What if disruption really happens – are competition law and digital regulation fit for a new era of AI-driven competition?
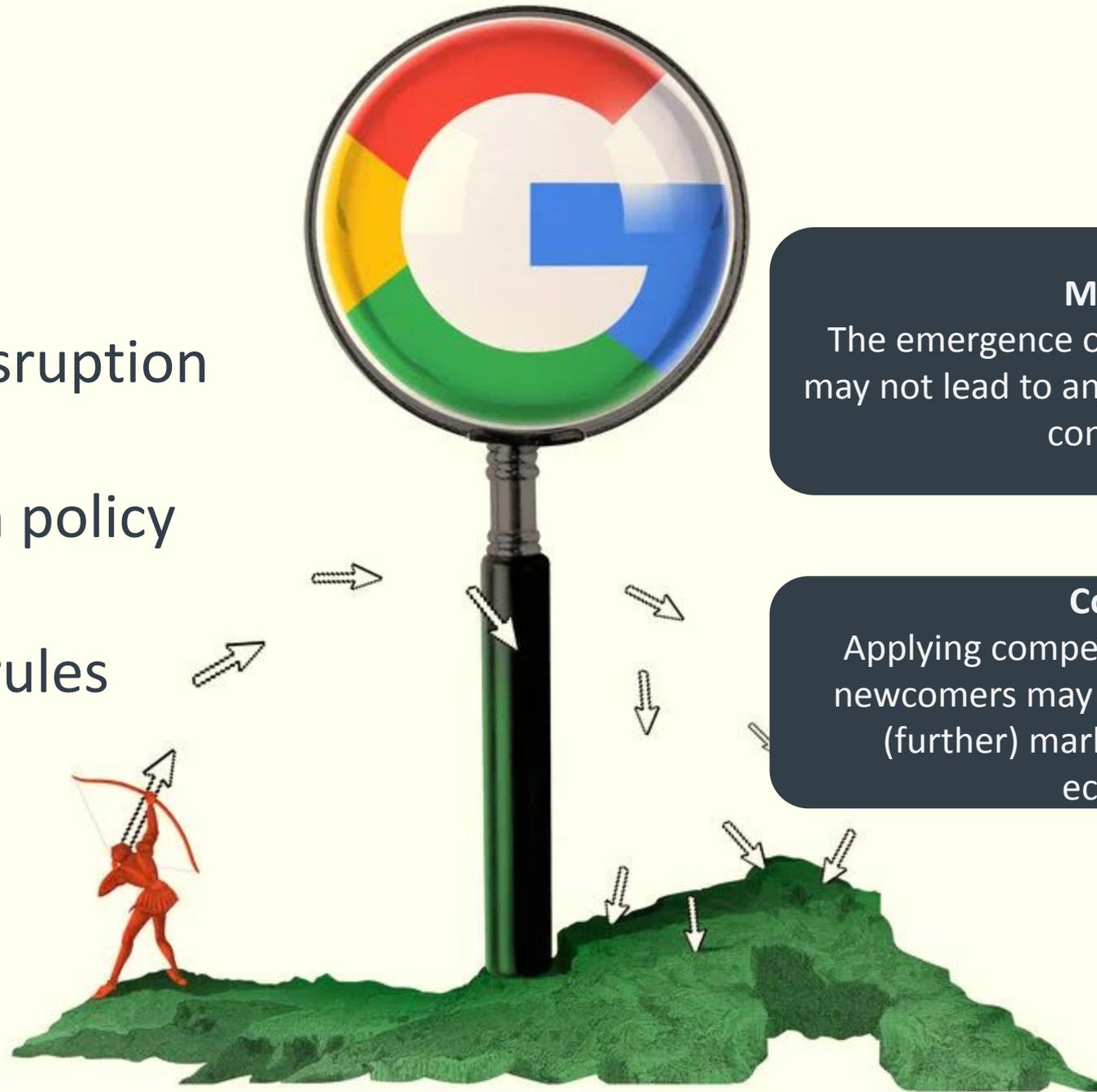
**DCC conference, Washington D.C.
February 6 2026**

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Overview

1. AI-driven Disruption

2. Competition policy

3. Newcomer rules

Main thesis
The emergence of a disruptive newcomer may not lead to an overall increase of market contestability.

Conclusion
Applying competition rules to disruptive newcomers may be necessary to prevent (further) market tipping and unfair ecosystems.

AI-driven disruption: How?

