Digital platforms and art. 102 TFEU: discrimination, leveraging and undefined abuses

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Platform features with competition law relevance

- They create value by facilitating the interaction between two or more separate customer groups
- They display direct and/or indirect network effects
- They rely on skewed pricing schemes
- Their customers can single or multi-home
- Expansions are inherent to growth prospect

Abusive discrimination

A degree of discrimination or differentiation <u>is inherent to platforms</u> and covers both pricing and governance rules:

- not everyone pays the same
- not everyone has the same rights and obligations

Existing price and non-price abuses can be applied to such instances but require diligence:

- differentiation vs. discrimination
- anti-competitive discrimination vs. legitimate discrimination
- discrimination vs. unfair trading conditions

Abusive levaraging

A degree of market power leveraging **is inherent to platforms** in the context of their expansion:

- territorial expansions of locally provided services
- expansions of the scope of services offered

Existing price and non-price abuses can be applied to such instances but require diligence:

- market definition: on-platform expansion vs. cross-platform expansions
- effect on competition: effect on homing patterns, impact of network effects
- leveraging potential: extent of customer base overlap

Undefined and assisted abuses

- New categories of abuses are likely to be identified post Lithuanian Railways new individual abuses
 can be developed as long as these follow the logic of art. 102 TFEU
 - Exclusionary competition not on the merits (i.e., does not relate to better quality, price, or variety)
 - Exploitative making use of opportunities available only by virtue of the position of dominance, which would not be available in a competitive market (i.e., going beyond platform logic)
 - Utilizing this option requires caution and should be applied only in situations where the **harm is evident**, but the manner in which it is put into practice does not really fit other types of abuse OR entails an easily defined action

- So-called 'assisted' are expected to be on the rise in light of the growing regulatory framework covering online platforms such as GDPR, P2B, and DMA
 - This option is subject to the effects-based approach → no automatic double breaches
 - Parallel application requires accounting for the ne bis in idem principle

Thank you for the attention

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