

Table of Contents

| | |
|--|--------|
| List of Editors and Contributors | v |
| Preface | xxxvii |
| List of Abbreviations | xli |
| Chapter 1 General Introduction | 1 |
| 1 An Overview of Chinese Competition Policy: Between Fragmentation and Consolidation | |
| <i>HUANG Yong & Richean Zhiyan LI</i> | 3 |
| §1.01 Introduction | 3 |
| §1.02 What Were the Expectations Five Years Ago? | 3 |
| §1.03 Policy Direction Still Unclear After Five Years of Implementation | 6 |
| §1.04 The Need for Specialist, Consolidated Enforcement | 8 |
| §1.05 Conclusion | 11 |
| Chapter 2 Background and Context | 13 |
| 2 The Multiple Hands: Institutional Dynamics of China's Competition Regime | |
| <i>HAO Qian</i> | 15 |
| §2.01 Introduction | 15 |
| §2.02 Pre-AML Enforcement Mechanism | 17 |
| [A] The Pre-existing Antitrust Rules and the Respective Enforcement Authorities | 17 |
| [B] The Unclear and Overlapping Enforcement Power of Multiple Agencies | 19 |
| §2.03 The Anti-Monopoly Commission under the State Council | 21 |
| [A] The Anti-Monopoly Commission and Its Role within China's Government System | 21 |
| [B] The Member Agencies of the Anti-Monopoly Commission and Their Influence on Antitrust Enforcement | 24 |

| | | |
|--|--|----|
| §2.04 | Antitrust Enforcement Agencies | 27 |
| | [A] The National Development and Reform Commission | 27 |
| | [B] The State Administration for Industry and Commerce | 30 |
| | [C] The Ministry of Commerce | 31 |
| §2.05 | Conclusion | 34 |
| 3 Policy Objectives of Public Enforcement of the Anti-Monopoly Law: An Assessment of the First Five Years | | |
| | <i>Wendy NG</i> | 35 |
| §3.01 | Introduction | 35 |
| §3.02 | Policy Objectives of Merger Enforcement | 37 |
| | [A] Actors of Concern to MOFCOM | 39 |
| | [1] Domestic Companies | 39 |
| | [2] State-Owned Enterprises | 41 |
| | [3] Chinese Consumers | 42 |
| | [B] Issues of Concern to MOFCOM | 42 |
| | [1] Stability of Supply | 42 |
| | [2] Status Quo | 43 |
| | [3] Foreign Investment | 43 |
| | [4] Sector-Specific Regulations and Policies | 44 |
| | [C] Special Areas of Focus | 44 |
| | [1] Sensitive Industries | 44 |
| | [2] Well-Known Chinese Brands | 45 |
| §3.03 | Policy Objectives of Conduct Enforcement | 47 |
| | [A] Price Stabilization and Inflation | 48 |
| | [B] Stability of Supply | 50 |
| | [C] State-Owned Enterprises | 51 |
| | [D] Facilitating the Progress of Major Government Projects | 52 |
| §3.04 | Public Enforcement of the AML to Date: Have Concerns About AML Enforcement Come True? | 53 |
| | [A] Disproportionate Enforcement against Foreign Companies | 53 |
| | [B] Protection of Chinese Business | 54 |
| | [C] Exemption for SOEs | 55 |
| §3.05 | Conclusion | 56 |
| 4 The Role of China's Unique Economic Characteristics in Antitrust Enforcement | | |
| | <i>DENG Fei & Gregory K. LEONARD</i> | 59 |
| §4.01 | Introduction | 59 |
| §4.02 | The Prominence of State-Owned Enterprises | 60 |
| §4.03 | Regional Differences in the Gains from the Economic Reforms | 64 |
| §4.04 | The Legacies of Rapid Growth | 66 |
| §4.05 | Views toward Intellectual Property Rights | 68 |
| §4.06 | Importance of Brand Names | 70 |
| §4.07 | Conclusion | 73 |

