The State Bar of California Antitrust and Unfair Competition Law Section 180 Howard Street San Francisco, CA 94105-1639

First-Class PRSRT
U.S. Postage
PAID
Documation







Competition Vol. 24, No. 1 Spring 2015

The Journal of the Antitrust and Unfair Competition Law Section of the State Bar of California

Chair's Column Thomas N. Dahdouh Editor's Column Heather S. Tewksbury

DEVELOPMENTS IN ANTITRUST AND UNFAIR COMPETITION LAW

CALIFORNIA ANTITRUST AND UNFAIR COMPETITION LAW AND FEDERAL AND STATE PROCEDURAL LAW DEVELOPMENTS

By Thomas Greene and Thomas A. Papageorge

RESTORING BALANCE IN THE TEST FOR EXCLUSIONARY CONDUCT

By Thomas N. Dahdouh

KEYNOTE ADDRESS: A CONVERSATION WITH THE HONORABLE KATHRYN MICKLE WERDEGAR, JUSTICE OF THE CALIFORNIA SUPREME COURT

By Cheryl Lee Johnson and Kathleen J. Tuttle

BIG STAKES ANTITRUST LITIGATION AND GROUNDBREAKING LEGAL ISSUES OF 2014

THE UNITED STATES V. BAZAARVOICE MERGER TRIAL:

A PANEL DISCUSSION INCLUDING INSIGHTS FROM TRIAL COUNSEL

By Moderator: Karen Silverman; Panelists: Peter Huston and Boris Feldman THE ROLE OF CUSTOMER TESTIMONY IN CLAYTON ACT MERGER CHALLENGES

By Gregory J. Werden

FEDERAL TRADE COMMISSION V. ST. LUKE'S HEALTH SYSTEM, LTD.:

A PANEL DISCUSSION ON THIS BIG STAKES TRIAL By Moderator: Paul J. Riehle Panelists: Thomas Green and Jack R. Bierig

A PHYSICIANS' PRACTICE GROUP MERGER'S JOURNEY THROUGH SALUTARY HEALTH-RELATED GOALS, IRREPARABLE HARM, SELF-INFLICTED WOUNDS, AND THE REMEDY OF DIVESTITURE By Ari Y. Basser

MAJOR LEAGUE BASEBALL ANTITRUST LITIGATION:

MAJOR LEAGUE BASEBALL IS EXEMPT FROM THE ANTITRUST LAWS – LIKE IT OR NOT: THE "UNREALISTIC," "INCONSISTENT," AND "ILLOGICAL" ANTITRUST EXEMPTION FOR BASEBALL THAT JUST WON'T GO AWAY

By John L. Cooper and Racheal Turner

THE BASEBALL EXEMPTION: AN ANOMALY WHOSE TIME HAS RUN

By Philip L. Gregory and Donald J. Polden

PRIVACY POLICY ISSUES AND LITIGATION: NOWHERE TO RUN, NOWHERE TO HIDE: IN THE AGE OF BIG DATA IS DATA SECURITY POSSIBLE AND CAN THE ENFORCEMENT AGENCIES AND PRIVATE LITIGATION ENSURE YOUR ONLINE INFORMATION REMAINS SAFE AND PRIVATE?

By Niall Lynch

HOW VIABLE IS THE PROSPECT OF ENFORCEMENT OF PRIVACY RIGHTS IN THE AGE OF BIG DATA? AN OVERVIEW OF TRENDS AND DEVELOPMENTS IN PRIVACY CLASS ACTIONS

By Matthew George

THE DOCTOR IS IN, BUT YOUR MEDICAL INFORMATION IS OUT

By Joseph R. Tiffany II, Connie J. Wolfe, Allen Briskin

THE STATE OF DATA-BREACH LITIGATION AND ENFORCEMENT: BEFORE THE 2013 MEGA BREACHES AND BEYOND

By Evan Wooten

STATUTE OF LIMITATIONS & THE CONTINUING VIOLATIONS DOCTRINE: LIMITATION IN NAME ONLY, OR A RESUSCITATION OF THE CLAYTON ACT'S STATUTE OF LIMITATIONS

By Stephen McIntyre and Kenneth R. O'Rourke

Competition Vol 24, No. 1 Spring 2015

Editor's Note

Heather S. Tewksbury Wilmer Cutler Pickering Hale & Dorr LLP Palo Alto, CA

Recent Developments in Unfair Competition – From groundbreaking legal issues to blockbuster trials.

