

Completed acquisition by Thomson Reuters of Practical Law Group Limited

ME/5885/13

The OFT's decision on reference under section 22(1) given on 28 March 2013. Full text of decision published 14 May 2013.

Please note that the square brackets indicate figures or text which have been deleted or replaced in ranges at the request of the parties or third parties for reasons of commercial confidentiality.

PARTIES

1. **Thomson Reuters Corporation ('Thomson Reuters')** provides information to businesses and professionals in the legal, financial/risk, tax/accounting, intellectual property/science and media sectors. Its main legal information products in the UK are Westlaw, Lawtel and Sweet & Maxwell publications. In 2011 its worldwide turnover was around US\$12.9 billion (around £8.5 billion) and its UK turnover was around £[] billion.
2. **Practical Law Group Limited ('PLC')** provides legal information under the Practical Law Company name in the UK and the US. In the year ended 30 April 2012, its worldwide turnover was £66.6 million and its UK turnover was £48.4 million.

TRANSACTION

3. On 1 February 2013 TR Holdings Limited, a subsidiary of Thomson Reuters, acquired the entire issued share capital of PLC (the '**Acquisition**').
4. The Acquisition was publicly announced on 3 January 2013, before its completion on 1 February 2013. The statutory deadline is therefore 1 June 2013. The administrative deadline is 28 March 2013.

JURISDICTION

5. As a result of the Acquisition Thomson Reuters and PLC ceased to be distinct. These enterprises overlap in the supply of legal know-how and current awareness products, with a combined share of supply exceeding 25 per cent (see paragraph 23 below). The Office of Fair Trading ('OFT') considers that the share of supply test in section 23 of the Enterprise Act 2002 (the 'Act') is therefore met. Therefore, the OFT believes that it is or may be the case that the Acquisition has resulted in the creation of a relevant merger situation.

MARKET DEFINITION

6. Both parties provide legal information to customers such as law firms and corporate and public sector legal departments. Thomson Reuters' main products for the purposes of this case are Westlaw and Lawtel. Westlaw is an online legal research service providing access to primary legal sources (legislation and case law) and secondary legal sources (commentary, journals and academic treatises, including online versions of texts published by Thomson Reuters' Sweet & Maxwell publishing business). Westlaw further provides updates on legal developments as well as access to business, political and economic news. Lawtel also provides online access to primary legal sources, with an emphasis on overnight reporting for selected cases, and to some secondary sources. In addition, it provides legal news and standard form documents (precedents). Thomson Reuters further publishes printed and electronic versions of legal texts and commentaries through the legal publisher Sweet & Maxwell.
7. PLC's main product is an online legal know-how and current awareness service, focussing on how the law is applied in practice. This includes practice notes containing explanations of law and practice, checklists, drafting notes and standard form documents, as well as emailed updates with analysis and commentary regarding legal developments.
8. The parties further overlap in the provision of continuing legal education and professional development through, for example, organising seminars on legal topics. However, the OFT has not considered this further because the parties' combined presence in this segment is minimal.

Product scope

Legal solutions

9. Thomson Reuters submitted that the parties overlap in the legal solutions market, and that the legal solutions market consists of the following segments:
 - (a) productivity software, such as applications for time recording and case management
 - (b) business development solutions, such as marketing tools
 - (c) continuing legal education and professional development, such as training events
 - (d) legal research and news, consisting of access to primary sources (legislation and case law) and secondary sources (case summaries, journals, treatises etc), and
 - (e) legal know-how and current awareness, consisting of practical guidance, precedents, drafting notes and checklists.
10. Thomson Reuters submitted that bright lines cannot be drawn between the legal solutions segments and that there are often links between the products offered in different segments. It also stated that, although from a demand-side perspective there is limited substitutability between products in different segments, from a supply-side perspective companies are often active in several segments and are often able to move into segments in which they are not. Thomson Reuters submitted that it would therefore be appropriate to define a single product market for all legal solutions.
11. Although the OFT generally determines the boundaries of the relevant product market by reference to demand-side factors, supply-side factors are also relevant and the OFT may, for example, aggregate several narrow markets into one broader one on the basis of considerations about the response of suppliers to changes in prices.¹ Although in this case some of the same firms are active in more than one segment, information provided by Thomson Reuters shows that most firms are active in only one or two segments. Further, the OFT has not received evidence to suggest that the conditions of competition are the same across the segments. In relation specifically to the legal research and news and legal know-how and current

¹ *Merger Assessment Guidelines* (CC2 and OFT1254, September 2010), paragraph 5.2.17.

awareness segments, Thomson Reuters in fact stated that conditions of competition are not the same and suppliers face significant barriers in moving from one segment into the other, as set out in more detail below (paragraphs 15-16). This suggests that legal research and news and legal know-how and current awareness do not use the same employees and production assets such that firms can quickly and easily switch between them. The OFT has therefore not assessed the Acquisition on the basis of one product market for all legal solutions.

Legal research and legal know-how

12. The OFT has focussed its assessment on the main areas of overlap between the parties, that is, the legal research and news segment and the legal know-how and current awareness segment.² Thomson Reuters defined the products in these segments as follows:
 - legal research and news products provide access to primary legal sources in the form of legislation and case law as well as secondary legal sources, such as case summaries, academic journals and treatises, while the news offering consists of factual updates on legal developments, such as new judgments and the progress through Parliament and entry into force of legislation
 - legal know-how and current awareness products, which have been developed over the past two decades, offer practical guidance on how to comply with the law and why particular developments matter, including practice notes, standard form documents (precedents), drafting notes, checklists and case studies, while current awareness updates describe not only a particular development but also the impact of this development on practice areas.
13. According to Thomson Reuters, its Westlaw, Lawtel and Sweet & Maxwell products fall mainly within the legal research segment and PLC's products fall within the legal know-how segment. On the demand side, Thomson Reuters submitted that, from a functional perspective, the products in these segments are not substitutes. Thomson Reuters referred, for example, to a recent press release, in which PLC's product and Westlaw

² For brevity these segments will be indicated as 'legal research' and 'legal know-how' respectively in this decision.

are described as 'highly complementary'.³ Customer research commissioned by PLC also found that [].⁴ The parties' internal documents also generally identify separate legal research and know-how segments.