| | | |
|--|--|----|
| Chapter 3 | Monopoly Agreements and Abuse of Dominance | 75 |
| 5 The Relationship between the Anti-Monopoly Law and the Price Law | | |
| | <i>LI Qing</i> | 77 |
| §5.01 | Introduction | 77 |
| §5.02 | Identical Substantive Orientation within the Legal System of a Market Economy | 77 |
| §5.03 | Different Focus and the Need to Coordinate Enforcement | 79 |
| | [A] Different Rationale for Intervention | 79 |
| | [B] Different Targeted Conduct | 79 |
| | [C] Identification of Conduct | 79 |
| | [D] Enforcement Authorities | 80 |
| | [E] Civil Liabilities and Compensation | 80 |
| | [F] Enforcement Procedure | 81 |
| §5.04 | Conclusion | 81 |
| 6 Anti-Cartel Law and Enforcement in China: A Survey | | |
| | <i>XUE Qiang & YANG Xixi</i> | 83 |
| §6.01 | Introduction | 83 |
| §6.02 | Legal Framework in China | 84 |
| | [A] Cartel Related Laws and Rules | 84 |
| | [B] What Is a "Cartel" under the AML? | 85 |
| | [C] Enforcement Authorities | 86 |
| | [D] Burden of Proof | 86 |
| | [E] The Role of Associations in Cartels | 87 |
| | [F] Leniency | 88 |
| | [G] Fines | 89 |
| §6.03 | Enforcement Practice in China | 89 |
| | [A] Overview of the Enforcement | 89 |
| | [1] Rice Noodle Case (March 2010) | 90 |
| | [2] Green Mung Beans Case (July 2010) | 90 |
| | [3] Book Resale Price Case (September 2010) | 91 |
| | [4] Pre-mixed Concrete Case (January 2011) | 91 |
| | [5] Paper Manufacturing Case (January 2011) | 91 |
| | [6] Package Case (April 2011) | 92 |
| | [7] Sea Sand Case (September 2012) | 92 |
| | [8] LCD Panels Case (January 2013) | 92 |
| | [B] Some Characteristics of the Enforcement | 93 |
| | [1] The Focus of Enforcement Is Hardcore Cartels | 93 |
| | [2] The Application of the Law Starts to Be Consistent and Streamlined | 93 |
| | [3] More Enforcement Mechanisms Are Applied | 94 |
| §6.04 | Conclusion | 94 |

| | |
|--|-----|
| 7 Analyzing Information Exchanges between Competitors under the Anti-Monopoly Law <i>Thomas J. HORTON & Jenny Xiaojin HUANG</i> | 95 |
| §7.01 Introduction | 95 |
| §7.02 The History and Culture of Competitor Information Exchanges in China | 99 |
| [A] The Impact of China's Guanxi Culture and Social Norms on Competitor Information Exchanges | 99 |
| [B] China's Social and Cultural Norms and Information Exchanges | 100 |
| [C] Trade Associations and Competitor Information Exchanges | 102 |
| §7.03 Analyzing Competitor Information Exchanges Under the Anti-Monopoly Law | 104 |
| [A] China's Statute on Information Exchanges | 104 |
| [B] Recent Cases in China Concerning Competitive Information Exchanges | 105 |
| [1] Unilever Case | 105 |
| [2] MOFCOM Divestiture Orders | 107 |
| [C] Predicting Potential Chinese Rules on Competitive Information Exchanges from the Relevant Cases and Legal Studies | 108 |
| [1] What are "Communicated Intentions"? | 108 |
| [2] Do Information Exchanges Need to Be Reciprocal? | 110 |
| [3] Will Invitations to Collude Be Prohibited under the AML? | 112 |
| [4] What Kinds of Competitive Information Exchanges May Potentially Create Legal Risks? | 113 |
| [D] Potential Regulatory Exemptions for Competitive Information Exchanges | 114 |
| [1] Specific Article 15 Exemptions | 114 |
| [2] Potential Market Share Exemptions | 116 |
| [3] Exempted Industries | 117 |
| §7.04 Conclusion | 117 |
| 8 Resale Price Maintenance and the Anti-Monopoly Law <i>Dennis LU & TAN Guofu</i> | 119 |
| §8.01 Introduction | 119 |
| §8.02 Economic Analyses of Resale Price Maintenance | 120 |
| [A] Economic Theories of Competitive Benefits from Resale Price Maintenance | 120 |
| [1] Vertical Coordination: One Manufacturer and One Retailer | 121 |
| [2] Free-Riding: One Manufacturer and Multiple Retailers | 122 |
| [B] Economic Theories of Competitive Harm from Resale Price Maintenance | 124 |
| [C] Empirical Studies of Resale Price Maintenance | 125 |
| [D] | 126 |
| §8.03 Anti-Monopoly Law and Guidelines on Resale Price Maintenance | 126 |
| §8.04 A Case Study | 127 |
| [A] Background | 127 |

