

The FTC Expands Scope of Unfair Methods of Competition Enforcement

Date: 12/02/22

The Federal Trade Commission ("FTC" or "the agency") announced a new enforcement policy for the prohibition of unfair methods of competition under Section 5 of the FTC Act. The FTC's policy statement declares that the FTC will take an expansive view of its power under the FTC Act to investigate and prevent conduct that violates Section 5. The FTC's stated goal is to stop "unfair methods of competition in their incipiency based on their tendency to harm competitive conditions" and identify and police conduct that may fall beyond the reach of other antitrust laws. While the FTC has attempted to provide a framework to determine what constitutes an unfair method of competition, its guidance may leave businesses uncertain of what conduct runs afoul of Section 5.