

**INDU - Study of Small and Medium-Sized Enterprises.**

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## Verbal Presentation - Friday, May 6th, 2022

My name is Vass Bednar and I am the Executive Director of McMaster University’s MPP in Digital Society where I am also an Adjunct Professor of Political Science. I’m also a [Public Policy Forum](#) Fellow and a Senior Fellow at [CIGI](#), and I write the newsletter “[regs to riches](#).”

Hello, my name is Denise Hearn and I am a Senior Fellow at the American Economic Liberties Project and the co-author of [The Myth of Capitalism: Monopolies and the Death of Competition](#), named a Financial Times best book of 2018.

As the Committee undertakes this study, we would encourage you to focus on the unappreciated challenges independent businesses are facing in today’s markets, and particularly in digital, platform-based markets.

Of late, I have take a consumer-centric view in my research and advocacy. I have written about how [the activity of self-preferencing may be deceptive](#), and described the [issues associated with hyper-personalised pricing schemes that are opaque](#). At the very least, consumers deserve to definitively know when they are receiving a “personalised” price, and why.

Consumers are not the only actors that need to navigate [increasingly murky marketplaces](#). When we shop or compete online, we are traversing our very own hall of algorithmic mirrors.

### **Why is it so difficult for businesses to compete, despite new modern technology that should make it much easier to be successful?**

As it stands, entrepreneurs must navigate a series of expensive and near-invisible competition issues imposed by digital gatekeepers. As small businesses increasingly sell online, in platform-based marketplaces, they are dealing with de facto private regulators that dictate terms and impose ‘[tolls](#)’ as middlemen. For example, Etsy sellers [recently went on strike](#) and closed online stores in protest over rising transaction fees. Meta [recently announced](#) it would take a 47.5% cut of all digital assets sold in its metaverse platform. And Amazon now makes the [largest amount of its revenue from seller fees](#), which have risen consistently every year, and hit sellers with a [5% “fuel and inflation” surcharge](#) in April of this year.

It’s not just digital markets – grocery suppliers recently [raised concerns](#) over increased fines, penalising late deliveries due to supply chain disruptions largely outside their control.

Through the initiative I co-lead, [Access to Markets](#), I've had countless conversations with entrepreneurs across industries as diverse as music and entertainment, farming, and cloud storage who **cannot access markets on fair and equal terms**, which means that they cannot compete based on producing better quality goods and services. Many businesses are justifiably [afraid of speaking out](#) for fear of retaliation by the dominant company engaged in gatekeeping.

As of now, small and medium-sized businesses must independently navigate anti-competitive tactics and unfair practices. These tactics can extend to **coercive, unfair or unclear contract terms**. [These terms](#) are often referred to as “contracts of adhesion” which signify a take-it-or-leave-it agreement with inherent power-imbalances. These contract terms are increasingly used to weaken the bargaining power of smaller suppliers or counterparties, workers, and consumers. Such tactics can silence stakeholders, limit legal options or rights, impede fair dealings, restrict the freedom to set prices, and extract profits or information.

Businesses may have their product coppedied, or their IP stolen, and find little avenues for recourse from the platforms...in fact, the platforms may be perpetrators of the copping.

As an online marketplace, **Amazon** also competes directly with its third party sellers, and [has referred to them](#) as “internal competitors” in its corporate documents. Regulators should be concerned, then, that Amazon’s “IP Accelerator,” which [launched in 2019](#), came to [Canada in 2021](#). The program matches third-party sellers on its platform with trademark and patent law firms, with which it has negotiated set rates to aid sellers in “protecting their brand.”

Canada has an opportunity to be informed by recently-conducted research that considers other issues facing SMEs such as: price discrimination by dominant players; “compliance fines,” dominant companies using their influence to forestall policy intervention and dominant companies using incentives which lock-in smaller businesses to their services.

