

# COMPETITOR COLLABORATIONS IN THE AGE OF AI: ANCIL- LARY RESTRAINTS AND PRACTICAL ANTITRUST GUARDRAILS



BY MINNA NARANJO, RISHI SATIA & COLE PFEIFFER<sup>1</sup>



<sup>1</sup> Morgan, Lewis & Bockius LLP.

# CPI ANTITRUST CHRONICLE

## March 2026

### **BETWEEN SCYLLA AND CHARYBDIS – NAVIGATING TRANSATLANTIC ANTITRUST CURRENTS**

*By Tilman Kuhn & Niklas Brueggemann*



### **CARTEL ENFORCEMENT MOVES INTO THE LABOR MARKET: TRENDS AND IMPLICATIONS**

*By Andreas Kafetzopoulos & Caroline Janssens*



### **RETHINKING BUY-SIDE ANTITRUST “GROUP BOYCOTTS”**

*By Craig Falls & Brendan McGuire*



### **POSITIVE COLLABORATIONS: THE TOOLS AVAILABLE TO COMPETITION AUTHORITIES TO ENCOURAGE BENEFICIAL INTERACTIONS BETWEEN COMPETITORS**

*By Rona Bar-Isaac & Thomas Withers*



### **COMPETITOR COLLABORATIONS IN THE AGE OF AI: ANCILLARY RESTRAINTS AND PRACTICAL ANTITRUST GUARDRAILS**

*By Minna Naranjo, Rishi Satia & Cole Pfeiffer*



### **NAVIGATING STRATEGIC PARTNERSHIPS IN THE AGE OF AI: WHERE SHOULD COMPETITION AUTHORITIES DRAW THE LINE?**

*By Leonardo Peres da Rocha e Silva & Marina de Souza e Silva Chakmati*



### **EXECUTIVE ORDER ADDRESSING ANTICOMPETITIVE BEHAVIOR IN THE FOOD SUPPLY CHAIN PROVIDES INSIGHT ON THE TRUMP ADMINISTRATION’S ANTITRUST ENFORCEMENT PRIORITIES**

*By Amy N. Vegari & Christine R. Harper*



### **GUILT BY (CLIMATE) ASSOCIATION: IMPRECISION MARS ANTITRUST CLAIMS AGAINST INSTITUTIONAL INVESTORS’ EMISSIONS PLEDGES**

*By Cynthia Hanawalt & Andy Fitch*



## COMPETITOR COLLABORATIONS IN THE AGE OF AI: ANCILLARY RESTRAINTS AND PRACTICAL ANTITRUST GUARDRAILS

*By Minna Naranjo, Rishi Satia & Cole Pfeiffer*

Artificial intelligence’s rapid development and high input costs are accelerating collaboration among AI firms through research consortia, compute-pooling arrangements, cloud-model partnerships, safety initiatives, platform governance, and standards-setting. These types of collaborations can promote competition and generate substantial efficiencies—enabling access to data, specialized talent, and scarce computing resources; reducing duplication; and improving security and interoperability. At the same time, collaborations among competitors can potentially raise heightened antitrust risk under Section 1 of the Sherman Act, particularly where coordination among competitors includes restraints that resemble non-competes, customer or market allocation, output limits, or price-related terms. This article examines the ancillary restraints doctrine—from *Addyston Pipe* through modern Supreme Court decisions like *BMI*, *Dagher*, *American Needle*, and *Alston*—to evaluate when restraints embedded in AI collaborations are likely to be viewed as reasonably necessary to achieve procompetitive benefits and when they are more likely to be found to function as naked restraints. The article offers a practical framework and “risk flags” to help parties structure AI collaborations to preserve procompetitive benefits while reducing potential Section 1 exposure.

Visit [www.competitionpolicyinternational.com](http://www.competitionpolicyinternational.com) for access to these articles and more!

