



Aalto University
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AI and Competition Law

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Future Regulation of Industrial Internet

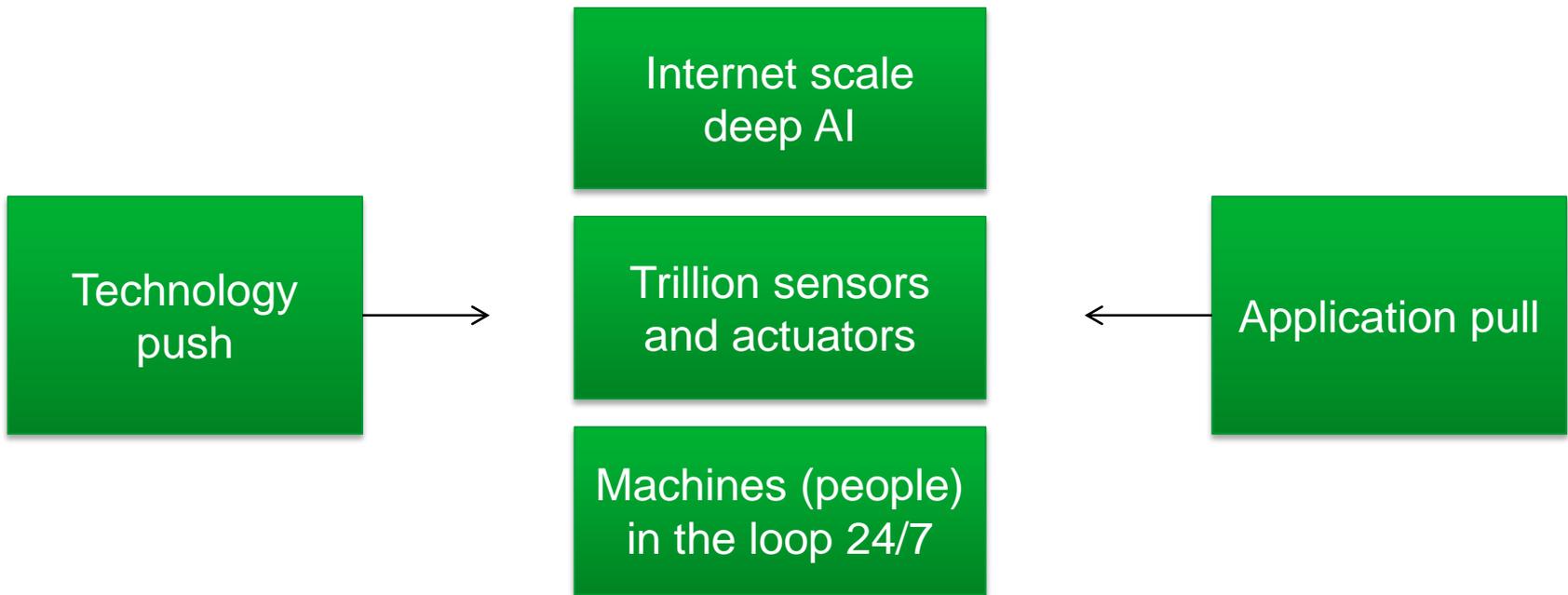
- Final Seminar

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New competition law questions created by the AI...

- AI driven cartels (e.g. Eturas, Topkings, Uber?)
- Silent collusion of the machines, signalling?
- Who is responsible for AI driven violations? Tool approach?
- How to analyse digital platforms? And how to regulate them?
- Perfect price discrimination and abuse of dominance?
- Big data - market power, ownership and refusals?
- Relationship of privacy and antitrust law reconsidered?
- Standardization, IPR game, ex ante and FRAND, proprietary or open?
- Scale and network effects likely to lead to consolidation of the market and/or few globally dominating platforms
- Can we tackle mergers that will create dominance in 5 years?
- Is timely antitrust enforcement possible? If, how, concretely?
- Nascent market analysis is dynamic and difficult

AI, other new technologies, applications and efficiencies fuel IoT and digitalisation



Type I and Type II scenarios and competing policy proposals

- **Laissez faire alternative**: don't intervene because you will only create a mess (due to high risk of type I mistakes)
 - Might deter innovation
 - Market will be different by time action is taken
 - Anticompetitive harms to the market will be short-lived
- **Pro enforcement alternative**: you will need to fight "durable enough" monopolies but do it with caution
 - Dominant companies will have incentives not only to innovate but also to impede innovation of their smaller rivals ("wanna-be-monopolists")
 - Take seriously innovation-blocking and entry preventing activity
 - Something being complicated does not mean its not worthwhile
 - Ways to expedite antitrust decision making?

Implications for Competition Policy for digital (IOT) platforms

- What **not** to do
 - Presume market power from **market share** (yet do not throw structural analysis over board because you still need it)
 - Overemphasize **price effects**
 - Have **simplistic expectations** in either direction
- What to do
 - Look at **interference with innovation**; protecting dominance through innovation blocking
 - Look at **customer traffic** as the key asset and competitive effect
 - Look at **customer information** as a key asset and competitive effect
 - Analyze the **value chain** and **contractual practices** deeply and look into all sides of the **multi-sided** market