| | |
|--|-----|
| [B] Discussion | 128 |
| [1] Legal Issues | 129 |
| [2] Economic Issues | 129 |
| §8.05 Conclusion | 133 |
| 9 Refusal to Deal in China: A Missed Opportunity? <i>Sébastien EVRARD & ZHANG Yizhe</i> | 135 |
| §9.01 Introduction | 135 |
| §9.02 Refusals to Deal under the AML | 136 |
| [A] Jurisdictional Aspects | 136 |
| [B] Substantive Aspects | 137 |
| [1] The Existence of a Dominant Position | 138 |
| [2] A "Refusal" to Deal | 138 |
| [3] Anti-Competitive Effects | 141 |
| [C] Possible Justifications or Defenses for Refusals to Deal | 142 |
| [1] Existence of Alternative Sources of Supply | 142 |
| [2] Bad Credit | 142 |
| [3] Conduct Consistent with Normal Operations | 143 |
| [D] Refusal of Access to Essential Facilities | 143 |
| [E] Refusals to License Intellectual Property Rights | 144 |
| §9.03 Refusal to Deal under Other Laws | 145 |
| §9.04 Conclusion | 147 |
| 10 Pricing Abuses under the Anti-Monopoly Law <i>Janet HUI & Stanley WAN</i> | 149 |
| §10.01 Introduction | 149 |
| §10.02 Excessive Pricing | 150 |
| [A] Law and Guidance | 150 |
| [B] Cases | 151 |
| §10.03 Predatory Pricing | 151 |
| [A] Law and Guidance | 151 |
| [B] Cases | 153 |
| [1] Administrative Enforcement: Spring Airlines' RMB 1 Air Tickets | 153 |
| [2] Civil Litigation: Gonghe Liandong versus Amazon China (2009) | 154 |
| §10.04 Price Discrimination | 154 |
| [A] Law and Guidance | 154 |
| [B] Cases | 157 |
| [1] Administrative Enforcement: Natural Gas Company in Qinghai Province | 157 |
| [2] Civil Litigation: Li Fangping v. China Netcom (2010) | 158 |
| §10.05 Price-Related Refusal to Deal | 159 |
| [A] Law and Guidance | 159 |