CPI Antitrust Chronicle March 2026

[www.competitionpolicyinternational.com](http://www.competitionpolicyinternational.com)

**Scan to Stay Connected!**

Scan or click here to sign up for CPI's FREE daily newsletter.



# I. INTRODUCTION: COLLABORATION IN THE AGE OF AI

Rapid advances in artificial intelligence (“AI”) — and the high costs of training and deploying modern models—are making collaborations among AI industry participants increasingly common. Firms often may form joint ventures and other collaborations to share or analyze data, jointly research and develop models, pool scarce inputs (e.g. chips, cloud capacity, bandwidth, and energy resources), and coordinate on safety, interoperability, or standards.

These collaborations can accelerate innovation, promote competition, and increase output, but they also carry regulatory risk—particularly under Section 1 of the Sherman Act, which prohibits “contract[s], combination[s] . . . or conspirac[ies], in restraint of trade or commerce.” Section 1, however, does not condemn every restraint; it targets only restraints that are “unreasonable.” “Naked” restraints among competitors — agreements lacking plausible efficiency justification — may be treated as per se unlawful. By contrast, “ancillary” restraints — those subordinate to a legitimate collaboration and reasonably necessary to achieve procompetitive benefits — are typically evaluated under the rule of reason and may be upheld as lawful when their benefits outweigh their competitive harms.

For AI collaborations, the core question under the ancillary restraints doctrine is practical: when is a restraint ancillary to an efficiency-enhancing collaboration, and when is it an unreasonable, naked restraint of trade?

Neither courts nor federal antitrust enforcers—the Federal Trade Commission (“FTC”) and Department of Justice (“DOJ”) — have provided clear, AI-specific guidance on where that line falls. This article therefore identifies common AI collaboration structures that may be likely to emerge, provides a working framework for applying the ancillary restraints doctrine to those types of collaborations, and offers practical structuring tips to distinguish procompetitive, output-enhancing restraints more likely characterized as “ancillary” to a collaboration from restraints whose competitive harms may be viewed as outweighing their benefits or efficiencies.

## II. DOCTRINAL BACKGROUND: FROM ADDYSTON PIPE TO ALSTON

The ancillary restraints doctrine traces to *Addyston Pipe*, a late 19th Century case which distinguished “naked” restraints from restraints ancillary to a broader legitimate transaction.<sup>2</sup> Although courts do not always use the “ancillary restraint” terminology, the basic distinction persists: ancillary restraints can make markets more competitive by enabling a new product or process, facilitating entry, or expanding output; naked restraints diminish competition without a sufficient integration- or efficiency-based rationale.

The Supreme Court refined the doctrine in several decisions. In *Broadcast Music, Inc. v. Columbia Broadcasting System, Inc. (BMI)* in 1979, the Court held that a blanket licensing arrangement through which agencies offered performance rights for thousands of musical compositions for a single fee was not per se illegal.<sup>3</sup> Although the arrangement resembled price coordination in form, the Court treated it as lawful because in practice the collaboration created a different product and meaningful efficiencies — integrated licensing, monitoring, and enforcement — that would not have existed absent coordination.

In *Texaco v. Dagher* in 2006, the Court clarified limits on Section 1 challenges in the joint venture context. Texaco and Shell formed Equilon Enterprises to produce and sell gasoline in the western United States, pooling assets and sharing risk and profits.<sup>4</sup> The Court held the venture’s pricing decisions for gasoline it produced and sold were not in violation of Section 1 of the Sherman Act; they were “little more than price setting by a single entity.” The Court also explained that the ancillary restraints doctrine is not relevant or applicable where the “business practice being challenged involves the core activity of the joint venture itself.”<sup>5</sup>

*American Needle v. National Football League* clarified that all joint conduct is not automatically immune from Section 1 scrutiny.<sup>6</sup> In this case, NFL teams coordinated to form NFL Properties to collectively license and market intellectual property. The Court, however, held that despite their joint arrangement, the NFL teams were not a single entity for all purposes because they remained separate economic actors with distinct interests. Thus, restraints preventing teams from licensing their own IP independently therefore remained subject to Section 1 analysis and the ancillary restraints doctrine.

