

**LIGUE INTERNATIONALE DU DROIT DE LA CONCURRENCE
INTERNATIONAL LEAGUE OF COMPETITION LAW
INTERNATIONALE LIGA FÜR WETTBEWERBSRECHT**

RESOLUTION QUESTION A

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What are the major competition/antitrust issues generated by the growth of online sales platforms and how should they be resolved?

Whereas:

- A. competition law allows for the flexible application of established principles to new situations;
- B. online sales platforms, which are multi-sided services, are characterised by network effects and can have economies of scale;
- C. network effects means that there can be significant barriers to entry, with market power developing quickly;
- D. in principle retailers and customers may use a variety of sales routes, including bricks and mortar stores, online sales platforms, online sales channels, digital sales channels offered in-store;

it is resolved that:

- 1. network effects are not a new concept and the application of competition law is sufficiently flexible to address issues arising in multi sided markets.
- 2. market definition must be considered on a case by case basis, taking account of specific consumer and supplier behaviour. Online sales platforms and traditional sales routes may compete with each other or be complements, depending on the sector, consumer behaviour and supplier behaviour.
- 3. online sales platforms can increase in scale quickly, or can lose market power to competing platforms and technologies. Where competition authorities decide to act, they must act both cautiously and courageously, taking account of the dynamic nature of the features of the market. Competition authorities should also consider providing guidance, where appropriate.