| | |
|---|-----|
| [1] Refusal by Setting an Excessively High Sales Price or an Excessively Low Purchase Price | 159 |
| [2] Price Squeeze | 159 |
| [B] Cases | 161 |
| §10.06 Exclusive Dealing with Price Benefit Inducement | 161 |
| [A] Law and Guidance | 161 |
| [B] Cases | 162 |
| [1] The <i>Shandong Drug Case</i> | 162 |
| [2] China Southern's "Loyalty Discounts" | 163 |
| §10.07 Imposition of Unreasonable Fees Other than Price | 163 |
| [A] Law and Guidance | 163 |
| §10.08 Conclusion | 164 |
| Chapter 4 Merger Control | 165 |
| 11 China Merger Control Practice: A Comparative Analysis | |
| <i>François RENARD & Michael EDWARDS</i> | 167 |
| §11.01 Introduction | 167 |
| §11.02 Jurisdictional Issues | 168 |
| [A] Notifiability of Joint Ventures | 168 |
| [B] Notifiability of Minority Share Acquisitions | 169 |
| [C] Notifiability of Intra-group Concentrations | 171 |
| [D] Notifiability of Domestic Concentrations | 171 |
| §11.03 Length of the Review Process | 172 |
| [A] The Pre-acceptance Period | 172 |
| [B] Variation of the Periods of Review | 173 |
| [C] Reasons to Enter into Phase 2 | 174 |
| [D] Reasons to Enter into Phase 3 | 175 |
| §11.04 Procedural Rights | 175 |
| [A] Rights of Defense during MOFCOM's Investigation | 175 |
| [B] Hearing | 177 |
| [C] Absence of Written Statement of Objections | 177 |
| §11.05 Substantive Analysis | 179 |
| [A] Definition of the Relevant Product Market | 179 |
| [B] Definition of the Relevant Geographic Market | 181 |
| [C] Competition Analysis | 182 |
| [1] Horizontal Effects | 182 |
| [a] Parties' Market Shares | 182 |
| [b] Barriers to Entry | 186 |
| [c] Parties' Defense | 187 |
| [2] Vertical Effects | 189 |
| [3] "Conglomerate Effects" Theory in the <i>Coca-Cola/Huiyuan Case</i> | 191 |
| §11.06 Conclusion | 193 |

| | |
|--|-----|
| 12 Merger Remedies in China: Substance and Procedure | |
| <i>FENG Yao & SUN Zhaoqiu</i> | 195 |
| §12.01 Introduction | 195 |
| §12.02 Legislation and Practice of the Remedial System | 196 |
| [A] Legislation Overview | 196 |
| [B] Overview of Cases So Far | 197 |
| §12.03 General Procedure of Negotiation on Remedies | 199 |
| [A] Submission of Proposal on Remedial Measures | 199 |
| [B] Assessment and Market Testing of Proposed Remedies | 201 |
| [C] Finalization of the Remedies and Announcement of the Decision | 202 |
| §12.04 Negotiation and Assessment of Remedies | 203 |
| [A] Key Principles | 203 |
| [B] Types of Competition Concerns and Types of Remedies | 204 |
| [C] Structural Remedies | 206 |
| [1] Selection of Divested Business | 206 |
| [2] Factors to Be Considered with Regard to the Scope of Divestiture | 208 |
| [3] Application of Structural Remedies in China | 209 |
| [D] Behavioral Remedy | 209 |
| [1] Types of Behavioral Remedies | 209 |
| [2] Adaptation of Behavioral Remedies | 212 |
| [E] Other Types of Remedies | 212 |
| §12.05 Conclusion | 213 |
| 13 Joint Ventures under Chinese Merger Control Rules | |
| <i>ZHANG Xingxiang</i> | 215 |
| §13.01 Introduction | 215 |
| §13.02 Issues with JVs under the AML | 217 |
| [A] "Full Functionality" | 217 |
| [B] Local Nexus and Impact in China | 218 |
| [C] State-Owned Enterprises as JV Partners | 220 |
| §13.03 Published MOFCOM Decisions on JVs | 222 |
| [A] JV between General Electric and Shenhua | 222 |
| [1] The Case | 222 |
| [2] Analysis | 223 |
| [B] JV between Henkel and Tiande Chemical | 224 |
| [1] The Case | 224 |
| [2] Analysis | 225 |
| [C] JV between ARM, Giesecke & Devrient and Gemalto | 226 |
| [1] The Case | 226 |
| [2] Analysis | 227 |
| §13.04 Conclusion | 228 |