---

<sup>2</sup> *United States v. Addyston Pipe & Steel Co.*, 85 F. 271 (6th Cir. 1898), modified and aff’d, 175 U.S. 211 (1899).

<sup>3</sup> 441 U.S. 1 (1979).

<sup>4</sup> 547 U.S. 1 (2006).

<sup>5</sup> *Id.* at 7.

<sup>6</sup> 560 U.S. 183 (2010).

Finally, in *NCAA v. Alston*, student-athletes challenged NCAA limits on education-related benefits as part of their compensation.<sup>7</sup> Applying the rule of reason, the Supreme Court affirmed a judgment against the NCAA and explained that restraints must be reasonably necessary to achieve procompetitive objectives (without requiring defendants to use the least restrictive means to achieve those objectives).

Taken together, these cases underscore a recurring principle: a restraint that would look suspect in isolation — such as an agreement not to compete, to allocate customers, or to restrain prices — may be lawful if it is subordinate to, and reasonably necessary for, an efficiency-enhancing collaboration. Conversely, restraints that reach beyond what is reasonable to make the collaboration work or that suppress independent competition without a close connection to the venture’s efficiencies are more likely to be condemned.

### III. MODERN PRESSURE POINTS FROM ENFORCERS

Many AI partnerships will not resemble classic, naked restraints like bid rigging or explicit market allocation. But AI collaborations can embed restrictions that potentially raise Section 1 risk — particularly where they may create lock-in, foreclose rivals’ access to key inputs (such as compute, training data, or distribution), or facilitate exchanges of competitively sensitive information.

From April 2000 until December 2024, the FTC and DOJ Antitrust Division had set forth “Antitrust Guidelines for Collaborations Among Competitors.” These guidelines described the antitrust agencies’ analytical approach to assessing collaborations involving competitors, and this approach incorporated the ancillary restraints principle from the case law, stating, “If . . . participants in an efficiency-enhancing integration of economic activity enter into an agreement that is reasonably related to the integration and reasonably necessary to achieve its procompetitive benefits, the Agencies analyze the agreement under the rule of reason, even if it is of a type that might otherwise be considered *per se* illegal.”<sup>8</sup>

In December 2024, the agencies withdrew these guidelines, over the dissent of the Republican FTC Commissioners, citing a variety of reasons for the withdrawal, including that “the Collaboration Guidelines fail to address the competitive implications of modern business combinations and rapidly changing technologies such as artificial intelligence, algorithmic pricing models, vertical integration, and roll ups.”<sup>9</sup> In withdrawing the guidelines, the agencies stated simply that “[b]usinesses considering collaborating with competitors are encouraged to review the relevant statutes and caselaw to assess whether a collaboration would violate the law.” Since the ancillary restraints principle continues to be reflected in recent case law, as discussed above, it remains part of the analytical framework addressing collaborations under antitrust law, despite the withdrawal of the prior agency guidelines.

In January 2025, the FTC issued a staff report examining corporate partnerships and investments between major cloud service providers and prominent generative AI developers.<sup>10</sup> Then-Chair Lina Khan warned that certain partnerships can create lock-in, deprive startups of key inputs, and reveal sensitive information that can undermine competition, while also acknowledging that partnerships may generate efficiencies — such as access to compute, data, personnel, intellectual property, and co-development of AI-optimized chips. Then-Commissioner (and now Chairman) Andrew Ferguson supported the release of factual sections of this report but dissented from a section identifying potential areas of risk to competition as overly speculative.

Under the current administration, various government policies have sought to encourage AI development, including a January 2025 executive order that emphasized removing barriers to AI innovation,<sup>11</sup> and a subsequent White House AI Action Plan that noted the urgency for the U.S. to win the AI race for innovation, infrastructure, and global partnerships.<sup>12</sup> The action plan specifically required the government to examine federal regulations that hinder AI innovation.