14. Most customers supported Thomson Reuters' submission that legal research and know-how are complementary products rather than substitutes. This was reflected in the fact that customers did not generally see Thomson Reuters' products as alternatives to PLC's products, as discussed in the competitive assessment below (paragraph 36).
15. Thomson Reuters further submitted that, not only from a demand-side but also from a supply-side perspective, there are no factors that suggest that legal research and know-how are in the same product market. Thomson Reuters noted that different firms are active in each segment or at least do not have comparable positions, and that conditions of competition are not the same.⁵ It stated that significant suppliers of legal research such as Jordan Publishing, Bloomsbury Professional, Oxford University Press and Thomson Reuters itself have no or a minimal presence in the legal know-how segment. Conversely, PLC is not active in the legal research segment.
16. Thomson Reuters also stated that firms cannot move from one into the other segment at short notice and without incurring significant sunk costs.⁶ It stated that a legal know-how product is time-intensive to produce and requires the editorial expertise of experienced and current practitioners from each practice area, which makes building a know-how product expensive and time-consuming for firms not yet active in the know-how segment. According to Thomson Reuters, these barriers to move into the

³ Joint Thomson Reuters and PLC press release, dated October 2011, headed 'Westlaw UK and Practical Law Company Collaborate to Connect Their Complementary Best of Class Services', in which the parties announced that references in PLC's product to legislation would be linked to the legislation text in Westlaw .

⁴ Presentation headed [].

⁵ The OFT may analyse the supply of products that are not demand-side substitutes as one market where the same firms compete to supply these products and the conditions of competition between the firms are the same for each product (*Mergers Assessment Guidelines*, paragraph 5.2.17).

⁶ The OFT may also analyse the supply of products that are not demand-side substitutes as one market where production assets can be used by firms to supply different products that are not demand-side substitutes, and the firms have the ability and incentive quickly (generally within a year) to shift capacity between these products depending on demand for each (*Mergers Assessment Guidelines*, paragraph 5.2.17). Thomson Reuters also referred to the OFT's *Market definition* guidance (OFT403, December 2004), paragraph 3.13.

know-how segment are not just faced by firms that do not currently offer a legal research product but also by those that do, as the editorial input is very different between segments. This is supported by internal Thomson Reuters documents referred to below (paragraph 50), which state that []. An internal PLC document also highlights that [].⁷ Thomson Reuters stated that, similarly, developing a legal research product also takes very significant time and resources.

17. A few third parties stated that, from a demand-side perspective, the distinction between legal research and know-how is increasingly becoming redundant from the perspective of customers as a result of the searchability of information across providers' offerings. The OFT was informed that this has led customers to move from being source-driven to being task- or information-driven, where the specific location and format of information is less relevant. This was also suggested in a market report provided by Thomson Reuters.⁸ Thomson Reuters' internal documents also identify [].⁹ This has resulted, for example, in the pre-Acquisition agreement between Thomson Reuters and PLC that from late 2011 has allowed PLC users who also have a Westlaw subscription to click through to legal research materials in Westlaw from within PLC.¹⁰ These factors suggest that the boundary between legal research and know-how may become increasingly blurred in the short to medium-term.
18. The OFT also notes that the distinction between legal research products and legal know-how products is not always clear. For example, PLC's practice notes, which are categorised as know-how, can cover many pages (in their print equivalent) and thus get close to some more academic texts, which are categorised as research. Other examples of a blurred distinction

⁷ Presentation [].

⁸ This report states: 'Legal analytical content is being broken down into smaller bites, to be consumed on an as-needed basis. This is changing analytical content at all ends of the spectrum, from legal news, which is expected to be more targeted and relevant to specific practice areas, to larger analytical works, which are starting to be replaced or supplemented by more practical know-how services.' (Outsell Market Performance report, 'Legal, Tax & Regulatory: 2012 Market Size, Share, Forecast and Trend Report', 24 September 2012)

⁹ For example, presentation headed [].

¹⁰ The joint Thomson Reuters and PLC press release (see footnote 3 above) states: 'With law firms under pressure to reduce fees and looking for innovative ways to boost the bottom line the collaboration between Westlaw UK and PLC will make a real difference by saving on the cost of research. ... This innovation [that is, providing links from PLC into Westlaw] has been driven by customer demand.'

between these products may be found in some of the parties' specific products, which the OFT has considered in the competitive assessment below (from paragraph 29).

Conclusion regarding product scope

19. In view of the evidence available to the OFT, in particular customer views, the OFT considers that there currently appears to remain a lack of demand-side substitutability between legal research and legal know-how products. The evidence further does not currently support defining a broader market for legal research and know-how for supply-side reasons, given the differences between providers in these segments and barriers to entry (as discussed further below). This therefore suggests that the Acquisition should be assessed on the basis of (a) legal research and (b) legal know-how, separately.
20. However, the OFT has not found it necessary to conclude on market definition in this case. The OFT notes that, while market definition is a useful tool for identifying merging parties' most significant competitive constraints and analysing the competitive effects of mergers, it is not an end in itself. In particular for differentiated products, such as those provided by the parties and their competitors, it may not be possible or desirable to seek to define strictly delineated relevant markets.¹¹ For example, such a strict delineation may give rise to the 'binary fallacy', the assumption that all firms in the market exercise a constraint on one another in proportion to their share of the market and that firms outside the market exercise no constraint at all.¹² The OFT has therefore focussed in this case on closeness of competition between the parties and their competitors and on the competitive interaction between them rather than seeking to achieve a precise market definition and an allocation of specific market shares.

