

SYLLABUS

IINNOVATION, MARKETING STRATEGY, AND ANTITRUST

(LGST 2050, LGST 8050, MKTG 2600, MKTG 7600)

THE WHARTON SCHOOL, UNIVERSITY OF PENNSYLVANIA

SPRING SEMESTER 2023

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This course considers the role of antitrust law in facilitating and policing the business strategies of dominant firms and joint enterprises. We will examine technology-driven firms such as Amazon, Apple, Facebook, Google, Uber, and Microsoft, as well as disrupted industries such as the digital music industry. In each case, we will consider how firms adapted their strategies to rapidly changing technological environments and ask whether antitrust law served to promote or to hinder innovation and competitive development. Course coverage will range over all portions of the business economy in which competition and innovation are important, but emphasizing markets that have a significant technological component. We will also study a series of classic business cases in technology rich markets, including the American Can Company, Standard Oil, and DuPont. We will pay special attention to the role of intellectual property rights in fostering both individual and collaborative innovation.

No prior study of or acquaintance with antitrust law is necessary. We will study judicial antitrust decisions as well as historical and economic sources. Readings will consist of a one volume text and other sources that will be posted to Canvas. Postings may be updated as new developments warrant.

Your obligations for the course will consist of 1) regular attendance and class participation (15%); 2) a midterm

examination (35%); and 3) a final examination (50%).

Come to class each day prepared to discuss the assigned readings and your instructor may call on you.

READINGS:

HERBERT HOVENKAMP, PRINCIPLES OF ANTITRUST (West Acad. Pub. 2d ed. 2021), ISBN: 978-1-68467-436-7). Read Chapters 1-3, 6,7, 10.

Topical readings to be downloaded from the Canvas site for this class.

TOPIC #1: COMPETITION, INTELLECTUAL PROPERTY, AND ANTITRUST: THE DESIGNER FASHION INDUSTRY

TOPIC #2 THE SHERMAN ACT AND THE GILDED AGE: TECHNOLOGY AND THE BUSINESS TRUST -- AMERICAN CAN

TOPIC #3: STRUCTURAL MONOPOLY AND PRODUCT DIFFERENTIATION

TOPIC #4 ANTITRUST INJURY, TWO-SIDED PLATFORMS, AND THE UBER CASE

TOPIC #5 EXCLUSION BY TECHNOLOGICAL DESIGN – KODAK

TOPIC #6 THE DOMINANT FIRM'S DUTY TO DEAL: ASPEN & TRINKO

TOPIC #7: ANTITRUST AND EMERGENT HIGH TECH: MICROSOFT

TOPIC #8: ANTITRUST AND INTERNET HIGH TECH: THE FACEBOOK CASE

TOPIC #9: PRICE FIXING AND THE APPLE E-BOOKS CASE