---

<sup>7</sup> 594 U.S. 69, 80 (2021)

<sup>8</sup> Antitrust Guidelines for Collaborations Among Competitors, Federal Trade Commission and Dep’t of Justice, April 2000 (citing *BMI*, 441 U.S. at 19-20).

<sup>9</sup> Justice Department and Federal Trade Commission Withdraw Guidelines for Collaboration Among Competitors (December 11, 2024).

<sup>10</sup> Federal Trade Commission, Office of Technology Staff, Partnerships between Cloud Service Providers and AI Developers, FTC Staff Report on AI Partnerships & Investments 6(b) Study (January 2025), available at [https://www.ftc.gov/system/files/ftc\\_gov/pdf/p246201\\_aipartnerships6breport\\_redacted\\_0.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/p246201_aipartnerships6breport_redacted_0.pdf).

<sup>11</sup> Executive Order 14179, Removing Barriers to American Leadership in Artificial Intelligence (Jan. 23, 2025), available at <https://www.federalregister.gov/documents/2025/01/31/2025-02172/removing-barriers-to-american-leadership-in-artificial-intelligence>.

<sup>12</sup> Executive Office of the President of the United States, Winning the Race, America’s AI Action Plan (July 2025), available at <https://www.whitehouse.gov/wp-content/uploads/2025/07/Americas-AI-Action-Plan.pdf>

Against that backdrop, at the FTC, Chairman Ferguson has called for caution in antitrust enforcement in the AI sector, stating, “I fear that if we weigh down innovators and entrepreneurs in the AI space, we will break AI technology and deny all of our citizens its potential promise.”<sup>13</sup> At the same time, he also stated that this “word of caution is not, however, a call to idleness. Where we see AI abused to injure consumers and workers, we should intervene. . . . We must also ensure that the markets for inputs necessary to develop AI technology — GPUs, data centers, power generation, hyperscaling, etc. — remain competitive. . . . And we must be on watch for incumbent conduct that could suppress innovation by AI challengers and newcomers.”<sup>14</sup>

To date, public antitrust enforcement specifically targeting AI collaborations has been limited, even as agencies continue to signal interest in AI markets and the competitive effects of major partnerships.

## IV. A PRACTICAL GUIDE TO AI JOINT VENTURES

Many AI collaborations, to the extent they reasonably require the inclusion of certain types of restraints, can be designed to fit comfortably within the ancillary restraints framework. Below are common scenarios that may arise in AI collaborations, with examples of restraints more likely to be viewed as ancillary, “risk flags” that may increase Section 1 exposure, and concrete design considerations that businesses may wish to consider in aligning any necessary restraints with legitimate collaboration needs.

Because any collaboration will be unique and must be assessed under its own specific facts under the established case law framework, in the discussion below, the presence of “risk flags” does not necessarily equate with an antitrust concern, depending on the circumstances, and the design considerations are not necessarily appropriate for all collaborations. Rather, these are intended as general points of orientation to help guide thoughtful consideration and fact-specific assessment.

1. **Data-sharing joint ventures:** Companies, including competitors, may wish to create a structured arrangement to pool or analyze data without broadly disclosing raw datasets to one another — often because privacy, confidentiality, or regulation makes ordinary sharing impractical.