Geographic scope

21. Thomson Reuters submitted that the geographic scope of a legal solutions market and its segments is national, because customers' needs are determined by national legal regimes and because the identity of providers and their market positions vary accordingly between countries. As the OFT has not received any evidence to suggest a different geographic scope, the

¹¹ *Merger Assessment Guidelines*, paragraph 5.2.1-2.

¹² *Idem*, paragraph 5.3.2.

OFT has assessed the impact of the Acquisition in the UK. The OFT notes that there is also no evidence to suggest a difference in impact between England, Wales, Scotland and Northern Ireland, despite some differences in their legal regimes.

HORIZONTAL UNILATERAL EFFECTS

22. Horizontal mergers give rise to unilateral effects where they increase the ability and incentive of merging parties to increase prices or reduce quality or service post-merger. Where products are differentiated, as is the case in relation to the parties' products, unilateral effects are more likely where the products compete closely with one another.¹³ Therefore, although this decision briefly considers the parties' shares of supply below, the OFT has focussed its assessment on evidence regarding the closeness of competition between the parties and the competitive constraints faced by them. The OFT has considered not only actual competition between the parties (see paragraphs 28-45), but has also assessed to what extent the Acquisition could give rise to a loss of potential competition given the evolution of the market noted above and some indications that each party may have considered expanding its offering into the segment that the other party has historically focussed on (see paragraphs 46-63).

Shares of supply

23. Thomson Reuters submitted that PLC is not active in the provision of legal research and that hence the only overlap between the parties is in the provision of legal know-how. Thomson Reuters' share of supply estimates for the provision of legal know-how are set out in Table 1 below.

¹³ Idem, section 5.4.

Table 1: Provision of legal know-how in 2012

Company	Sales (£m)	Share (per cent)
PLC	[]	[55-65]
Thomson Reuters	[]	[0-10]
Merged firm	[]	[60-70]
LexisNexis (including LexisPSL)	[]	[15-25]
Law Business Research	[]	[0-10]
Global Legal Group	[]	[0-10]
MLex	[]	[0-10]
Indicator	[]	[0-10]
Total	[]	100

Source: Thomson Reuters estimates.

24. Thomson Reuters submitted that the increment resulting from the Acquisition is small at less than [0-10] per cent and that the merged firm continues to face effective constraints from a number of competitors, in particular LexisNexis. Thomson Reuters further stated that its know-how offering is not comparable to PLC's products or the LexisPSL product of LexisNexis.¹⁴ However, a reference in an internal Thomson Reuters document to a size of the know-how segment of US\$[] million (around £[] million) suggests that this segment may be smaller than estimated in Thomson Reuters' submission to the OFT, and hence the parties' shares of this segment may be higher.¹⁵ The OFT also notes that, as set out elsewhere in this decision, the demarcation between legal research and legal know-how products is not always clear and may become increasingly blurred in view of evolving conditions in the provision of legal information (see, for example, paragraphs 17-18).
25. Some third parties expressed a concern that the Acquisition will reinforce the current strong position in the provision of legal information of two main players, Thomson Reuters and LexisNexis. The parties' internal documents also show that []. For illustrative purposes the OFT has therefore

¹⁴ Thomson Reuters submitted that its legal know-how products consist mainly of standard form documents (sold in hard copy under the Sweet & Maxwell/Thomson Reuters brand and online as Lawtel Precedents), employment law know-how (sold as the IDS Employment Law Services) and standard form documents and guidance notes for construction contracts (sold as JCT Contracts).

¹⁵ Reference to 'UK know-how market' in presentation headed [].

considered the parties' shares of supply in the provision of legal information, defined as the provision of legal research and legal know-how taken together. The parties' resulting shares of supply are set out in Table 2 below.

Table 2: Provision of legal information in 2012

Company	Sales (£m)	Share (per cent)
Thomson Reuters	[]	[25-35]
PLC	[]	[10-20]
Merged firm	[]	[45-55]
LexisNexis	[]	[25-35]
Jordans	[]	[0-10]
Law Business Research	[]	[0-10]
Others	[]	[10-20]
Total	[]	100

Source: OFT calculations based on Thomson Reuters estimates.

26. The shares of supply in Table 2 support third-party comments, which are discussed further below (paragraph 38), that the Acquisition combines two large providers of legal information, with only one other large provider of an equivalent scale in terms of revenues, LexisNexis. The next largest players (Jordans and Law Business Research) having significantly smaller revenues than these large providers.
27. However, given the somewhat blurred demarcation between legal research and legal know-how and the uncertainty surrounding the size of the know-how segment in terms of sales, the OFT has attached only limited weight to the specific shares of supply data set out above. It has therefore focussed on other evidence to assess the Acquisition's impact on actual and potential competition, in particular the extent to which the parties' products are substitutes, evidence from third parties and evidence from the parties' internal documents.

Actual competition

28. Thomson Reuters stated that its focus is on a legal research offering while PLC's focus is on a legal know-how offering and that, accordingly, almost all of the parties' products are complementary and the parties do not constrain each other. Thomson Reuters submitted that, even if elements of some of Thomson Reuters' products are classified as know-how, such as

Westlaw Insight or (parts of) Lawtel, they do not compete closely with PLC's products given their content and usage. According to Thomson Reuters, both parties faces strong competition from LexisNexis, which provides both legal research and legal know-how products, and the Acquisition will intensify this competition for customers who wish to procure both types of products from a single vendor by creating a competitor that will, like LexisNexis, provide a combined product offer.