Significantly improving competition outcomes in Canada demands an all-of-government approach exemplified by the Biden administration’s [recent Executive Order](#). We can’t rely on the Competition Act alone.

In sum: there are invisible competition issues that affect small businesses that must be studied in a Canadian context, and your study should also consider the intersections between competition and intellectual property.

The brief that we have submitted to the committee contains further discussion and areas of opportunity to consider. We thank the committee for the opportunity to appear and are available for follow up conversations and analysis.

Thank you very much.

**Brief: to inform the House of Commons of Canada’s Standing Committee on Industry and Technology’s Study of Small and Medium Sized Enterprises.**

[Vass Bednar](#) + [Denise Hearn](#)

Small Business Issues

*“Small and Medium Enterprises (SMEs) are the lifeblood of a dynamic and resilient economy. They create jobs, bring innovative products and ideas to the market, and put pressure on larger businesses to remain competitive. Pro-competitive policies support the ongoing participation of SMEs in the marketplace and promote dynamism and competitiveness in the Canadian economy...The COVID-19 pandemic has had a disproportionate impact on SMEs. Pro-competitive policies that minimise barriers to entry and expansion for SMEs are vital to stimulating economic growth, innovation and job creation. Following an economic downturn, markets in which businesses can easily enter and expand are likely to recover the fastest. Obstacles that make it more difficult for businesses to enter or expand in a market diminish competitive intensity and slow growth.”*

— Competition Bureau, “[Empowering Small and Medium Enterprises through Pro-Competitive Policies](#),” August 28, 2020

Increasingly, small, medium, and even large businesses must negotiate with **a dominant gatekeeper — or colluding set of gatekeepers** — across numerous industries. Despite narratives of regulatory red tape being the primary burden of small businesses, business owners now deal with **multiple defacto private regulators** who control access to the market, charge high tolls, and set terms.

If you are an app developer, it is the Apple/Google app store duopoly. If you are a grocery store supplier, you must contend with the grocery retail oligopoly of Loblaws, Empire, and Metro. If you sell consumer goods, Amazon largely controls your destiny.

In sector after sector, entrepreneurs and businesspeople cannot access markets on fair and equal terms, which means that they cannot compete based on producing better quality goods and services. Many businesses are justifiably afraid of speaking out for fear of retaliation by the dominant company engaged in gatekeeping.

***Anticompetitive tactics and unfair practices***<sup>1</sup> Tying / Tied Selling

A practice which is illegal under the Competition Act, section 77, in which a seller ties or bundles two products together so that the buyer cannot purchase only one of the products, or cannot do so from another supplier.

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<sup>1</sup> <https://www.accc.gov.au/publications/small-business-the-competition-and-consumer-act>

This technique is often used to exclude competitors by leveraging dominance in one market to gain market share in a secondary market. For example, when Microsoft pre-installed Internet Explorer on its personal computers, or when Microsoft Office products are tied to Microsoft Teams.

### Predatory Pricing

Predatory pricing is an anti-competitive practice in which a company uses below-cost pricing to undercut rivals or market entrants to gain market share. It may then use that market power to set above market level prices or fees.

Predatory pricing is technically illegal under section 78 of the Competition Act, but rarely enforced. In Canada, the [guidelines](#) require plaintiffs to prove that a corporation could or did “recoup” its losses on the underpriced goods. This view ignores the way a monopolist such as Amazon might use predatory pricing to gain market power beyond a specific product, which may bolster other, tangential lines of revenue, potentially in different markets. It also ignores how a company may use predatory pricing for other anti-competitive effects, like the elimination of a rival.

### Toll Booths and increased fees

In an economy ripe with gatekeepers, toll booths are more and more ubiquitous. During the Gilded Age, railroads would charge exorbitant fees to ship goods across the country – the lifeline of commercial activity at the time. Today, gatekeepers charge businesses fees to access customers, or fans, in a similar way: large retailers like Loblaws or Walmart Canada, digital platforms like Facebook, Amazon, Google, and Apple, and for music and entertainment performance, Spotify and LiveNation.