- **Potential ancillary restraints:** Limits on the use of shared datasets, restrictions on onward sharing, and governance rules controlling access should often be viewed as ancillary restraints because they enable the procompetitive aspects of pooling to occur while protecting privacy, security, and IP. If parties cannot control access or downstream use, they may refuse to contribute data at all.
- **Potential risk flags:** Restrictions would become riskier when they extend beyond shared data (e.g., banning independent data acquisition) or when they constrain the use of independently obtained datasets. Risk also increases when data pooling is paired with uncontrolled exchange of competitively sensitive information (non-public pricing, customer terms, capacity plans) that is not reasonably needed for the data-sharing project.
- **Structuring tips:**
  - o Use a third-party trustee or other methods (e.g., anonymization and/or aggregation) to reduce direct access to raw competitor data.
  - o Define permitted uses narrowly (by project, model, or field of use) and avoid restraints on independently developed or acquired data.
  - o Implement access controls, such as role-based permissions or other technical measures, to reasonably control data access.
  - o Create explicit rules regarding the types of competitively sensitive commercial information that can be shared through the venture and/or antitrust protocols for meetings and communications.
  - o Build in term limits and periodic review to reassess whether restrictions remain necessary.
- **Documentation and process tips:**
  - o Record why pooling is needed (e.g., privacy constraints, scale, representativeness) and why alternatives would be less effective.
  - o Document data governance, security measures, and the rationale for any use restrictions as tied to privacy/IP/security — not suppression of rivalry.

<sup>13</sup> Remarks of Andrew N. Ferguson, The 13th Seoul International Competition Forum Seoul, Korea, September 3, 2025.

<sup>14</sup> *Id.*

2. **Joint research and development collaborations:** Competitors or complementary firms may wish to collaborate to develop models, evaluation tools, or core components under shared IP rules and coordinated milestones.

- **Potential ancillary restraints:** Defined limits on uses of the collaboration's outputs, contribution and licensing terms, and confidentiality obligations can be ancillary where they enable effective, procompetitive R&D collaborations by, for example, preventing freeriding, protecting shared investments, and maintaining incentives to contribute meaningful resources.
- **Potential risk flags:** Broad noncompete agreements unrelated to joint work, restrictions that impact independent R&D activities across unrelated business lines, or agreements that standardize features in ways not tied to the joint development can increase risk. Additional risk may also arise where R&D coordination could be deemed to become a vehicle to align product roadmaps or commercial strategies beyond the joint venture itself.
- **Structuring tips:**
  - o If a noncompete provision is necessary, craft it narrowly (scope, duration, covered personnel) and tie it to protection of venture-specific IP or know-how.
  - o Preserve independent R&D activities by specifically carving out independent projects, preexisting pipelines, and/or research outside the collaborative scope.
  - o Consider staged contributions and reciprocal licensing rather than exclusivity where feasible.
- **Documentation and process tips:**
  - o Memorialize the specific aspects of the collaboration (e.g., pooled talent, shared compute, shared datasets, shared evaluation tooling) and how it expands output or speeds innovation.
  - o Keep records showing why and how any confidentiality/publication restrictions are tied to enabling procompetitive goals, such as preventing free riding and protecting joint investment.

3. **Compute-pooling/capacity-sharing arrangements:** Multiple firms may wish to jointly procure or allocate scarce compute resources (e.g., chips) or share other scarce resource capacity through standardized governance mechanisms to manage cost and volatility and ensure reliable access. These collaborations can potentially resemble buying groups or shared infrastructure cooperatives.

- **Potential ancillary restraints:** Anti-resale/anti-arbitrage rules, usage caps, priority protocols, and limits on subcontracting pooled compute can be ancillary where they enable procompetitive outcomes by preventing opportunism, ensuring service levels, and stabilizing costs. Narrow limits on particular uses can sometimes be justified where necessary to ensure equitable access.
- **Potential risk flags:** Compute pooling collaborations may become riskier if they effectively restrict output (e.g., by imposing caps on model training unrelated to capacity constraints), facilitate alignment on capacity plans or non-venture product roadmaps, or are designed and structured to disadvantage rival buyers or foreclose access to a critical input. Risk also may increase if the pooling arrangement were to become a vehicle for coordinated purchasing behavior of critical inputs that excludes smaller competitors without objective criteria or reasonable justification.
- **Structuring tips:**
  - o Use objective allocation rules for access to the compute or other resources (e.g., proportional to contribution, pre-set tiers) rather than discretionary allocations, and avoid restrictions on members' ability to procure compute independently.
  - o Separate the collaboration's capacity governance mechanisms from members' commercial strategy, for example, by considering whether to prohibit sharing of members' model pricing, customer terms, launch plans, or forward-looking output plans through the collaboration.
  - o Consider independent administrators and/or standardized contracts to limit potential competitor interactions.
  - o Include express exit rights and periodic capacity reviews of the pooling arrangement to ensure its restrictions remain tied to scarcity and service-level needs.
- **Documentation and process tips:**
  - o Document the efficiency rationales (e.g., risk sharing, volatility management, and overcoming a scarcity challenge by pooling resources)
  - o Maintain written antitrust protocols governing what can be discussed in governance forums.