This issue of *Competition* not only provides a survey of developments in Antitrust and Unfair Competition law from the past year, but also focuses on discrete issues arising out of the blockbuster trials and litigation of 2014.

Starting the issue off is a comprehensive discussion by **Tom Greene** and **Tom Papageorge** on several key developments in California substantive law and federal and state procedural law relating to competition issues. The Section's Chair, **Tom Dahdouh**, follows up with a focused discussion on finding the best test to evaluate exclusionary conduct under Section 2 of the Sherman Act. Also, **Cheryl Johnson** and **Kathleen Tuttle** reprise the keynote address given at the premier West Coast antitrust event, the Golden State Antitrust Institute, by the **Honorable Kathryn Mickle Werdegar**, Justice of the California Supreme Court.

Last year's GSI also offered a series of roundtable discussions on the groundbreaking verdicts and legal issues of 2014. This issue reprises those roundtables and also provides a focused discussion on key substantive legal issues arising out of that litigation.

- In 2012, Bazaarvoice, a leading provider of product ratings and review software and services, finalized its acquisition of its rival, PowerReviews. The U.S. Department of Justice opened an investigation into that acquisition, which eventually led to a three week trial before Northern District Judge William H. Orrick, and a victory for the government. Karen Silverman, Managing Partner of Latham & Watkins San Francisco office, moderates a discussion between Peter Huston, lead trial counsel for the government, Boris Feldman, colead trial counsel for defendant Bazaarvoice, and Arthur Burke, a litigation partner with Davis Polk.
 - o In a companion article, **Gregory Werden**, Senior Economic Counsel in the Antitrust Division of the U.S. Department of Justice, discusses the use of customer testimony on future anticompetitive effects in Clayton Act merger trials.
- Also in 2012, St. Luke's Health System acquired Saltzer Medical Group. After a four week
 trial in district court in Idaho, Judge Lynn Winmill, held that the acquisition violated the
 Clayton Act and other state laws. Paul Riehle, partner and practice group co-chair at
 Sedgwick and Vice Chair of GSI, moderates a panel discussion with the FTC's lead trial
 lawyer, Thomas Greene, and lead defense counsel, Jack Bierig.
 - o Relatedly, **Ari Basser**, weighs in with an article on the vitality of the divestiture remedy ordered by the court and the potential burden the merging parties bear to proffer evidence of the pro-competitive effects of the challenged transaction.

- Observers at GSI also experienced a lively discussion about litigation surrounding the antitrust exemption in the Major League Baseball matter. This issue offers opposing viewpoints in two exceptional articles:
 - o **John Cooper** and **Racheal Turner** argue that the federal courts, including the Supreme Court, must defer to Congress's determination in the Curt Flood Act that baseball should generally continue to be exempt from the antitrust laws, and explains that only Congress can change the exemption.
 - o **Phil Gregory** and **Don Polden** offer a different view. Their article discusses several reasons why the Supreme Court can and should abrogate the exemption and clearly define the scope of the nation's competition policies and antitrust laws on the business of baseball.
- A new and fascinating panel discussion at last year's GSI related to privacy and the question of whether enforcement agencies and private litigation can ensure online information will remain safe and private. Niall Lynch, partner at Latham & Watkins, moderated a discussion between Laura Berger, an attorney in the Division of Privacy and Identity Protection at the FTC, Adam Miller, supervising Deputy Attorney General for the Privacy Enforcement and Protection Unit of the California Attorney General's office, Ara Jabagchourian, partner at Cotchett, Pitre & McCarthy, and Jim Snell, partner at Perkins Coie.
 - o In a companion article, **Matthew George**, explores some of the key claims and legal issues that have emerged in recent lawsuits brought over consumer privacy issues.
 - o **Joseph Tiffany**, **Connie Wolfe**, and **Allen Briskin**, discuss recent treatment by Californian courts of the California Confidentiality of Medication Information Act.
 - o In an article that analyzes traditional litigation behind data breaches and public enforcement, **Evan Wooten** explores what states and the federal government have done in response to high profile data breaches and important developments in the case law.

The issue concludes with a discussion by **Stephen McIntyre** and past Section Chair, **Ken O'Rourke**, on the issue of the statute of limitations and the continuing violations doctrine. The authors argue that the exception to the Clayton Act's Statute of Limitations swallows the rule.