Closeness of the parties' products

29. The OFT has considered specific products of the parties to assess whether elements of these products suggest that the parties currently compete more closely than indicated by Thomson Reuters in its submissions to the OFT. The OFT notes that the parties' internal documents also show that each party conducts some monitoring of the other party, although LexisNexis is the principal focus of each party's monitoring¹⁶ and internal documents generally show that the parties offer different product types.¹⁷

Closeness of Thomson Reuters' products to PLC's products

30. As regards Thomson Reuters' products, the main element of Westlaw that may contain legal know-how is its new Westlaw Insight product. The OFT notes that there is some suggestion in Thomson Reuters' promotional material for Westlaw Insight, which was launched only in December 2012, that it has practical know-how elements. It is said to offer a quick and practical overview of legal topics, 'saving you time wading through search results or huge textbooks' and 'enabl[ing] you to quickly find solutions to your clients' issues'.¹⁸ Further, in an internal document Westlaw Insight is referred to as [].¹⁹
31. However, Thomson Reuters submitted that Westlaw Insight is essentially an online encyclopaedia of law, designed to be a navigation tool for legal research, and lacks the applied and practical character that defines know-how. This is indeed suggested in Westlaw Insight's promotional material, which refers to its aim to 'provide users with a more practical way to begin

¹⁶ For example, Thomson Reuters presentations headed [] and [], and an internal PLC email from [] and a PLC document headed [].

¹⁷ For example, Thomson Reuters presentation headed [] and PLC document headed [].

¹⁸ Westlaw UK 'What's New', December 2012 (www.westlaw.co.uk/whats-new/december-2012/).

¹⁹ Presentation headed [].

their research and find the content that is most important to them – offering an entirely new research experience.’²⁰ This is also supported by Thomson Reuters’ internal documents, which refer to Westlaw Insight as [].²¹ The OFT therefore considers that, even if Westlaw Insight could be categorised as know-how, it does not currently appear to compete closely with PLC’s products in view of its content and intended usage.

32. Another Thomson Reuters’ product that may contain know-how elements is Lawtel. Thomson Reuters accepted that its Lawtel Precedents service is a know-how product, which is included in its know-how revenues at Table 1 above. However, Thomson Reuters stated that the precedents in Lawtel are not comparable to those of PLC in both quality and quantity. Further, Thomson Reuters stated that Lawtel focuses on alerting customers to new judgments and providing case notes within very short timeframes but with very limited additional detailed analytical commentary, in contrast to PLC’s commentary on new judgments, which is aimed at adding value by analysing the practical implications of key legal developments. This is borne out by some examples provided by Thomson Reuters.
33. The OFT therefore considers that, based on the current content of Thomson Reuters’ products and several of its internal documents, at least the large majority of its products do not compete closely with PLC’s products.

Closeness of PLC’s products to Thomson Reuters’ products

34. PLC’s products also give access to some of the legal research materials that Thomson Reuters specialises in. This is a relatively recent development that PLC has been implementing over the past few years. PLC provides [] links to legislation and cases not only in Westlaw (on the basis of a pre-Acquisition linking agreement between PLC and Thomson Reuters, which created links from PLC into Westlaw from late 2011) but also on third-party sites, as well as offering stand-alone searches.²² PLC customers do not incur additional costs by using these facilities (except that to use

²⁰ Westlaw UK ‘What’s New’, December 2012 (www.westlaw.co.uk/whats-new/december-2012/).

²¹ For example, Thomson Reuters documents headed [], and [].

²² These third-party sites are, for legislation, the National Archives site legislation.gov.uk and, for case law, case transcripts published by the British and Irish Legal Information Institute (Bailii). Also, internal documents show that [] (see, for example, slides [], and an internal PLC email exchange []).

Westlaw, PLC customers need a separate Westlaw subscription). PLC also provides links to secondary sources through its link-up with the publisher Bloomsbury Professional, giving customers access to Bloomsbury's titles integrated with relevant PLC materials.²³

35. However, PLC does not provide any legal research products itself but only provides links to the sites of independent third parties that offer these products, as well as to Westlaw's site (see further from paragraph 57 below). PLC users could themselves search these sites for the legislation or cases they are interested in. The OFT does not therefore consider that PLC currently produces a legal research product that is in close competition with Thomson Reuters' products.

Third-party views

36. The OFT has received comments from several of the parties' customers and competitors about the competitive impact of the Acquisition. Customers generally supported that the parties' products are not substitutes. Several customers stated that at present there is no real alternative to PLC. Customer comments also supported that both parties compete with LexisNexis, as regards both the legal research offering in Thomson Reuters' case and the legal know-how offering in PLC's case, although several customers also referred to the fact that LexisNexis' main know-how product, LexisPSL, is relatively new and does not yet have the breadth and depth of coverage offered by PLC.
37. Some customers also stated that PLC had regularly implemented year-on-year price increases which the customers stated were significantly above the rate of inflation. Although the OFT has not verified the extent of any such PLC price increases, the OFT notes that such price increases may support a conclusion that there is no current, clear substitute to PLC that customers could switch to when faced by such price increases.
38. Most third parties, including most customers, also expressed concerns about the competitive impact of the Acquisition. As noted above (paragraph 25), several third parties raised a concern that competition in the provision of legal information is dominated by Thomson Reuters and LexisNexis with PLC as third main player, and that Thomson Reuters'

²³ See <http://uk.practicallaw.com/about/booksonline>. This cooperation between PLC and Bloomsbury was announced in August 2011.

acquisition of PLC will reinforce this. However, in view of the customer responses about the current closeness of competition between the parties set out above, the OFT has further assessed this concern in relation to a possible impact on potential competition or non-horizontal effects of the Acquisition (see below from paragraph 46).

