

CONTENTS

<i>Foreword</i>	xiii
<i>Preface</i>	xv

CHAPTER I

Introduction	1
A. What Is Price Discrimination?.....	2
1. Discrimination Between or Among Competing Customers and Resellers	3
2. Geographic Price Discrimination	4
3. Product-Specific and Industry-Specific Price Discrimination Regulation	4
4. Section 3 of the Robinson-Patman Act (Criminal Enforcement).....	5
B. Why Are There Laws Against Price Discrimination?	6
1. Intent of Laws Prohibiting Discrimination Among Competing Buyers and Resellers	6
a. The Origins of the Robinson-Patman Act.....	6
b. State Price Discrimination Laws.....	7
c. Price Discrimination Laws in Other Countries.....	8
2. Intent of Laws Prohibiting Locality Discrimination.....	9
a. State Geographic or Territorial Discrimination Laws.....	9
b. Other Jurisdictions' Geographic or Territorial Discrimination Laws.....	10
C. The Eternal Debate Over the Robinson-Patman Act and Its Relationship With Other Antitrust Laws	10

CHAPTER II

Federal Price Discrimination Law	13
A. The Robinson-Patman Act.....	14
1. The Requirement of Commerce.....	16
a. Interstate and Intrastate Sales under Section 2(a).....	16

b.	Export and Import Sales	18
c.	The Commerce Requirement in Sections 2(c), 2(d), 2(e), and 2(f)	19
2.	Price Discrimination Prohibited by Section 2(a)	20
a.	The Requirement of a Difference in Price	20
b.	The Requirement of Sales to Two or More Purchasers	23
c.	The Requirement of Commodities	27
d.	The Requirement of Like Grade and Quality	30
e.	The Requirement of Competitive Injury	33
(1)	Primary Line Injury	33
(2)	Secondary Line Injury	36
(3)	Injury at Tertiary Level and Beyond	38
3.	Defenses to Section 2(a) Liability	38
a.	The Meeting Competition Defense	39
b.	The Cost Justification Defense	43
(1)	Types of Cost Savings That May Be Passed Along to Customers	44
(A)	Costs of Manufacture	44
(B)	Costs of Sale	44
(C)	Costs of Delivery	46
(2)	Customer Grouping	46
(A)	United States v. Borden Co. and United States v. Bowman Dairy Co.	47
(B)	National Dairy Products Corp.	48
(C)	Allied Accessories & Auto Parts Co. v. General Motors Corp.	48
c.	The Changing Conditions Defense	49
d.	The Functional Availability Defense	50
e.	Functional Discounts: Wholesaler and Direct- Buying Retailer Pricing Issues	52
f.	Price Differences to Those Performing Different Functions	52
g.	Lower Prices to Customers Lower in the Distribution Chain	54
h.	Pricing to Customers Performing Multiple Functions	54
i.	Pricing to Cooperatives	55
4.	Brokerage	55
5.	Allowances and Services	58
a.	Scope of Sections 2(d) and 2(e)	60

- b. What Types of Customers and Purchasers Are Protected 61
 - c. The Contemporaneous Sales Requirement 63
 - d. The Requirement of Availability on Proportionally Equal Terms 64
 - 6. Buyer Liability 66
 - 7. Exemptions 68
 - a. Cooperatives 68
 - b. Nonprofit Institutions 69
 - c. Sales to the Government 69
 - 8. Injury to Plaintiffs under Section 4 of the Clayton Act 69
 - 9. Criminal Prohibitions 71
 - B. Litigating an RPA Claim 72
 - 1. Introduction 72
 - 2. Asserting a Price Discrimination Claim—What Has to Be Pled and Proved to Make a Prima Facie Case under Section 2(a) 73
 - a. Price Discrimination 73
 - b. Sales to Two Purchasers by a Single Seller 74
 - c. “In Commerce” 75
 - d. “Commodities” 75
 - e. “Like Grade and Quality” 76
 - f. Competitive Injury 77
 - (1) Injury to Competition at the Seller’s Level (“Primary Line”) 77
 - (2) Injury to Competition at the Buyer’s/Reseller’s Level (“Secondary Line”) 78
 - 3. Defenses 82
 - a. Statutory Defenses 82
 - (1) Meeting Competition 82
 - (2) Cost Justification 84
 - (3) Changing Conditions 86
 - b. Non-Statutory Defenses 87
 - (1) Functional Availability 87
 - (2) Functional Discounts 88
 - 4. Discrimination in Promotional Allowances or Services May Support a Claim under Sections 2(d) or 2(e). 89
 - 5. Antitrust Injury in the Robinson-Patman Context—What Is the Injury of the Type the Law Is Intended to Prevent? 91