| | |
|--|-----|
| Chapter 5 Government Restrictions to Competition | 229 |
| 14 Between Business and Government: The Addressees of Obligations under the Anti-Monopoly Law <i>Adrian EMCH & Andy HUANG</i> | 231 |
| §14.01 Introduction | 231 |
| §14.02 Business Operators | 233 |
| [A] The Entity | 233 |
| [1] Natural and Legal Persons | 234 |
| [2] "Other Organizations" | 235 |
| [B] The Activity | 238 |
| [1] "For Profit" Requirement | 239 |
| [2] Beyond Physical Products and Services | 239 |
| §14.03 Government Bodies | 242 |
| [A] Administrative Authorities | 242 |
| [1] Exclusion of Legislative and Judicial Acts | 243 |
| [2] Conduct by Government Officials | 243 |
| [B] Organizations Authorized by Laws and Regulations to Perform Public Functions | 243 |
| [1] Enterprises | 244 |
| [2] Public Service Entities | 244 |
| [3] Social Organizations | 245 |
| §14.04 Business Operator or Organization with Public Powers? | 246 |
| [A] Industry Associations | 246 |
| [B] Double Commercial/Regulatory Functions of Some SOEs | 247 |
| [C] Providers of "Public Services" | 248 |
| [1] Public Hospitals | 248 |
| [2] Public Schools | 250 |
| [3] Learnings | 251 |
| §14.05 Disentangling Joint Conduct by Business Operators and Organizations with Public Powers | 253 |
| §14.06 Conclusion | 257 |
| 15 The Uneasy Relationship between Antitrust Enforcement and Industry-Specific Regulation in China <i>MENG Yanbei</i> | 259 |
| §15.01 Introduction | 259 |
| §15.02 Competition Policy and Industrial Policy: Consistency and Potential for Conflict | 261 |
| [A] The Concepts | 261 |
| [B] Limited Conflict in Objective | 262 |
| [C] Different Means Pursued, in Practice | 262 |
| [D] Separate Regimes | 263 |
| §15.03 Checks and Balances | 264 |
| [A] Antitrust as Check for Industrial Policy | 265 |

| | |
|---|-----|
| [B] Industrial Policy as a Balance to Antitrust Rules | 266 |
| [C] Need for Coordination between Competition and Industrial Policies | 266 |
| §15.04 Implementing Authorities: Overlap and Coordination | 268 |
| [A] Industry Regulators with Antitrust Powers | 268 |
| [B] Antitrust Authorities to Enjoy Strong Position | 268 |
| [C] Antitrust Authorities to Know Their Limits | 269 |
| [D] Antitrust Authorities and Industry Regulators to Cooperate | 269 |
| §15.05 Conclusion | 270 |
| 16 Judicial and Administrative Remedies against Administrative Monopoly: Cases and Analysis <i>XU Shiyong & ZHANG Baisha</i> | 271 |
| §16.01 Introduction | 271 |
| §16.02 Laws and Regulations | 272 |
| [A] Prior to the Anti-Monopoly Law | 272 |
| [B] The Anti-Monopoly Law | 273 |
| §16.03 Cases: Law Enforcement against Administrative Monopoly | 274 |
| [A] The Jiangdu Education Bureau Case | 274 |
| [B] The AQSIO Case | 275 |
| [C] The Guangdong GPS Case | 276 |
| [D] The Futsal Case | 277 |
| §16.04 Analysis | 278 |
| [A] Judicial Enforcement | 278 |
| [1] The Role of the Courts | 278 |
| [2] Ambiguity about the Party Liable for Administrative Monopoly | 279 |
| [3] Non-actionability of Abstract Administrative Monopoly Cases under the Administrative Litigation Law | 280 |
| [B] Traditional Administrative Reconsideration | 281 |
| [C] Administrative "Review" by Antitrust Enforcement Authorities and Superior Authorities | 282 |
| [1] General | 282 |
| [2] Concerns over Advisory Nature by Antitrust Enforcement Authorities | 283 |
| [3] Interconnections within Government Circles | 283 |
| [4] Low Penalties for Administrative Monopoly Compared to Anti-Competitive Conduct by Market Players | 284 |
| [D] Recommendations | 284 |
| §16.05 Conclusion | 285 |

