



Abuse of Dominance



ABUSE OF DOMINANCE

Abuse of dominance occurs when a dominant firm or a dominant group of firms engages in a practice of anti-competitive acts, with the result that competition has been, is being or is likely to be prevented or lessened substantially.

□ WHEN THE COMPETITION ACT APPLIES

The abuse of dominance provision in the *Competition Act* may apply when all of the following elements are met:

-  The firm or group of firms has market power, generally defined as the ability to set prices above competitive levels;
-  The firm or group of firms has engaged in or is engaging in a practice of anti-competitive acts, such as acts that are predatory, exclusionary or disciplinary; and
-  The practice of anti-competitive acts has prevented or lessened, or is likely to prevent or lessen, competition substantially.

This could happen if, as a result of the practice of anti-competitive acts:

- prices are substantially higher; or
- product quality, choice or innovation are substantially lower.

If the Commissioner believes that all these elements are met, the Commissioner may apply to the Competition Tribunal for a remedial order, including payment of an administrative monetary penalty.

For more information, see the **Enforcement Guidelines** on the *Abuse of Dominance Provisions* on the Bureau's website.

The Competition Bureau, as an independent law enforcement agency, ensures that Canadian businesses and consumers prosper in a competitive and innovative marketplace.

Headed by the Commissioner of Competition, the Bureau is responsible for the administration and enforcement of the *Competition Act*, the *Consumer Packaging and Labelling Act*, the *Textile Labelling Act* and the *Precious Metals Marking Act*.

Legal Actions

We have the ability to refer criminal matters to the Director of Public Prosecutions, who then decides whether to prosecute before the courts. We also have the power to bring civil matters before the Competition Tribunal or the courts, depending on the conduct in question and applicable legal provisions.

Written Opinions

The Commissioner has the discretion to provide a binding written opinion to businesses seeking to comply with the *Competition Act*. Any person may request written opinions on whether proposed business plans and practices could raise concerns under the Act.

Questions or Complaints

If you believe any of the laws under the Bureau's jurisdiction have been breached, please fill out our online form, call, fax or write.

We are required by law to conduct our investigations in private. We keep the identity of the source and the information provided confidential, subject to certain exceptions.

This publication is also available online in HTML at:
www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/03797.html

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For More Information:



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This publication is intended to provide basic information only. To learn more, please refer to the full text of the Acts or contact the Competition Bureau.