a.	Cases Seeking Only Injunctive Relief	92
b.	Cases Seeking Treble Damages	93
(1)	Primary Line Cases	93
(2)	Secondary Line Cases	94
(3)	Section 2(c) Claims	95
6.	Proving and Measuring Damages	96
7.	Miscellaneous RPA Litigation Issues	98
a.	Class Actions	98
b.	Statute of Limitations	99
c.	Arbitration	101
d.	Conspiracy to Commit RPA Violation	102

CHAPTER III

State Price Discrimination Law	103
A. Statutory Analogues to the Robinson-Patman Act	103
1. Differences in Scope of Statutes	105
2. Differences in Available Defenses	108
a. Meeting Competition Defense	108
b. Cost Justification Defense	108
c. Changing Conditions Defense	109
d. Bona Fide Transactions Defense	109
e. Functional Availability or Practical Availability Defense	110
f. Functional Discount Defense	110
g. Other Defenses	111
3. Exemptions	111
B. Other State Price Discrimination Statutes	113
1. Locality Price Discrimination Statutes	113
a. Differences in Scope of Statutes	114
b. Available Defenses	117
c. Exemptions Recognized	118
2. Below-Cost Sales Statutes	119
a. Definition of Cost	120
b. Differences in Scope	122
c. Defenses and Exemptions	123
3. Loss-Leader Statutes	126
4. Secret-Rebate Statutes	127
a. Differences in Scope	127
b. Defenses and Exemptions	128
C. Broad, Stand-Alone Statutes	129
1. Open-Price-Term Contracts Under the U.C.C.	129

2. Franchises	132
3. Motor Fuel	135
a. Overview	135
b. Injury to Competition or to Competitors	137
c. Intra-Corporate Transfers	140
d. Locality Discrimination	142
e. <i>Volvo Trucks</i> —Offers to Sell	143
f. Damages	144
g. Affirmative Defenses	146
h. Constitutional Challenges	148
4. Motor Vehicles	149
a. Overview	149
b. <i>Volvo Trucks</i> —Offers to Sell	154
c. Rebates, Discounts, and Incentive Payments	155
d. Anti-Brokerage Provisions	157
e. Administrative Relief and Damages	159
f. Affirmative Defenses	160
g. Statutes Limited to Particular Types of Motor Vehicles	160
5. Equipment	163
a. Overview	163
b. <i>Volvo Trucks</i> —Offers to Sell	166
c. Inducements	166
d. Damages	167
e. Affirmative Defenses	167
6. Agricultural and Dairy Products	169
a. Overview	169
(1) Statutes with an Injury Requirement	170
(2) Statutes without an Injury Requirement	171
b. Locality Discrimination	173
(1) Locality Discrimination Statutes with an Injury Requirement	174
(2) Locality Discrimination Statutes without an Injury Requirement	176
c. Administrative Regulations	176
d. Government Bids and Non-Profit Institutions	177
e. Discounts, Rebates, Services, Facilities, and Inducements	177
f. Enforcement and Damages	182
g. Affirmative Defenses	183
7. Alcoholic Beverages	185

a.	Overview.....	185
(1)	Statutes with an Injury Requirement.....	186
(2)	Statutes without an Injury Requirement.....	186
(3)	Statutes that Prohibit a Lower Price.....	188
(4)	Other Statutes.....	189
b.	Discounts and Rebates.....	191
c.	Analogues to RPA Sections 2(c), 2(d), 2(e), and 2(f).....	196
d.	Remedies.....	198
e.	Affirmative Defenses.....	199
8.	Cigarettes.....	199
a.	Overview.....	199
(1)	Statutes with an Injury Requirement.....	200
(2)	Statutes without an Injury Requirement.....	201
b.	Inducements.....	202
c.	Remedies.....	203
d.	Affirmative Defenses.....	204
9.	Miscellaneous.....	204