4. **Strategic model–cloud partnerships:** A model developer and cloud provider may wish to partner where the model developer contributes its model and the cloud provider commits resources, such as infrastructure, engineering support, security, and marketing resources, to build and operate models at scale, often with co-optimization for hardware and enterprise compliance.

- **Potential ancillary restraints:** Limited exclusivity for a defined set of models or offerings, restrictions tied to security-driven deployment controls, and reasonably tailored MFN-like terms can be ancillary where they facilitate an overall efficiency-enhancing collaboration by, for example, securing committed investment, enabling effective co-optimization, or preserving security and compliance requirements.

- **Potential risk flags:** Risk increases with long and unnecessary exclusivity periods, restrictions encompassing an overly broad product scope or leading to unnecessarily high and artificial switching costs, restrictions that unduly foreclose rival clouds or distributors, or broad MFN-like provisions that discourage price competition or inhibit entry. Exclusivity provisions also become riskier if the exclusivity is extended beyond what is reasonably needed for securing committed investment or if it effectively forecloses distribution channels.
- **Structuring tips:**
  - o Limit exclusivity by duration and cloud model family and use only where reasonably necessary to justify and support the investment or other critical aspects of the partnership.
  - o Build in performance commitments and termination triggers so exclusivity is tied to real investment and service levels.
  - o Reduce switching costs with, for example, data portability, reasonable transition assistance, and clear post-termination rights, although reasonable transition-related fees or contract termination remedies can be legitimate.
  - o Narrow MFN-like terms to specific, objectively defined investments or services and avoid provisions that operate as de facto price floors.
- **Documentation and process tips:**
  - o Record the investment rationale for exclusivity and why a narrower term or scope would be insufficient in practical terms to achieve the relevant procompetitive objectives.
  - o Document adopted limitations designed to mitigate any potential competitive effect concerns, such as portability, transition assistance, and compliance requirements.

5. **AI safety collaborations and shared red-teaming programs:** Firms may wish to coordinate to test models for vulnerabilities, share threat intelligence, and develop benchmarks and risk mitigation approaches, potentially with confidentiality and coordinated disclosure requirements.

- **Potential ancillary restraints:** Confidentiality regarding vulnerabilities, coordinated disclosure requirements, and safety-related standard setting can be ancillary because they reduce systemic risk and make joint testing meaningful.
- **Potential risk flags:** Safety-related collaborations could raise Section 1 concerns if “safety” becomes a pretext to exclude smaller competitors, if standards operate as de facto limits on output or capability without a plausible safety nexus, or if participants use safety forums to exchange commercial strategy, roadmap details, or pricing.
- **Structuring tips:**
  - o Separate safety-related benchmarking from other commercial activities by, for example, prohibiting discussion of pricing, customer strategies, capacity plans, and product roadmaps in safety meetings.
  - o Use independent facilitators where appropriate and publish transparent, objective participation criteria.
  - o Keep standards focused on measurable safety outcomes and avoid requirements that could be deemed to functionally dictate product design unrelated to safety.
  - o Set reasonable, time-limited coordinated disclosure windows with clear triggers for accelerated disclosure in high-risk circumstances.
  - o Consider frameworks in which qualified smaller firms can participate, such as tiered participation structures.
- **Documentation and process tips:**
  - o Document the rationale for confidentiality and disclosure timing, including, if applicable, why immediate publication of vulnerability information could increase misuse risk.
  - o Maintain agendas, minutes, and antitrust protocols that demonstrate that the scope of the collaboration is limited to safety.