Under our current legal and regulatory framework, operating a tollbooth on a vital artery of a market is the best imaginable business model, one that returns high margins and requires little effort. Investors also encourage this strategy, knowing it will lead to outsized returns.

In Canada, there have been loud outcries from suppliers when Loblaws and [Walmart Canada](#) instituted [increased fees](#) on suppliers in 2020, arguing that they were necessary to keep consumer prices low.

Various industry associations, including the Canadian Federation of Independent Grocers (CFIG) and Food, Health & Consumer Products of Canada (FHCP) lobbied for a federal code of conduct to regulate supplier and grocer relationships, stating “This kind of thing can’t continue. You’re going to see independent grocers go out of business.” But, according to [the Financial Post](#) “the federal government has since clarified that it doesn’t have jurisdiction over the grocery sector and encouraged the provinces to examine the issue.”

The Bureau [closed its investigation into Loblaws](#) in 2017, concluding there was [insufficient evidence](#) to justify an abuse of dominance breach. When Loblaws acquired Shoppers in 2014, the consent agreement included [provisions against seeking financial compensation](#) to maintain profit margins from suppliers for 5 years.

In 2020, as discussions about abuses in the grocery sector during the pandemic came to the fore again, Commissioner Boswell [stated](#) that “As it stands today, competition law in Canada focuses on conduct that could potentially dampen competitive intensity or thwart competition on the merits. **Competition law in Canada does not regulate imbalances in bargaining power, and in its current role, the Bureau cannot develop or enforce a code of conduct for any industry**...Returning to imbalances of bargaining power, the line between hard bargaining and anticompetitive conduct is not always a bright one. The intent to reduce incentives to compete, such as a retailer passing on the costs of retail competition to suppliers, can push what some might see as simply hard bargaining by a large player into a violation of the *Competition Act*.” (emphasis ours).

The Bureau has the ability to regulate pure play competition issues, but the provinces have the capacity to actually regulate the industry and therefore the product. This is an opportunity space for the province.

### Copycatting

Copycatting is the imitation of a product or service by a dominant corporation so that it closely resembles a rival’s successful product or service. For example, Amazon is well known for [launching copycat products](#) after third-party merchants successfully market and sell original versions through its online store.

Private label products have been a strategy of traditional retailers, including grocers, for years. And copycatting is not new — knock off versions of luxury goods, for example, have long flourished. But with the advent of digital marketplaces, copycatting can occur more quickly, with greater frequency, and with greater precision than in the past.

Within digital marketplaces and platforms, copycatting behaviours can often go hand-in-hand with the gatekeeping and self-preferencing and may compound one another. Platforms can derive insights based on customer and/or data in order to identify the most high-value products that should be imitated through their private label brands. Target, for example, has been [accused of imitating entire brands](#) – not simply products.

It is the combination of dominant players, operating marketplaces in which they also compete, with large asymmetries of information and the ability to self-preference their own products, which makes copycatting in digital markets a uniquely new anti-competitive challenge deserving of attention.

Consumer and business privacy laws could help, in part, to mitigate the danger of copycatting which derives from insights gathered through the vast data troves captured by dominant players. But, as with many of these issues now affecting smaller competitors, a holistic approach to competition law and consumer protection is needed.

### ***Coercive, unfair, or unclear contract terms***

Increasingly, workers, consumers, and smaller businesses must accept the contract terms given to them by dominant companies, and these stakeholders may not have the legal capacity, time, or resources to investigate and challenge their contract terms.

Coercive or unfair contract terms are often referred to as “contracts of adhesion” which signify a take-it-or-leave-it agreement with inherent power-imbalances. These contracts are increasingly used to weaken the bargaining power of smaller suppliers or counterparties, workers, and consumers.