Smaller customers

39. A few third parties suggested that the parties compete directly with each other for smaller customers with a limited budget, in particular small law firms and small corporate legal departments, as these customers can only afford to have one legal information provider (larger customers frequently have more than one provider). The OFT therefore considered whether, even if the products of the parties, are not currently clear substitutes, the budget pressures faced by these customers forces them to take the product that comes closest to meeting their needs for the smallest possible spend. The OFT notes that several third parties as well as some of Thomson Reuters' internal documents²⁴ referred to the increased importance of budget constraints for law firms and corporate legal departments in view of the economic situation in recent years.
40. The OFT's market investigation, in which it received information from several customers of legal information, including a number of smaller customers, revealed little evidence of significant competition between the parties for budget-constrained users. As noted above, several customers, including most smaller customers, did not see the parties' products as alternatives. Thomson Reuters also noted that, if customers were forced to choose one legal information provider, they were much more likely to choose LexisPSL as the alternative to PLC and other LexisNexis products as the alternative to Thomson Reuters' products than either party's products, as LexisNexis's products are closer to each of the parties' products than they are to each other. This was generally borne out by customer comments.

Cancellation data

41. Thomson Reuters provided the OFT with data regarding the extent to which customers cancelling a Thomson Reuters or PLC product in 2012 did so because they were switching to a competitor. These data show that

²⁴ For example, Thomson Reuters documents headed [] and [].

Thomson Reuters lost [] customers to PLC, representing [] per cent of customers lost to a competitor (as far as Thomson Reuters is aware) and [] per cent of associated lost revenues. PLC lost [] customers to Thomson Reuters (as far as PLC is aware) out of [] where customers stated to which competitor they had switched. []. Both Thomson Reuters' and PLC's cancellation data showed that [].

42. These cancellation data are subject to several limitations, including the small sample sizes and the lack of information available to the sales persons who identify the reasons for contract cancellations. Nevertheless, the OFT notes that the cancellation data are consistent with a lack of close current competition between the parties.

Conclusion regarding actual competition

43. The OFT considers that, based on the evidence available to it, Thomson Reuters and PLC are not currently close competitors. Thomson Reuters' products are mainly legal research products, focussing on primary and secondary legal sources, while PLC has a know-how product that focuses on the practical application of the law. The overlap between the parties' products appeared limited. The parties' internal documents show some monitoring of the other party but also support that the parties offer different product types. These documents do not contain any significant evidence that the parties currently constrain each other's prices, although the OFT has considered below suggestions from internal documents that the parties may be a potential competitor to each other. LexisNexis is mentioned in internal documents of both parties as their main competitor. The parties' cancellation data in 2012 are consistent with a lack of close competition between them.
44. Customers generally supported that the parties' products do not compete closely. Most of them did not see a real alternative to PLC, except to some extent LexisNexis' LexisPSL product, which was supported by evidence of significant price increases that PLC has been able to implement. Several customers nevertheless raised a concern that the Acquisition will reinforce the dominance of Thomson Reuters, along with LexisNexis, of the provision of legal information. However, the lack of actual competition between the parties does not suggest that the Acquisition gives rise to significant competition concerns in this respect. The OFT has considered below the extent to which there may be concerns regarding potential competition.

45. Taking all of these factors into account, the OFT considers that the Acquisition does not give rise to a realistic prospect of a substantial lessening of actual competition in the provision of legal research and legal know-how in the UK.

Potential competition

46. Unilateral effects may arise not only from the removal of an actual competitor, but also from the removal of a potential entrant. This may occur: (a) when the merger involves an actual potential competitor, which is a firm that, absent the merger, would have been likely to enter the market and at that point would have become a competitive constraint on firms already in the market, and/or (b) when the merger involves a perceived potential competitor, which is a firm that forms a current competitive constraint because it poses a threat of entry if firms already in the market raised their prices or otherwise worsened their offer.²⁵ The OFT notes that it must have sufficient evidence of, and a sufficiently careful approach, when applying theories of harm based on potential competition, given that such a finding necessarily involves a judgment about the likely future conduct of firms in the market rather than a conclusion based on observable actual competition.²⁶
47. The OFT has therefore carefully considered the evidence available in the present case to assess the likelihood that Thomson Reuters would move into the legal know-how segment and PLC would move into the legal research segment in the near future. The OFT notes in this context that there are some indications that the demarcation between these segments may become increasingly blurred (see paragraph 17 above). The OFT does not have evidence to suggest that a threat of entry by one of the parties currently constrains the other party's competitive conduct and pricing, and hence that either party is a perceived potential competitor. The OFT has therefore focussed its analysis on actual potential competition between the parties.

²⁵ *Mergers Assessment Guidelines*, paragraphs 5.4.13 to 5.4.18. This could alternatively be considered as part of the counterfactual to the merger as it involves an assessment of whether one of the merger firms would have been likely to enter into the other merger firm's market absent the merger (see *Merger Assessment Guidelines*, paragraph 4.3.19).

²⁶ See *Air France-KLM/VLM Airlines*, OFT decision of 9 May 2008, paragraphs 106-109.

Thomson Reuters as actual potential competitor to PLC

48. Internal Thomson Reuters documents identify a need to enter the legal know-how segment:

- A strategy document of January 2011 noted a trend among customers toward []. This document stated that [].²⁷
- Thomson Reuters' 2012 plan for its UK legal business stated that a know-how offering would []. It identified [].²⁸
- A presentation headed 'Know-how strategy discussion', prepared at the time that Thomson Reuters considered the Acquisition, noted that [].²⁹ Another document stated that [].³⁰

49. The evidence regarding how, or within what time-scale, Thomson Reuters intended to achieve this desired entry into the know-how segment is limited. The internal document of January 2011 quoted above refers to 'buy, build, partner' possibilities for Thomson Reuters' know-how strategy. Its 2012 plan, dated January 2012, shows an intention to 'acquire know-how capabilities' through acquiring PLC or entering into greater partnership, but does not refer to the 'build' option identified in the earlier document.³¹ This option was, however, again discussed in internal documents prepared at the time that Thomson Reuters considered the Acquisition in the autumn of 2012. These documents identify three options as alternatives to the Acquisition for moving into know-how: []. These documents discuss the benefits and drawbacks of each of these options.³²

50. However, Thomson Reuters submitted to the OFT that these alternative options to Acquisition were not realistic and discussions about them never progressed beyond a speculative stage. It stated that it also never produced any detailed financial analysis of the cost of the alternative options, including the build option. This is supported by the fact that significant risks were identified in the internal documents with the build option. The documents refer to the internal build option as [].³³ These

²⁷ Thomson Reuters document headed [].

