

In the United States, the principal law regulating anticompetitive activity is the Sherman Antitrust Act of 1890. The American courts have interpreted this as applying only to conduct between two or more parties and only to contracts that unreasonably restrain trade. Section 1 of the act prohibits contracts, agreements, and conspiracies that restrain interstate or international trade. In determining whether a particular activity violates §1, the courts ordinarily do so on a case-by-case basis using a so-called rule of reason.