| | |
|--|-----|
| Chapter 6 Litigation | 287 |
| 17 Taking a Close Look at the Supreme People's Court's Guidance for Private Antitrust Litigation | |
| <i>ZHU Li</i> | 289 |
| §17.01 Introduction | 289 |
| §17.02 The Judicial Interpretation's Background and Drafting Process | 289 |
| §17.03 Basic Framework for the Judicial Interpretation | 290 |
| §17.04 Main Content of the Judicial Interpretation | 292 |
| [A] Types of Civil Antitrust Litigation and Standing | 292 |
| [B] Stand-Alone and Follow-on Claims | 293 |
| §17.05 Jurisdiction and Proceedings | 294 |
| [A] Concentrated Jurisdiction | 294 |
| [B] Territorial Jurisdiction | 295 |
| [C] Transfer of Jurisdiction | 295 |
| [D] Multiple Party Proceedings | 296 |
| §17.06 Allocating the Burden of Proof | 297 |
| [A] Burden of Proof for Monopoly Agreement Cases | 297 |
| [B] Burden of Proof in Abuse of Dominance Cases | 299 |
| §17.07 Evidence and Testimony | 300 |
| §17.08 Civil Liability | 301 |
| [A] The Principles for Assuming and Attributing Liability | 301 |
| [B] Determining the Amount of the Damages | 302 |
| [C] Invalidity of Legal Acts | 303 |
| §17.09 Statute of Limitation | 304 |
| §17.10 Conclusion | 305 |
| 18 Private Rights of Action under the Anti-Monopoly Law – The First Five Years | |
| <i>James H. JEFFS</i> | 307 |
| §18.01 Introduction | 307 |
| §18.02 Abuse of a Dominant Market Position | 308 |
| [A] Relevant Market | 308 |
| [B] Dominant Market Position | 309 |
| [C] Abuse of a Dominant Market Position | 311 |
| [D] Damages | 312 |
| [E] Abuse of Dominance Going Forward | 313 |
| §18.03 Monopoly Agreements | 313 |
| §18.04 Other Observations | 314 |
| [A] Class Action Lawsuits | 314 |
| [B] Follow-On Litigation | 315 |
| [C] Discovery Challenges | 315 |
| §18.05 Conclusion | 316 |

| | |
|--|-----|
| 19 Administrative and Civil Litigation under the Anti-Monopoly Law | |
| <i>Lester ROSS & Kenneth ZHOU</i> | 317 |
| §19.01 Introduction | 317 |
| §19.02 The Legal Framework for Administrative and Judicial Review | 318 |
| §19.03 Administrative Litigation | 321 |
| §19.04 Civil Litigation | 329 |
| §19.05 Conclusion | 333 |
| Chapter 7 International Dimension | 335 |
| 20 Chinese Companies' Navigation of Outbound Investment | |
| <i>Ninette DODOO & BAI Yong</i> | 337 |
| §20.01 Introduction | 337 |
| §20.02 Global Competition Enforcement and Implications for Chinese Companies Investing Abroad | 338 |
| §20.03 The Unique China Regulatory and Economic Context | 340 |
| [A] From Planned to Socialist Market Economy | 340 |
| [B] Corporatization and State Supervision of China's Major Corporations | 341 |
| §20.04 Compliance with Competition Laws: Conduct | 343 |
| [A] State Coercion: A Defense for Chinese Companies? | 344 |
| [B] Delimiting the Contours of State Coercion and Independent Action | 345 |
| [C] Some Lessons for Chinese Companies | 347 |
| §20.05 Compliance with Competition Laws: Merger Control | 348 |
| [A] Independence from the State | 350 |
| [B] Coordination Risks between Chinese Companies Active in the Same Market | 352 |
| [C] Some Lessons for Chinese Companies | 353 |
| [D] Managing China-Specific Antitrust Risks in Cross-Border Transactions | 355 |
| §20.06 Conclusion | 355 |
| 21 Effectiveness of Technical Assistance in Capacity Building on Competition Law and Policy: The Case of China | |
| <i>Stanley WONG</i> | 357 |
| §21.01 Introduction | 357 |
| §21.02 Technical Assistance in Capacity Building | 357 |
| §21.03 Competition Law and Competition Policy | 358 |
| §21.04 Objectives of Technical Assistance in Capacity Building | 359 |
| §21.05 Assessing Effectiveness of Technical Assistance in Capacity Building | 360 |
| [A] Perspective of the Beneficiary | 362 |
| [B] Perspective of the Donor | 363 |
| §21.06 Overview of China's Competition Law Enforcement Regime | 363 |