²⁸ Thomson Reuters document headed [].

²⁹ Thomson Reuters document headed [].

³⁰ Thomson Reuters document headed [].

³¹ Thomson Reuters document headed [].

³² Thomson Reuters documents headed [] and [].

³³ For example, Thomson Reuters document headed []. [].

documents also identify significant risks associated with the option to [] and with the option to [].³⁴

51. The OFT notes that Thomson Reuters spent [] to acquire PLC (US\$[] million, around £[] million at the time of completion). This price covers PLC's business not just in the UK but also in the US, which offers, like PLC's UK business, a legal know-how product. [].³⁵ Nevertheless, given the scale of the investment in the 'buy' option even if only PLC's UK business is taken into account, it appears possible that absent the Acquisition, Thomson Reuters could have considered using a substantial part of the purchase price to make a significant investment in development of its UK products. An internal document also refers³⁶ to risks around a buy option [].
52. However, Thomson Reuters stated that [] in fact confirms that the internal build option was not a credible commercial option, because notwithstanding [] Thomson Reuters still elected to go ahead with the Acquisition rather than build its own know-how product. It stated further that, absent the Acquisition, the amount of the purchase price would have been deployed elsewhere in the Thomson Reuters group given the absence of a business case for building a know-how product in the UK and given []. Thomson Reuters stated that, absent the Acquisition, it is most likely that it would have continued its existing cooperation agreement with PLC to link its legal research content into PLC's product.
53. Board documents seeking approval for the Acquisition make little mention of an alternative build option.³⁷ The main reference to this is in a document headed []. The document also notes that []³⁸
54. Further, although not, on its own, a determinative factor, the internal Thomson Reuters documents do not set out a detailed, well developed business plan for entry and the possibility of entry was not incorporated

³⁴ Thomson Reuters document headed [].

³⁵ This is supported by internal Thomson Reuters documents [].

³⁶ Idem [].

³⁷ The OFT notes that it has treated these documents with some caution in view of the fact that they were prepared in the context of the Acquisition (some also include, for example, privileged legal advice received by Thomson Reuters about the OFT merger process).

³⁸ Thomson Reuters document []. The OFT notes that there is also a Board document stating that [].

into the financial modelling used for the Acquisition. Indeed, the internal documents indicate that, absent the Acquisition, Thomson Reuters is likely to have focussed in the short term on progressing, or at least continuing, the commercial partnering relationship with PLC.

55. [] the most likely entrant into the know-how segment [may be] Bloomberg Law. Bloomberg has been developing legal information products in the US in the past few years, both independently and through its acquisition of the Bureau of National Affairs in 2011, which is a US provider of legal research and analysis. []. However, as set out below (see paragraph 84), the OFT has not received significant evidence that Bloomberg is considering to enter the UK in the foreseeable future.
56. Taking all of the evidence above into account, while it is apparent that Thomson Reuters wanted to expand into the know-how segment and engaged in some consideration of various options to do so, including alternatives to the Acquisition, the OFT considers that the evidence indicates that Thomson Reuters would not have entered as a further provider to the extent that the Acquisition could be considered to result in a realistic prospect of a substantial lessening of competition.

PLC as actual potential competitor to Thomson Reuters

57. As noted above (paragraph 34), PLC currently already provides links to legislation and cases not only in Westlaw but also on third-party sites. PLC developed these links only in recent years (for example, the links to Westlaw pursuant to PLC's cooperation agreement with Thomson Reuters became effective in late 2011). An internal PLC document shows that this was in response to competition from LexisNexis with its combined research and know-how product ('It is all about providing alternatives to Lexis'), but also took advantage of improvements in quality and scope of primary sources that are free of charge, and the opportunity this afforded to 'supplement our product with primary sources with relatively little cost and effort.'³⁹
58. PLC's internal documents show that it wanted further to expand this integration of legal research sources into its existing know-how product.

³⁹ Internal PLC presentation headed []. This document refers, for example, to improvements in consolidation of legislation (that is, incorporating changes in legislation so that users have access to the most up-to-date consolidated text) on the National Archives' website legislation.gov.uk.

PLC's 2012-13 business plan states: 'We will integrate primary sources (cases and legislation) further into our users' experience.'⁴⁰ Specifically, PLC was planning to [].⁴¹ PLC's intention was [].⁴² According to an internal PLC document, its aim was [].⁴³ More generally, an internal document suggests [].⁴⁴

59. PLC's internal documents show that it aimed to achieve this integration of legal research sources by using the content available on existing third-party platforms that are available free of charge (with the exception of Westlaw's platform, to which users must have a subscription to be able to link to it). The OFT does not have any evidence of plans on PLC's part to produce its own legal research materials. An internal PLC document suggests that [].⁴⁵ Thomson Reuters submitted that it is in any case not realistic that PLC could do this within the relevant timescales for the OFT's assessment of potential competition, in view of the significant time, costs and resources this would take.
60. Further, PLC does not receive any direct revenues from the use of third-party materials by its customers, nor is there evidence that it was planning to seek such revenues.
61. The evidence shows that PLC's links to third-party materials were instead intended to strengthen its existing know-how product, in particular in competition with LexisNexis' combined research and know-how offering, as stated in PLC's 2012-13 business plan: '[]' This plan also states: '[]'⁴⁶
62. Taking all of the evidence above into account, the OFT therefore considers that there is insufficient evidence that, absent the Acquisition, PLC was likely to enter the legal research segment such that it could be considered to be an actual potential competitor of Thomson Reuters.