Some examples of potentially one-sided contract terms include the below.<sup>2</sup>

Terms used to silence stakeholders:

- **Nondisclosure agreements (NDAs)** which may have indefinite or vague time periods as well as overly broad definitions of intellectual property or confidential company information.
- **Price nondisclosure**, sometimes known as a gag or suppression order — when a private entity, like an employer or trading partner, prevents an individual from disclosing prices.
- **Non-disparagement clauses** which have unreasonable time periods and/or which lack exceptions (carve-outs) for reporting illegal and/or criminal behaviour, or to provide testimony and information for a government investigation or legally issued subpoena. These can also be used to remove consumer rights to review a product freely, or a worker from speaking out against a company’s wrongdoing.

Tactics to limit legal options or rights:

- **Class action waiver clauses** which limit the legal avenues available to a business, worker, or consumer in the event of a breach of contract or otherwise illegal conduct by their counterparty.
- **Confession of judgement** — a written agreement in which a person automatically accepts the liability and damages listed in the contract (e.g. a borrower signing a cognovit note which subjects the defendant to court authority and waives their ability to defend themselves in court)
- **Waiver of statutory rights** — statutory rights are an individual’s legal rights that are provided by state or federal statute. Some attempts to limit a stakeholder’s statutory rights, such as minimum product quality and warranty standards, are illegal because these statutory rights cannot be waived by contract.
- **Unilateral modification clauses / change-of-terms provisions** — gives one company the ability to unilaterally, without warning or written agreement, change the terms of a contract.

Tactics to impede fair business dealings, equal opportunity, and free markets

- **Exclusionary contracts** — contracts entered by a company with a dominant market position that tends to prevent fair competition from competitors, and which favours the largest players. These agreements are not always illegal, but violate competition laws when done by a company to maintain a monopoly position. Types of contracts that may be illegal exclusionary contracts include:

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<sup>2</sup> Updated and adapted slightly from “[Unfair or Coercive Business Contract Terms](#),” written by Denise Hearn.



- **Exclusive supply agreements** — a supplier agrees to exclusively sell goods to one purchaser.
- **Exclusive purchaser agreements** — a dealer agrees to only purchase goods from one supplier. These are sometimes called sole source, sole supplier, or sole purchaser contracts, or requirements contracts.
- **Loyalty discounts** — discounts given if a business purchases a certain percentage of goods or services from the seller.
- **Slotting allowances** — a supplier pays a fee for preferred or exclusive shelf space.
- **Most Favoured Supplier/Purchaser/Entity Clauses** — these clauses often guarantee the supplier/purchaser with the most market power always gets the best deal and therefore exacerbates existing differences in market power.

#### Tactics to restrict the freedom to set prices

- **No price competition clauses** — often seen with restaurants forced to keep prices the same on all delivery apps and in-person dining, which prevents restaurants from using elastic pricing and having autonomy to set their own prices.
- **Vertical price maintenance restrictions** — used to control the prices charged by downstream suppliers.

#### Tactics to extract profits or information

- **Perpetual claims on intellectual property, patents, or royalties** — wide-sweeping definitions of intellectual property which include registered and unregistered IP and/or the rights to collect royalties, products, and proceeds in perpetuity from the supplier's intellectual property or creative property (e.g., music or writing).
- **Mandatory disclosure of competitive business information** — requirements to disclose who a business' customers are, what percentage of business they do with each customer, portions of a company's intellectual property, etc. Can also happen during due diligence processes while fundraising from a corporate venture capital fund.

In some cases, companies now resort to a lack of contracts all together, so that smaller businesses have a complete inability to seek legal recourse. As one food production business owner from Ontario stated, "...no written contracts for the products being put on shelves at Loblaws. We are provided with supplier guidelines, not a contract." And "No detail provided as to why the product is deemed unsellable, just an invoice and we have no recourse."<sup>3</sup>

#### ***Incentives from larger players that lock-in small businesses***

The largest corporations also regularly participate in entrepreneurial ecosystems, and may offer cash grant equivalents of their products and services, which benefit small businesses but also lock them into their services and prevent other providers from competing.

