What is the proper role of innovation in competition law analysis? Should it be considered an exogenous value that deserves to be protected indirectly by protecting competition, or should it be considered an endogenous value to be protected directly?

This is the question that the authors debate in “The roles of Innovation in Competition Law Analysis”, edited by P. Nihoul and P. van Cleynenbreugel, both at the theoretical level and through analyses of specific issues ranging from data protection to healthcare, big data, intellectual property rights, and digital platforms.

The digitalization of information and the internet, that are changing radically the way in which information is generated, processed and distributed, have created completely new products and new production and distribution processes, which certainly benefit consumers, but at the same time displace traditional market structures and dynamics. The digital revolution has also seen the emergence of extremely powerful platforms which, thanks to economies of scale, network externalities and big data, tend to occupy and dominate the entire market segment in which they operate.

Under these conditions, competition can survive only through additional innovation: new players will emerge and attempt to dislodge the incumbents only if they are able to bring to market new products and process and induce users to migrate to new platforms and their offerings. The role of innovation will be critical here too, helped by the fact that digital markets often function at zero price.

This is why the questions analyzed in this book are of the utmost importance. The debate among scholars has gone on for some time, but it has certainly become more intense now that the EU Commission has started to focus in merger reviews on the effects of concentration on innovation competition.

The acquisition by incumbents of small competitors, generally below the thresholds of review by the Commission or National Competition Authorities, raises the same issues: to what extent might these acquisitions stifle competition through innovation.
Whether directly as an autonomous innovation competition test, or indirectly as an example of competitive harm, innovation is likely to be at the center of competition law analysis. The authors have brilliantly captured the various aspects of the debate, in a very useful and succinct analytic structure.