| | | |
|--|--|-----|
| §21.07 | Overview of Technical Assistance on Capacity Building in China | 364 |
| | [A] European Union | 365 |
| | [B] United States | 367 |
| §21.08 | Overview of Enforcement Record under the AML | 368 |
| §21.09 | Conclusion | 372 |
| Chapter 8 Cross-Cutting Issues | | 375 |
| 22 SAIC's Antitrust Enforcement Practice: The Progress Made in the Past Five Years | | |
| | <i>YANG Jie</i> | 377 |
| §22.01 | Introduction | 377 |
| §22.02 | AICs' Antitrust Enforcement Regime | 378 |
| | [A] Delegation of Cases | 378 |
| | [B] Jurisdiction | 378 |
| | [C] Acceptance of Complaints | 379 |
| | [D] Case Acceptance and Investigation | 380 |
| | [E] The Commitment System | 380 |
| | [F] Leniency Program for Monopoly Agreements | 380 |
| | [G] Case Reporting System and Filing System | 381 |
| §22.03 | Case Investigation and Handling in Accordance with the Law | 381 |
| §22.04 | International Cooperation in the Field of Competition Law Enforcement | 382 |
| §22.05 | Room for Further Improvement in the Implementation of Antitrust Rules | 384 |
| | [A] Guidelines on Anti-Monopoly Enforcement in the Field of Intellectual Property Rights | 384 |
| | [B] The Commitment System | 385 |
| | [C] Leniency Program for Monopoly Agreements | 386 |
| | [D] Publication of Cases | 386 |
| | [E] Antitrust Challenges in Emerging Industries | 387 |
| | [F] Increasing International Cooperation in the Antitrust Field | 388 |
| §22.06 | Conclusion | 388 |
| 23 Enforcement Divergence and the Chinese Economy | | |
| | <i>David STALLIBRASS</i> | 389 |
| §23.01 | Introduction | 389 |
| §23.02 | Divergence and Assumptions | 390 |
| | [A] The Use of Market Shares as a Proxy for a Broader Competitive Analysis | 390 |
| | [1] Stance of Chinese Enforcement Authorities | 390 |
| | [2] Economic Assumptions behind the Use of Market Shares | 392 |
| | [3] Applicability of Equilibrium Assumptions in China | 393 |
| | [4] Assessment | 394 |

| | | |
|--|--|-----|
| | [B] Coordinated Effects Analysis | 396 |
| | [1] Stance of Chinese Enforcement Authorities | 396 |
| | [2] Economic Assumptions behind Coordinated Effects Analysis | 397 |
| | [3] Applicability of Profit Maximizing Assumptions in China | 398 |
| | [4] Assessment | 398 |
| | [C] Arguments of "Leveraging" Market Power | 399 |
| | [1] Stance of Chinese Enforcement Authorities | 399 |
| | [2] Economic Assumptions behind Theories of Leveraging Market Power | 401 |
| | [3] Applicability of One Monopoly Profit Assumption in China | 402 |
| | [4] Assessment | 403 |
| §23.03 | Conclusion | 404 |
| 24 Monopolistic Conduct versus "Entity Bribery" | | |
| | <i>Nathan G. BUSH</i> | 405 |
| §24.01 | Introduction | 405 |
| §24.02 | Prevailing View of Bribery of Employees and Agents | 406 |
| §24.03 | The Notion of "Bribing an Entity" under the Anti-Unfair Competition Law | 409 |
| | [A] Commercial Bribery under the Anti-Unfair Competition Law | 409 |
| | [1] General Prohibition of Commercial Bribery | 410 |
| | [2] Properly Documented Rebates, Discounts, and Commissions | 411 |
| | [3] Administrative Enforcement | 412 |
| | [B] Rationale | 413 |
| §24.04 | Enforcement Practice | 413 |
| | [A] Improperly Documented Payments | 414 |
| | [B] In-Kind Benefits | 415 |
| | [C] Payments Outside "Normal" Business Practices | 416 |
| | [D] Payments for Wrongful Purposes | 417 |
| | [E] Payments for Anti-Competitive Purposes | 418 |
| §24.05 | Implications for Chinese Competition Law | 421 |
| §24.06 | Implications for Chinese Anti-Bribery Law | 422 |
| §24.07 | Conclusion | 423 |
| 25 Vertical Restraints under the Anti-Monopoly Law | | |
| | <i>Marc WAHA & ZHAO Jingjing</i> | 425 |
| §25.01 | Introduction | 425 |
| §25.02 | Vertical Restraints and the Prohibition on Vertical Restrictive Agreements | 426 |
| | [A] Legislative History | 426 |
| | [B] Initial Timid Guidance from the Enforcement Authorities | 428 |
| | [C] Cautious Guidance from the Supreme People's Court | 430 |
| | [D] A First Case: Johnson & Johnson | 431 |

