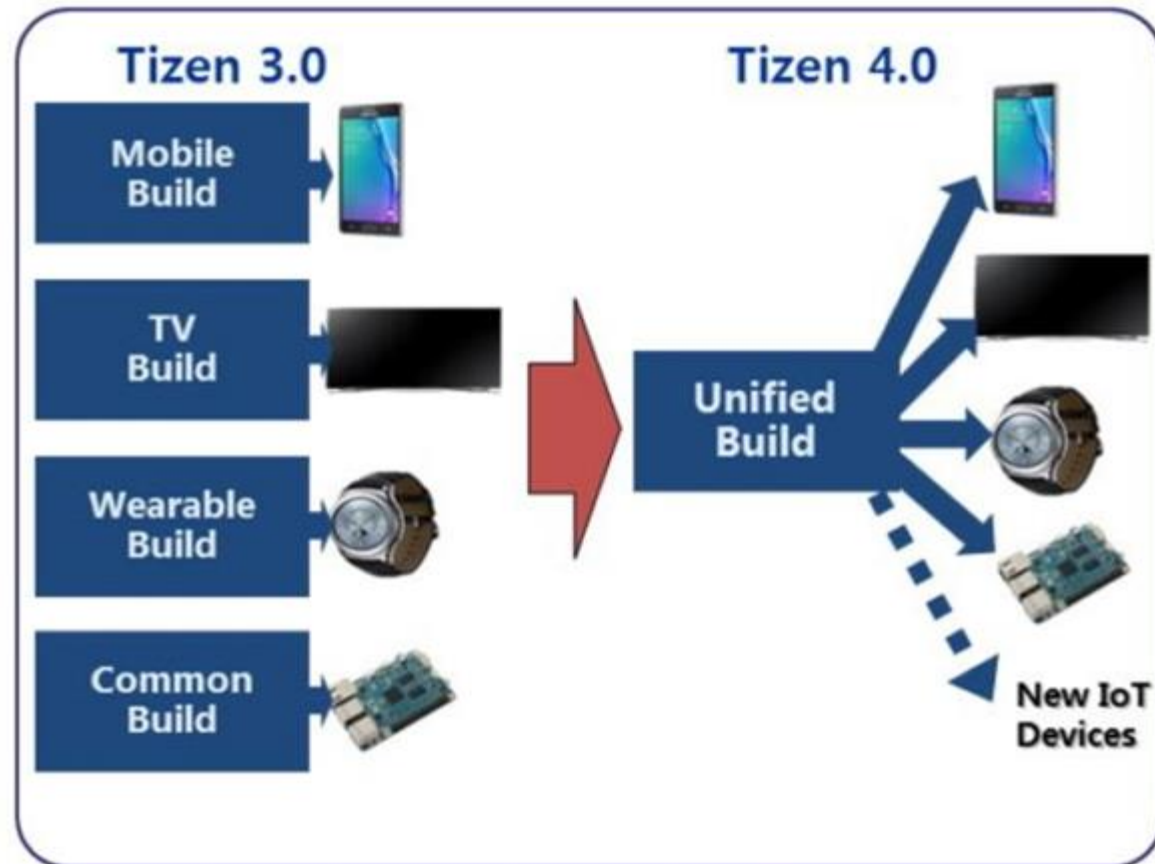


“All-in-one” platform



“All-in-one” platform

- Samsung TIZEN OS



Mobile competition



Mobile competition: Integration of platforms (so-called "ecosystem")



Mobile competition: Integration of platforms (so-called "ecosystem")



Competition law

- Competition law prohibits anticompetitive conduct
- Different approaches to unilateral conduct
 - Korea v. EU
 - US DOJ v. US FTC
- False negative v. false positive
 - Which one should be preferred?

Misuse of competition law

- Fear of big business
 - Distorted perception of imaginary risk
- Creative storytelling (pretending objective analysis)
 - Conclusion first → writing a good story
 - (“It’s really anticompetitive because it’s too competitive.”)
- Arbitrary setting “success” level

Problems of EC Android decision

- “Divide-and-conquer” tactics in dealing with mobile ecosystem
- Many things are ignored
 - Competition between iOS (Closed system) and Android (Open system)
 - Integration of platforms
 - Competition *for* market; Winner takes it all
 - Actual consumer benefits
- Is EC a CEO of platform business?



Concluding remarks

- Cut-throat competition among “all-in-one” platform
- Don’t dump DDT into mobile ecosystem
- Fixing “imaginary risk” perception
 - Sound antitrust analysis is not writing a good story