⁴⁰ Internal PLC document headed [].

⁴¹ See the internal PLC documents referred to at footnote 22.

⁴² Slides headed [].

⁴³ Idem, slide headed [].

⁴⁴ PLC document headed [] and internal email [].

⁴⁵ Internal PLC presentation headed [] (see footnote 39 above).

⁴⁶ Internal PLC document headed []. [] is also indicated by the internal document referred to at paragraph 58 above.

Conclusion regarding potential competition

63. For the reasons set out above, the OFT considers that the Acquisition does not give rise to a realistic prospect of a substantial lessening of potential competition in the provision of legal research and legal know-how in the UK.

NON-HORIZONTAL EFFECTS

64. Several customers of the merged parties raised a concern that after the Acquisition they may have to buy Thomson Reuters' and PLC's products together, such that a purchase of, in particular, PLC's product will be conditional on also buying Thomson Reuters' products or the merged firm will charge a higher total price for these products when they are purchased together. Some customers told the OFT that the parties, in particular PLC, already engage in bundling their existing products, with the result that, they stated, customers buy unwanted content because it is bundled in with their desired content. The OFT also notes that [].⁴⁷
65. Thomson Reuters suggested that these customer comments refer to the parties' current pricing practice of offering discounts to customers who buy multiple products and that they do not force customers to take products they do not want. Thomson Reuters submitted further that []. While there is no significant evidence that this interpretation is incorrect, the OFT has nevertheless considered the possibility that the Acquisition may give rise to competition concerns based on non-horizontal effects.
66. Generally, although the competition effects of non-horizontal aspects of mergers are often benign, under certain conditions they may weaken rivalry between firms and harm the ability of the merged firm's rivals to provide a competitive constraint. The OFT has therefore assessed whether after the Acquisition:
- a. the parties would have the **ability** to harm rivals
 - b. the parties would have an **incentive** to do so, and
 - c. the **effect** of the parties' actions would be sufficient to give rise to a realistic prospect of a substantial lessening of competition.⁴⁸

⁴⁷ For example, [] and [].

⁴⁸ *Merger Assessment Guidelines*, paragraphs 5.6.1 to 5.6.6, and 5.6.13.

67. The OFT has specifically considered three strategies that the merged firm could potentially pursue and that could potentially result in non-horizontal effects:
- tying: that, following the Acquisition, Thomson Reuters would make the purchase of PLC's know-how products conditional on taking its legal research products
 - bundling: that, following the Acquisition, Thomson Reuters would bundle PLC's and its own products for customers of both and charge an aggregate price in excess of the price paid by customers for both pre-Acquisition (that is, Thomson Reuters would use PLC's apparent current degree of market strength to charge more for its legal research and news products), and
 - foreclosure: that, following the Acquisition, Thomson Reuters would offer a bundle of PLC's and its own products at a price which would make it hard for LexisNexis to compete in the legal know-how segment, resulting potentially in its exit from the market.⁴⁹ This may appear, on the face of it, to be mutually exclusive with a bundling strategy, but the OFT considered that, given the non-transparent and bilateral nature of subscription negotiations in the legal research and know-how segments (as indicated in customer comments), it should consider also whether the merged firm could adopt multiple strategies simultaneously in respect of different customers.

Ability

68. The customer base for legal research and legal know-how is largely common, with some customers – particularly larger law firms – already acquiring products in both segments, such that these customers may (increasingly) have a preference for one-stop shopping (as also noted above at paragraph 17). As discussed above (paragraphs 37 and 43-44), the OFT considers that the balance of evidence indicates PLC currently has an apparent degree of market strength in the know-how segment. This apparent market strength, in combination with the commonality of the parties' customer base, could allow the parties to engage in tying or bundling strategies immediately after the Acquisition, possibly leveraging PLC's position in the know-how segment.

⁴⁹ Such a strategy may also have the effect of deterring entry in the know-how market, although as discussed in paragraphs 85-86 below, the OFT is not aware of any likely potential entrants.

69. However, the OFT notes that it is not clear whether this ability would persist given that LexisNexis is already active in the legal know-how segment. Although its LexisPSL product is relatively new, some customers stated that it was improving, which suggests that it may in the near future form a good alternative to PLC's know-how product (see paragraph 37 above, as well as []). LexisNexis already offers legal research products alongside its know-how product in the same way that the merged firm will do. Any ability for the merged firm to engage in actions resulting in non-horizontal effects may therefore be limited in time.

Incentive

70. In terms of incentives, in view of PLC's position in the legal know-how segment, the tying or bundling strategies referred to at paragraph 67 above may result in additional revenues from the sale of legal research products, either through the (partial) foreclosure of competitors or through increased total prices for the combined legal research and know-how product, which would give the merged firm an incentive to engage in these tying or bundling strategies for at least those customers for whom PLC's product is a 'must have product'.⁵⁰ However, as noted above, LexisNexis may erode this position of PLC and give customers an alternative to buying the merged firm's products, which suggests that any such incentive may be limited in time.

71. The merged firm may also have an incentive to price aggressively a bundle of its legal research and know-how products in the short term in order to weaken its competitors in the legal research segment and make entry or expansion more costly in the legal know-how segment (the third potential strategy referred to at paragraph 67 above). While such a strategy may give rise to customer benefits in the short term, the merged firm would have an incentive to engage in it if it reduces rivalry in the medium to long term. However, the potential effect of this strategy is uncertain, as set out below.

Effect

72. The OFT considers the likely overall effect on customers of any strategy to engage in tying or bundling would, however, be ambiguous.

⁵⁰ The OFT considers that these additional revenues may result in significant additional profit due to the likelihood that the legal information sector may have generally high fixed costs and low marginal costs (as suggested in the parties' accounts []).

