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FTC Approves Toys “R” Us Petition to Reopen and Modify 1998 Final Commission Order

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April 15, 2014

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Following a public comment period, the Federal Trade Commission has approved a [petition submitted by Toys “R” Us, Inc. \(TRU\)](#) to reopen and modify a [final Commission order issued in 1998](#). That order followed a Commission determination, affirmed by the Seventh Circuit, *Toys ‘R’ Us, Inc. v. FTC*, 221 F.3d 928 (7th Cir. 2000) holding that, among other things, TRU had used its significant market power to orchestrate a “hub and spoke” conspiracy among its suppliers to restrict the supply of toys to certain warehouse clubs that would otherwise have competed against TRU.

According to [TRU’s petition, submitted in January 2014](#), the growth of Walmart and Target, and emergence of online retailers such as Amazon.com, has reshaped competition among purchasers and sellers of toys. The Commission has modified the 1998 final order to set aside the provisions in Section II that restricted TRU’s ability to enter into certain conditional supply relationships.

The petition stated that while TRU did not seek to modify or set aside the final order’s core prohibition on facilitating or attempting to facilitate unlawful collusion, it was seeking FTC approval to set aside three paragraphs in Section II. TRU contended that eliminating these sections would allow it to engage in procompetitive (or neutral) vertical conduct that could allow it to compete more effectively.

The Commission vote approving the petition and [order modification](#) was 4-0. Copies also can be found on the FTC’s website and as a link to this press release. The FTC [responded to one public comment](#) on the petition. (FTC File No. 131-0052, Docket No. C-4405; the staff contact is Roberta Baruch, Bureau of Competition, 202-326-2861)

The FTC’s Bureau of Competition works with the Bureau of Economics to investigate alleged anticompetitive business practices and, when appropriate, recommends that the Commission take law enforcement action. To inform the Bureau about particular business practices, call 202-326-3300, send an e-mail to antitrust@ftc.gov, or write to the Office of Policy and Coordination, Bureau of Competition, Federal Trade Commission, 601 New Jersey Ave., N.W., Room 7117, Washington, DC 20001. To learn more about the Bureau of Competition,

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PRESS RELEASE REFERENCE:

[FTC Seeks Public Comment on Toys “R” Us Petition to Reopen and Modify Final Commission Order](#)
[FTC Upholds Charges that Toys "R" Us Induced Toy Makers to Stop Selling Desirable Toys to Warehouse Clubs](#)
[FTC Judge Upholds Charges Against Toys "R" Us](#)

CONTACT INFORMATION

MEDIA CONTACT:

Mitchell J. Katz
Office of Public Affairs
202-326-2161



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[Toys "R" Us, In the Matter of](#)

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FEDERAL TRADE COMMISSION

Headquarters:

600 Pennsylvania Avenue, NW

Washington, DC 20580

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