Antitrust Economics – Law 237-001
Wednesdays, 6:05-8:05 pm
Antonin Scalia Law School, George Mason University, Fall 2020

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Office Hours. Wed. 1-3 pm (in-person) & by appointment (including virtual)

Welcome. The goal of the course is to teach the underlying economic foundations that drive antitrust analyses at the U.S. Federal Trade Commission and Department of Justice, Antitrust Division. We will assess key legal cases and seek an understanding as to how economics influences agency and court decisions.

Learning Outcome: By the end of the course, students will have developed skills in the use of economic tools to be able to conduct sophisticated economic analysis of antitrust cases. Students will be able to perform complex problem solving and also to critically identify and assess the central economic issues in antitrust matters.

Text. JOHN KWOKA AND LARRY WHITE (eds.), THE ANTITRUST REVOLUTION (6th edition—not the 7th edition). Supplemental readings will be made available on TWEN.

Course Requirements and Grading.

Written Assignments. There will be two homework assignments. Each assignment is worth 15 percent of your overall grade—for a total of 30 percent. All assignments must be submitted via TWEN before midnight on the due date. Late submissions will receive zero credit.

- First Assignment: September 21; Due: September 28
- Second Assignment: October 26; Due: November 2

Final Exam. The final exam will be administered online (there is no make-up exam) and will count for 70 percent of your grade. The final exam is open book & notes. It will consist of short answer questions.

Grading. This course follows the grading policies outlined in Academic Regulations (AR) 4-5.7, which may be found at ACADEMIC REGULATIONS, https://www.law.gmu.edu/academics/regulations.
**Class Participation & Attendance.** Students are expected to come to class prepared and ready to discuss the assigned readings. Your grade is subject to a discretionary class participation adjustment of 1/3rd of a grade in either direction. The course adheres to the attendance policy as outlined in AR 4-1.

**Honor Code.** Students are expected to adhere to the Scalia Law HONOR CODE, which may be found at https://www.law.gmu.edu/academics/honor_code.

**Tentative Syllabus.** We may deviate from the tentative syllabus for reasons including current events, new cases, scheduling, *et cetera.*

**Intellectual Property.** I own all course content that is created (*e.g.*, slides), regardless of format (electronic, print, audio, video). You are forbidden to use them with, or distribute them to, anyone other than your classmates in this course.
Class Schedule

1 Microeconomic Foundations & Primer (August 26)

Required:

Suggested:
• HEYNE ET AL., THE ECONOMIC WAY OF THINKING, Chapters 3, 4, & 5.

2 Basic Models of Competition (September 2)

Required:
• Kwoka & White: Introduction (pp. 1-6).
• HEYNE ET AL., THE ECONOMIC WAY OF THINKING, Chapter 9.
• BUTLER ET AL., ECONOMIC ANALYSIS FOR LAWYERS (2014), Chapter IX, pp. 492-507, 517-519, 523-526, 537.
• Benjamin Klein, Brand Names, in THE CONCISE ENCYCLOPEDIA OF ECONOMICS.

3 Horizontal Mergers – Overview (September 9)

Required:
• Kwoka & White: pp. 8-29; Case 3: Sirius/XM Satellite Radio Merger (2008)
• U.S. DEP’T OF JUSTICE & FED. TRADE COMM’N, HORIZONTAL MERGER GUIDELINES (2010).

Suggested:
• Carl Shapiro, The 2010 Horizontal Merger Guidelines: From Hedgehog to Fox in 40 Years, 77 ANTITRUST L.J. 701 (2010).

4 Horizontal Mergers – Market Power & Definition (September 16)

Required:

**Suggested:**


**5 Horizontal Mergers – Unilateral Effects (September 23)**

**Required:**


**Suggested:**


**6 Hospital Mergers & Geographic Markets (September 30)**

**Guest Lecture: Dr. Steven Tenn, VP, Charles River Associates**

**Required:**


• Steven Tenn, *Key Takeaways from the Advocate-NorthShore Merger Litigation*, CPI ANTITRUST CHRON. 1 (2017).
7 Oligopolies & Coordinated Effects (October 7)

Required:
- Kwoka & White: pp. 196-203.

Suggested:
- Opening Presentation, Department of Justice, United States v. Apple Inc. (2013); Direct Testimony of Orley C. Ashenfelter, United States v. Apple Inc. (2013).

8 Price Discrimination & Tying/Bundling (*Friday, October 9; Attendance not Mandatory, Class will also be Recorded for Asynchronous Viewing*)

Required:

Suggested:

9 Theory of the Firm & Vertical Integration (October 14)

Required:

**No Class (October 21)**

**10 Vertical Mergers (October 28)**

**Required:**
- Shapiro’s expert report in AT&T-Time Warner
- Kwoka & White: pp. 370-380, Case 12: Google-ITA.

**Suggested:**

**11 Vertical Controls & Exclusionary Conduct (November 4)**

**Required:**

**Suggested:**
No Class (November 11)

12 Network Effects & Multi-Sided Platforms (November 18)

Required:

Suggested:

13 Antitrust & Intellectual Property (*Friday, November 20; Attendance not Mandatory, Class will also be Recorded for Asynchronous Viewing*)

Required:
- FTC v. Qualcomm: (i) FTC complaint and (ii) Qualcomm’s motion to dismiss.

14 Online Final Exam (Wednesday, December 2, 6 pm – 8 pm)