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<sup>3</sup> (2021-07-08) CFIB letter to Minister Bibeau and Minister Lamontagne regarding CFIB's support for the adoption of a Grocery Code of Conduct.

## Google

Google launched '[Google for Startups Accelerator: Canada](#)' in 2020, to benefit Seed and Series A-stage businesses.<sup>4</sup> Based in Kitchener, Waterloo the program provides “equity-free support, three in-person boot camps hosted at Google, personal mentorship and feedback from Google experts. In addition, the accelerator program includes workshops on product design, customer acquisition, and leadership development to help the team develop a strong business foundation.”<sup>5</sup>

Google has also provided millions of dollars to small businesses during and throughout the pandemic, including \$180 million in [low-interest loans to businesses through a CDFI](#), as well as free ad marketing credits.

## Amazon

Amazon is playing an increasingly active role in Canada, and may be subtly influencing competition policy at the provincial and federal level.

As an online marketplace, Amazon also competes directly with its third party sellers, and has referred to them as “internal competitors” in its corporate documents.<sup>6</sup> Regulators should be concerned, then, that Amazon’s “IP Accelerator,” which [launched in 2019](#), came to [Canada in 2021](#). The program matches third-party sellers on its platform with trademark and patent law firms, with which it has negotiated set rates to aid sellers in “protecting their brand.”<sup>7</sup>

However, the nature of the contracts between the law firms and Amazon is not transparent. What is the fine print of the agreements between Amazon and the law firms? How much information sharing goes on? Amazon, which has been accused of stealing intellectual property and copycatting products during its due diligence phase of acquiring companies through its corporate venture capital programs, may also use this as a way to access information about seller intellectual property.

In the site’s FAQ section, the question “What happens if my trademark application filed through IP Accelerator is denied?” is answered this way: “We regularly monitor the status of trademark applications filed through IP Accelerator. If your application is denied, then you will no longer have access to the brand protection features for that trademark application.”

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<sup>4</sup> [Google for Startups Accelerator Canada, Google to launch its first Canadian incubator and three new offices as part of national expansion plan.](#)

<sup>5</sup> [Google announces startup accelerator in Waterloo and new office in Toronto](#)

<sup>6</sup> “Investigation of Competition in Digital Markets,” US House of Representatives Committee on the Judiciary, 2020.

<sup>7</sup> Amazon claims, on its Accelerator website, that “Because the participating law firms have been thoroughly vetted, when a business works with one of the law firms in IP Accelerator and a trademark has been filed on their behalf, they will be strong candidates for registration. As a result, Amazon will provide these brands with accelerated access to brand protections in Amazon’s stores, to better protect their brand months, or even years, before their trademark registration is officially issued. Brands will benefit from automated brand protections, which proactively block bad listings from Amazon’s stores, increased authority over product data in our store, and access to our Report a Violation tool, a powerful tool to search for and report bad listings that have made it past our automated protections.”

One example: In the US, Amazon offers startups going through accelerator programs like Y Combinator or 500 Startups [\\$100,000 worth of free AWS credits](#). Though helpful for startups, it also serves to tie even more businesses to Amazon's platform as it aims to maintain an early lead in cloud storage. Competitors cannot afford to do the same. As one founder of a cloud storage company told Economic Liberties, "I would love to offer thousands of dollars' worth of free storage credits to startups, but that would bankrupt my business."<sup>8</sup>

### ***Gatekeepers forestalling policy intervention***

Large firms can use their lobbying muscle, or political influence, to intervene in policy-making in ways which help maintain their dominance to the detriment of smaller rivals.

In the United States, both [Google](#) and [Amazon](#) have tried to enlist (and [intimidate](#)) small businesses in their fight against antitrust legislation and enforcement. Setting up websites and emailing small businesses, Google tells small businesses "As you may have heard, Congress is considering tech breakup laws that could hurt the digital tools your business uses every day."