| | |
|--|-----|
| [E] The Plot Thickens: The Liquor Cases | 433 |
| [F] Assessment and Way Forward | 436 |
| §25.03 Vertical Restraints and the Prohibition on the Abuse of Dominance | 436 |
| [A] Legislation and Guidance | 436 |
| [B] Enforcement History | 438 |
| [C] Private Litigation | 440 |
| [D] Assessment | 441 |
| §25.04 Vertical Restraints and the Merger Rules | 442 |
| §25.05 Vertical Restraints and the Prohibition on the Abuse of Administrative Powers | 443 |
| §25.06 Conclusion | 444 |
| 26 The Application of the Anti-Monopoly Law in the Context of Intellectual Property Rights | |
| WANG Xianlin | 447 |
| §26.01 Introduction | 447 |
| §26.02 The Role of Article 55 of the Anti-Monopoly Law | 448 |
| §26.03 The Concept of Abuse of IPRs and Its Relationship with Monopolistic Conduct | 451 |
| §26.04 Basic Analytical Framework for China's Antitrust Enforcement in the IPR Field | 454 |
| §26.05 Antitrust Analysis of the Ordinary Exercise of IPRs | 457 |
| [A] IPR Exercise and Monopoly Agreements | 457 |
| [B] IPR Exercise and Abuse of a Dominant Market Position | 458 |
| [C] IPR Exercise and Mergers | 459 |
| §26.06 Antitrust Analysis of Specific Types of IPR Exercises | 460 |
| [A] Patent Pools | 460 |
| [B] The Use of Patents in the Setting and Implementation of Standards | 461 |
| [C] The Conduct of Copyright Collecting Societies | 462 |
| §26.07 Conclusion | 462 |
| Chapter 9 Outlook | 465 |
| 27 The China Telecom and China Unicom Case and the Future of Chinese Antitrust | |
| WANG Xiaoye | 467 |
| §27.01 Introduction | 467 |
| §27.02 Dominance in the Broadband Access Market in China | 468 |
| §27.03 Abuse of Dominance by China Telecom and China Unicom | 470 |
| [A] Price Discrimination | 470 |
| [B] Margin Squeeze | 472 |
| §27.04 Possible Legal Consequences for the Companies under Investigation | 474 |

| | |
|---|-----|
| §27.05 Reflections on the Commitments | 478 |
| [A] The "Commitments" Put forward by the Companies under Investigation | 478 |
| [B] The Authority's Acceptance of the Application for Suspension of the Investigation | 479 |
| [C] Reflections on the "Commitments" in Article 45 of the AML | 480 |
| [1] The Nature of the Case Precludes Resolution through "Commitments" | 481 |
| [2] The Acceptance of the "Commitments" Will Harm the AML's Effectiveness and Authority | 483 |
| §27.06 Conclusion | 485 |
| Appendix: Anti-Monopoly Law of the People's Republic of China | 487 |
| Table of Legislation | 509 |
| Index | 513 |