- Indirect competition > Direct competition

- Different approaches to explain market success of AI newcomers

    - Demand-oriented (Christensen): New market disruption

    - Capabilities-oriented (Henderson/Clark, Teece)

AI-driven disruption: Market Outcomes?

- Disruption ≠ Creative Destruction

- Several outcomes possible

  - Creative Destruction

  - Successful Defence

  - **Market Segmentation**

> The emergence of a disruptive newcomer may not lead to an overall increase of market contestability.
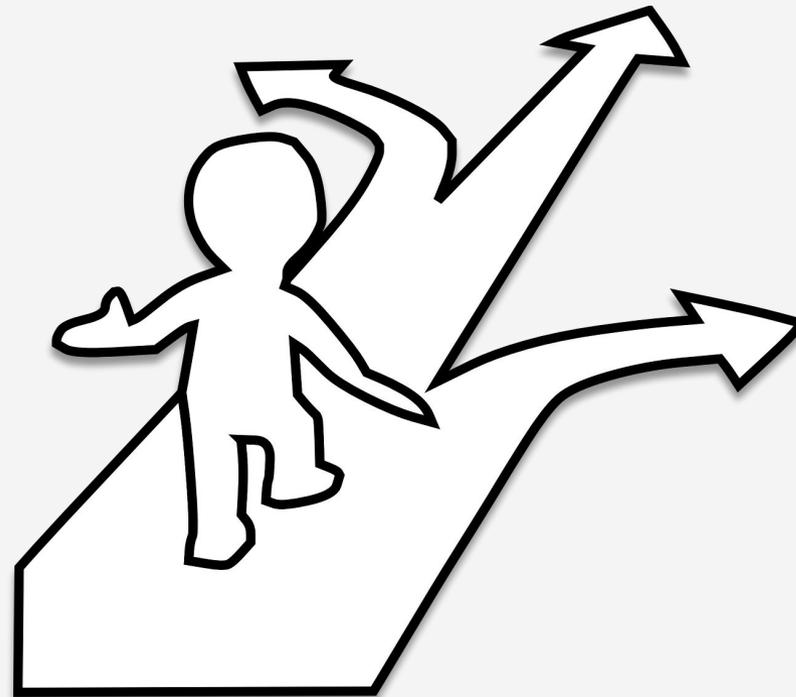
Competition policy: Rules for newcomers?

Should competition law address this issue?

- Balance between supporting innovation and protecting competition

- Protection of the competitive process as the benchmark

- Newcomer's position of power despite incumbent's market presence

- Intervention shall tackle tipping and ecosystem problems (only)

Competition law for newcomers

- DMA contains a newcomer rule in Art. 17(4) DMA but it is ineffective for AI

- Application of Art. 102 TFEU or Sec. 2 Sherman Act?

- **Market definition is crucial**
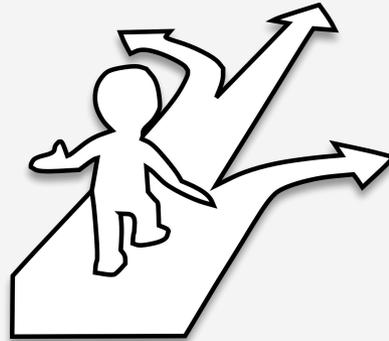
Competition law for newcomers: Market definition

When is it appropriate to define separate markets?

- Perspective: not technologically backward-looking

- Insights from disruption theory:

  - Does the business model involve a feature that cannot be duplicated?

  - Is the newcomer serving new demand and/or unique user base?

  - Has the newcomer new technological capabilities?

Market power and intervention threshold

Forward-looking perspective:

- Current market shares not fully indiciative

- Competitive edge over other innovative firms in the segment?

- Dynamic competition capabilities

Relevant parameters:

- Absolute and relative number of (unique) users (□ new demand)

- Funding (□ venture capital and cooperation with big companies)

- Position of power in other regional markets (□ other countries)

Theories of harm:
- Only exclusionary practices
- Behavior inducing market tipping
- Ecosystems □ platform envelopment

Conclusion and outlook

- AI-driven disruptions may not increase market contestability

- Tipping and ecosystem rules for newcomers

- DMA's scope is unclear and newcomer rule is not (fully) effective

- Competition law can play a vital role if applied more forward-looking
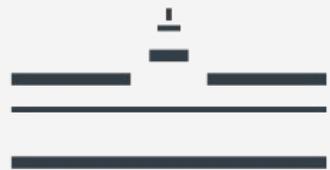
Thank you for your attention!

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