Amazon's email to small businesses [stated](#), "We're reaching out to a small group of our sellers to make them aware of a package of legislative proposals, currently in Congress, that is aimed at regulating Amazon and other large technology companies. It is early in the process and the bills are subject to change, but we are concerned that they could potentially have significant negative effects on small and medium-sized businesses like yours that sell in our store."

Another so-called small business group called the [Connected Commerce Council](#), bankrolled by Google and Amazon, claimed to have thousands of SME members. But when [Politico](#) called dozens of the members listed on the website, most of them had never heard of it or said they were not affiliated with it.

On a similar note, Big Tech talking points about privacy legislation disproportionately harming small businesses is another way that dominant gatekeepers attempt to stall legislators. In both cases, small businesses become a 'pawn' in debates about regulatory modernization.

These, and other similar tactics, are ways that dominant firms use to create the illusion of support from stakeholders, while also using fear and intimidation to forestall regulatory action. It is fair to anticipate the same thing happening in Canada, if it is not already.

### ***Delivery Platform Commission(s)***

It has [been documented that](#) the addition of a competitor in the platform delivery market counters traditional economic logic; namely, that the introduction of a competitor will drive down prices. Rather, the 30% commission rate that food delivery platforms such as Uber Eats, DoorDash or Skip the Dishes collect are 'sticky.'

Delivery app fees can eclipse restaurant's costs for labour and rent. A temporary 'cap' on these fees was introduced in Ontario in November 2020, moving the rate down to 20% from 30%.

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<sup>8</sup> American Economic Liberties Project phone interview with entrepreneur, February 2021.

When the cap returned, the *Toronto Star* [reported that](#), “Given the competition among delivery apps, a senior executive with Restaurants Canada is puzzled why at least one of the major companies hasn’t voluntarily lowered its fees in an attempt to capture more market share.” Perhaps the delivery firms are collusive and do not want to set a precedent of lowering their exploitative rate in a jurisdiction.

There could be a stronger role for the provinces to support restaurants by capping the commission at 20% in perpetuity as part of an all-of-government approach to competition in Canada. There are model bills for legislators to look at: the first is [AB2149, California, 2020](#) (prevents menu/trademark stealing); and the second is the City of Chicago’s [rules for third-party delivery services](#) (require fee transparency).

### ***Entrepreneurship and Innovation***

Canadians exhibit “[world-leading levels of entrepreneurial ambition](#),” but the Conference Board of Canada gave Canada a “C” rating on its 2021 Innovation Report Card, stating: “Canada continues to exhibit relatively weak innovation performance.”

One culprit is the regulatory regime that has protected dominant firms at the expense of new entrants and entrepreneurs. In Canada, the median age of the top 15 largest publicly traded firms is [122 years versus 45 years](#) in the United States. The median founding year for Canada’s largest firms is 1899 – before the turn of the 20<sup>th</sup> century. And, according to an [OECD report](#), Canada has the highest number of older firms among 15 other developed countries. Older firms have less incentive to innovate, and [spend less on research and development](#).

Dominant players can use anti-competitive behaviour to stifle or foreclose access to markets for entrepreneurs and independent business owners, as detailed in the report: [“The Other Red Tape” - Market Concentration and the Rise of Private Gatekeepers](#).

Concurrent to the Government of Canada’s launch of its [Go Digital program](#) in response to the pandemic, special attention should be paid to the barriers and challenges that new entrants will face online. A competition lens is critical to spur innovation.

### **Anticipate intense lobbying on these matters**

You are likely to face substantial pressure from ‘Big Tech’ firms that are spending considerable amounts of funds in the US to counter new anti-trust legislation.

