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Antitrust damages and Mexican Competition Law.

Discussion Topic

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This Note contains personal considerations. It does not necessarily reflect VA&BA position.

- 1. The Federal Law on Economic Competition (FLEC) foresees the possibility that an economic agent may sue another for causing him/her harm due to anticompetitive commercial practices.
- 2. Specifically the FLEC points out:

"Article 38. Once the Commission's resolution [Federal Competition Commission] is conclusive without further recourse, economic agents who suffered damages and prejudices due to the monopolistic conduct or prohibited concentration could file a motion to obtain compensation for damages and prejudices. To this effect the judicial authority may ask the Commission for its estimate of such damages and prejudices..." (Emphasis added.)

- 3. To the best of my knowledge so far the Commission has never received a petition of the sort mentioned in Article 38.
- 4. For persons interested in economic concepts and methodologies applied to measurement of "damages and prejudices" (i.e. Direct and consequential harm) it could be useful to review some **Forensic Economics** literature (also named Litigation Economics).

Likewise analysts may consult a document prepared for the judiciary in the USA: "Reference Manual on Scientific Evidence." Federal Judicial Center 2000. Second Edition. At:

http://www.fjc.gov/public/pdf.nsf/lookup/sciman00.pdf/\$file/sciman00.pdf

It may also be illustrative to look into the works being carried out by the European Union. At:

http://ec.europa.eu/competition/antitrust/actionsdamages/documents.html

- 5. As a matter of advocacy and transparency in public policy, the **Commission could** construct and publish <u>Guidelines</u> to measure antitrust damages.
- 6. In so doing the Commission might as well identify the relationship, if any, with its mandatory evaluation of "caused damage" to assess penalties. This obligation is stated by FLEC as follows:

"Article 36. To determine penalties the Commission should take into account infringement's gravity, caused damage, signs of intentionality, defendant's market share; size of the affected market; duration of the conduct or concentration and defendant's recidivism or previous conducts as well as its economic strength." (Emphasis added.)