# Analysis: Office Depot/Staples ‘Cluster’ Key to FTC Case



*Photo by Mike Mozart of JeepersMedia*

Regulators fighting the merger plan of Office Depot and Staples face a decision from a judge that may hinge on the veracity of the government’s relevant product market, reports ***Policy and Regulatory Report***, a **Mergermarket Group** company. The issue of whether the Federal Trade Commission (FTC) gerrymandered its market has repeatedly surfaced during the government’s pursuit of a preliminary injunction against the proposed merger.

**PaRR Global** (Policy and Regulatory Report) spoke to various independent sources to assess holes in the arguments of both the FTC and the merging companies.

In its case, the FTC defined the relevant product market as “consumable office supplies,” such as pens and paper, which constitute a so-called cluster market, according to the PaRR analysis.

A cluster market is used in antitrust theory to group separate individual relevant product markets, such as the individual market for paper and the individual market for pens, into a wider market for analytical convenience.

Clustering is appropriate “only when the individual products face similar competitive conditions,” according to the government’s proposed findings of fact.

**Read the article.**