Some technology firms are spending considerable funds on lobbying:

- [Apple's Whipping Out the Big Guns to Kill Antitrust Legislation](#)
- [Big Tech Spent Millions on Lobbying Amid Antitrust Scrutiny](#)
- [Tech Giants, Fearful of Proposals to Curb Them, Blitz Washington With Lobbying](#)

\*The [Open Markets Institute](#) recently held a series of events, “[Busting the Big Myths on Anti-Monopoly Reform](#).” The three events sought to summarise and neutralise common areas of argumentation that are invoked to oppose competition policy progress. We suggest reviewing

this material as a primer for the narratives that are likely to characterise the conversation in Canada.

Another relevant policy intervention for small businesses (and consumers) is **the right to repair**. We trust the Government of Canada heard about this during the recent [Consultation on a Modern Copyright Framework for Artificial Intelligence and the Internet of Things](#).

Finally, we note the important connections **between competition policy and intellectual property** from economist [James Bessen](#) that were recently summarised in the MIT Technology Review - [How big technology systems are slowing innovation](#). We look forward to his forthcoming book, [The New Goliaths: How Corporations Use Software to Dominate Industries, Kill Innovation, and Undermine Regulation](#) and trust it can inform this study.

### Recommendations:

1. Hold public forums with entrepreneurs and small businesses and seek input from market participants in order to better understand what anti-competitive practices they may be facing.<sup>9</sup>
  - a. Explore anti competitive tactics and unfair practices;
  - b. Explore coercive, unfair, or unclear contract terms;
  - c. Conduct a market study into contracts of adhesion.
2. Proceed with the anticipated review of Canada's Competition Act, with an eye to [data-driven and digital behaviours](#) described in the Vivic Report (2022) and their implications for small businesses, such as:
  - a. Gatekeeping;
  - b. Self-preferencing;
    - i. Consider designating "self-preferencing" an inherently anti-competitive activity, as [EU has with the Digital Markets Act](#) OR mandating that platforms label instances of self-preferencing so that it is clearly disclosed to the consumer.
  - c. "Copycatting;"
  - d. Algorithmic and "personalised" pricing.
3. Position this study in the context of international competition reform:
  - a. Review the Digital Services Act in Europe;
  - b. Review the Digital Markets Act in the UK;
  - c. Review [Biden's Executive Order on Competition](#).
4. Review the Institute for [Local Self-Reliance](#)'s "[Amazon's Toll Road](#)" report to identify ways to stop Amazon from gouging sellers;
  - a. Consider the merits of separating Amazon's marketplace, retail division, AWS, and logistics operation into stand-alone companies in order to compel these divisions to compete on their own merits, as recommended in the report.

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<sup>9</sup> While stakeholder groups such as the [Canadian Federation of Independent Businesses](#) (CFIB) and the [Council of Canadian Innovators](#) (CCI) can be engaged in this process, we recommend going directly to these stakeholders without over-relying on their advocacy groups.

5. Pursue an **all-of-government approach** to competition policy that can promote competition, lower barriers, and promote a new vision of the economy;
  - a. Consider the role for the provinces to advance pro-competitive policies that support the competitiveness of small and medium sized enterprises.
6. Review new work from James Bessen to consider how **intellectual property rights** [may be exploited to slow innovation](#).
7. Consider how incentives (e.g. cash equivalent credits) from larger players like Google and Amazon may lock-in small businesses and prevent them from switching to competitors;
8. Remain mindful of how 'gatekeepers' may forestall policy intervention on this file;
9. Require [certificates of independent bid determination](#) during government procurement;
10. Commission impartial research to better understand the dynamics of competition in Canada:
  - a. Commission an [OECD Competition Assessment](#) for Canada;
  - b. Consider the merits of a [Productivity Review](#) process, as modelled in Australia.
11. Connect to the prospect of the '**Right to Repair**' in Canada through [the consultation on the Copyright Act](#).
  - a. The right to repair can help to save small businesses time and money when maintaining products they have invested in.