

In defence of the Supreme Court's 'single market' definition in *Ohio v American Express*
March 21, 2019

[Geoffrey A. Manne](#)

Summary

In his commentary, Geoffrey A. Manne supports the Supreme Court's decision, and offers insightful analysis of why, to his mind, the decision properly identifies the competitive process of platforms.

Tim Wu's critique, on the other hand, raises concerns as to the treatment of evidence and theory in this case and the legacy of the ruling, which may undermine the efficacy of future antitrust enforcement.

The Supreme Court's decision in *Ohio, et al v Am Express Co, et al* ('Amex') is uniquely important for the antitrust analysis of firms in the modern platform economy. Although it is undoubtedly not the last word on the subject, the case represents the Court's first comprehensive effort to address the thorny and previously indeterminate question of how courts should define the relevant market and assess competitive effects in antitrust cases involving two-sided or multi-sided platforms ('two-sided markets'). In this article, I evaluate the Supreme Court's approach to this question, discuss the economic and legal underpinnings of how it approached market definition and effects analysis, and demonstrate why the primary criticisms of the Court's decision are misguided. While the Court's approach has been roundly decried by some, its conclusion—that both sides of a two-sided market must be considered in defining the relevant market and evaluating the existence and consequences of a firm's exercise of market power—is, indeed, the proper one.

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