CHAPTER IV

	Price Discrimination Under International Laws.....	209
A.	Europe.....	209
1.	European Union.....	210
a.	Price Discrimination under Article 101.....	211
b.	Price Discrimination under Article 102.....	211
(1)	Dominant Position.....	213
(2)	Applying Dissimilar Conditions to Equivalent Transactions.....	214
(3)	Capable of Affecting Trade Between Member States.....	218
2.	Germany.....	218
3.	Sweden.....	220
B.	Middle East/Africa.....	221
1.	Israel.....	221
a.	Israeli Price Discrimination Law.....	222
b.	Elements of Price Discrimination: Section 29A.....	222
c.	Price Discrimination Case Law.....	224
d.	Conclusion.....	228
2.	South Africa.....	228
a.	South African Price Discrimination Law.....	229
b.	Elements of Price Discrimination.....	229

c.	Regulation of Price Discrimination Practices	230
d.	Defenses.....	232
e.	Price Discrimination Case Law	233
f.	Enforcement.....	234
g.	Conclusion	235
C.	Asia.....	236
1.	China.....	236
a.	Chinese Price Discrimination Law	237
b.	The Elements of Price Discrimination.....	237
c.	Defenses.....	238
d.	The Enforcement of Price Discrimination Law	239
e.	Outlook for the Future	240
2.	India.....	241
a.	Price Discrimination Under India’s Competition Law	242
(1)	The Competition Act of 2002: Legislative Framework and Main Elements	242
(2)	Abuse of Dominance (Section 4)	242
(3)	Price Discrimination as an Instance of Abusive Conduct.....	244
(4)	Anticompetitive Agreements (Section 3).....	245
(5)	Sanctions and Penalties	246
3.	Japan	247
a.	Legislative Framework	247
b.	Elements of Price Discrimination and JFTC Enforcement.....	249
c.	Defenses.....	252
d.	Penalties.....	252
e.	Private Causes of Action.....	253
4.	South Korea	254
a.	South Korean Price Discrimination Law	254
b.	Assessing Price Discrimination: the Rule of Reason Approach.....	256
5.	Indonesia.....	257
a.	Indonesian Price Discrimination Law.....	257
b.	Elements of Price Discrimination, Sanctions and Damages	258
(1)	The Requirement of Agreement.....	259
(2)	The Requirement of Substantial Market Power.....	260
(3)	Applicable Theories of Harm.....	261

(4) Penalties and Damages.....	261
D. North America	262
1. Canada	263
a. Canadian Price Discrimination Law	263
b. Abuse of Dominance	263
c. Conclusion	266
2. Mexico.....	266
a. Mexico’s Price Discrimination Law	266
b. Elements of Price Discrimination, Exceptions, and Defenses.....	267
(1) Relative Monopolistic Practices.....	267
(2) Price Discrimination as a Relative Monopolistic Practice.....	268
(3) Elements of Price Discrimination as a Relative Monopolistic Practice	269
(4) Exceptions to Relative Monopolistic Practices	270
c. Defenses.....	271
d. Penalties.....	271
e. Conclusion	272
E. South and Central America.....	272
1. Brazil	273
a. The Framework of Brazilian Competition and Price Discrimination Law	273
b. General Statutory Prohibition of Anticompetitive Conduct.....	274
c. Elements of Price Discrimination	275
d. Penalties.....	276
e. Defenses.....	277
f. Price Discrimination Case Law	277
g. Conclusion	278
2. Argentina	278
a. Argentinean Price Discrimination Law	279
b. Elements of Price Discrimination and Penalties	279
c. Penalties.....	281
d. Price Discrimination Case Law	281
(1) The First YPF Case	281
(2) The Second YPF Case.....	282
(3) Bieza/Embotelladora San Miguel.....	283
(4) Editorial Amfin S.A.	283
(5) Profertil	284

Contents

xi

(6) Surgas S.A.....	284
(7) Cámara Argentina de la Motocicleta.....	285
e. Conclusion	285
<i>Table of Cases</i>	287
<i>Index</i>	303