6. **Interoperability and standards setting:** Industry participants may adopt technical standards — through formal bodies or working groups — to reduce integration costs and enable systems to work together. In general, standard-setting activities have long been recognized as a potentially procompetitive form of collaboration among competitors.

- **Potential ancillary restraints:** Certification requirements, IP policies, and governance constraints can be ancillary because they are often necessary to ensure interoperability, prevent fragmentation, and manage IP contributions
- **Potential risk flags:** Standards may become riskier if they are designed to lock out rivals, are developed by parties who do not adequately disclose their relevant IP interests, or embed terms that indirectly fix prices or restrict output. Risk also increases where standards are set by a small group of incumbents without transparent procedures.
- **Potential design considerations:**
  - o Use transparent, open processes with clear voting rules, documented rationales, and opportunities for broader participation.
  - o Ensure certification burdens are proportionate and technically justified and avoid requirements that favor a particular vendor’s architecture without necessity.

- o Maintain antitrust protocols, such as protocols that restrict discussion to technical interoperability and avoid commercial coordination.
- **Documentation and process tips:**
  - o Document why particular standards reduce costs or improve interoperability and why alternatives would be inferior and not reasonably practical in delivering the same procompetitive benefits.
  - o Keep records showing decisions were made on technical merit, not to disadvantage competitors.

## V. WHAT NOT TO DO: POTENTIAL SECTION 1 RED FLAGS IN AI COLLABORATIONS

Even where an AI collaboration is legitimate, and notwithstanding the ancillary restraints doctrine's potential applicability, antitrust risk increases sharply when an arrangement includes restraints that look like the most like classic anticompetitive conduct among competitors. Agreements on prices, customer allocation, territories, or output are higher risk, as are broad no-poach or non-compete arrangements, that are not closely tied to protecting venture-specific investment.

Similarly, collaborations should avoid becoming a forum for exchanging competitively sensitive information — such as pricing, customer terms, margins, capacity plans, product roadmaps, or launch timing — unless such exchanges are narrowly tailored, reasonably necessary, and guided by robust safeguards (e.g., aggregation, third-party administration). Long-duration exclusivity clauses, broadly applied MFN-like provisions, and overbroad restrictions that materially raise switching costs can also enhance risk where they foreclose rivals' access to key inputs or distribution channels beyond what is reasonably needed to secure committed investment or protect security and integrity objectives.

## VI. CONCLUSION

Collaboration in the AI economy is prominent — from joint ventures to develop models and infrastructure to safety initiatives and interoperability efforts. Under the ancillary restraints doctrine, the central inquiry is whether particular restraints embedded in these collaborations are subordinate to, and reasonably necessary for, legitimate efficiency-enhancing cooperation, and whether their benefits outweigh their competitive harms under the rule of reason.

Firms pursuing AI collaborations should therefore consider defining the collaboration goal clearly, ensuring it is efficiency-enhancing and procompetitive, tailoring restraints to what is reasonably needed to make the collaboration work, implementing reasonable governance and information-exchange safeguards, and documenting the procompetitive rationale contemporaneously. Done correctly, AI collaborations can preserve innovation-driving efficiencies while reducing Section 1 exposure.



## CPI Subscriptions

CPI reaches more than 35,000 readers in over 150 countries every day. Our online library houses over 23,000 papers, articles and interviews.

Visit [competitionpolicyinternational.com](http://competitionpolicyinternational.com) today to see our available plans and join CPI's global community of antitrust experts.