73. The OFT considers that the merged firm may find it optimal to offer customers a range of bundles, such that some customers are offered bundles at lower overall cost to them than pre-Acquisition. Indeed, the OFT does not consider the evidence available to it demonstrates, ex-ante, that the merged firm has an incentive only to engage in the sort of potentially harmful tying and bundling described in paragraph 67 above.
74. Moreover, the OFT notes that LexisNexis is already active in the supply of legal know-how in addition to its legal research offering and that, based on customer comments, it has achieved a degree of brand recognition for its LexisPSL product to date. This presents customers with an alternative, even if some customers perceive it currently as an imperfect substitute (see paragraph 68). The OFT is therefore unsure whether the apparent degree of market strength which PLC has currently would persist.
75. In respect of the potential foreclosure strategy, the limited evidence available suggests that it is unlikely that, even were Thomson Reuters to engage in an aggressive bundled pricing strategy, this would have the effect of foreclosing LexisNexis from the legal know-how market. Like Thomson Reuters, LexisNexis has a diversified product offering and is active in multiple territories. It is also a subsidiary of a larger parent company, Reed Elsevier. Moreover, Thomson Reuters internal documents suggest that [].⁵¹ The OFT has not seen any evidence to contradict Thomson Reuters' prediction that [].

Conclusion regarding non-horizontal effects

76. Taking account of the factors above, in particular the competition the parties face, and are likely increasingly to face, from LexisNexis in the know-how segment, the OFT considers that there is insufficient evidence that the Acquisition gives rise to a realistic prospect of a substantial lessening of competition through non-horizontal effects.

COORDINATED EFFECTS

77. Mergers can increase the potential for coordinated effects when they affect the market structure such that the conditions for sustaining coordinated effects are created or enhanced. When assessing whether or not

⁵¹ See Thomson Reuters document headed [].

coordinated effects will arise as a consequence of a merger, the OFT has regard to:

- a. whether there is evidence of pre-existing coordination in the relevant market(s)
- b. whether firms are able to reach and monitor the terms of coordination
- c. whether coordination would be internally sustainable, and
- d. whether coordination would be externally sustainable.⁵²

78. The OFT is not aware of any evidence of pre-existing coordination in the provision of legal information. However, as set out above, the Acquisition would have the effect of reducing the number of major suppliers of legal information in the UK from three to two providers – Thomson Reuters and LexisNexis. The OFT notes further that Thomson Reuters will have, as a consequence of the Acquisition, a broadly comparable product offering to LexisNexis and that both companies will be approximately similar in size (considering their revenues), although, as Thomson Reuters noted, the merged firm (through PLC) will currently have a stronger product offering in legal know-how than LexisNexis.
79. The OFT also notes that both Thomson Reuters and LexisNexis target a similar client base. The OFT understands that, via their sales teams, they have a detailed understanding of their respective client base and its needs. The OFT has therefore considered whether customers could form the focal point around which coordination could occur and whether such coordination could be internally sustainable.
80. However, Thomson Reuters stated that there is in fact little transparency regarding competitors' activities with specific customers. It stated that pricing is subject to individual negotiation and is therefore not transparent, which was confirmed by customer comments. The OFT also notes that several customers subscribe to products of both Thomson Reuters and LexisNexis, which makes it difficult for these firms to deduce from their own customer records which customers are supplied by the other firm.
81. The OFT considers that these factors suggest that the Acquisition does not result in a significant change to the ability for Thomson Reuters and LexisNexis to reach and monitor terms of coordination and also to find an effective mechanism to punish deviation. The OFT therefore considers that

⁵² *Merger Assessment Guidelines*, section 5.5 (for example, paragraphs 5.5.4 and 5.5.9).

there is insufficient evidence that the Acquisition gives rise to a realistic prospect of a substantial lessening of competition in the provision of legal research and legal know-how in the UK through coordinated effects.

COUNTERVAILING FACTORS

Entry and expansion

82. When assessing possible supply-side responses to a merger, including entry, expansion and repositioning, the OFT will consider whether the response would be (i) timely, (ii) likely, and (iii) sufficient.⁵³
83. The evidence in this case suggests that barriers to entry into the legal research and legal know-how segments may be significant. As set out above (paragraph 16), Thomson Reuters stated that firms cannot move between the legal research and legal know-how segments quickly and without incurring significant sunk costs and there was some support for this from the parties' internal documents.
84. As noted above (paragraph 55), [] Bloomberg Law is a potential entrant in the UK from its position as a provider of legal research and know-how in the US. However, the OFT also understood from Thomson Reuters that []. The OFT has not received any evidence that Bloomberg will enter within the next two years.⁵⁴ Also, [] told the OFT that entry by Bloomberg was unlikely within the foreseeable future. The OFT has not therefore taken account of any possible entry by Bloomberg in its competition assessment of the Acquisition.
85. The OFT considers therefore that there are indications that barriers to entry into the legal research and legal know-how segments may be significant. However, as the Acquisition does not give rise to significant competition concerns, there is no need for the OFT to reach a conclusion regarding barriers to entry.

Efficiencies

86. While mergers can harm competition, they can also give rise to efficiencies. Efficiencies may be taken into account in the competitive assessment of a

⁵³ *Merger Assessment Guidelines*, paragraph 5.8.3.

⁵⁴ This is the timeframe within which the OFT would, generally, regard entry as timely (*Merger Assessment Guidelines*, paragraph 5.8.11).

merger in two different ways. Firstly, efficiencies arising from the merger may enhance rivalry, with the result that the merger does not give rise to an SLC. Secondly, efficiencies may be taken into account in the form of relevant customer benefits.⁵⁵

87. Thomson Reuters submitted that the Acquisition will give rise to significant customer benefits that would outweigh any competitive concerns. It stated that the Acquisition will, in response to customer demand, allow for a product that offers better integrated access to legal research and legal know-how from a single access point. The merged firm will also offer a greater competitive constraint on LexisNexis. Finally, Thomson Reuters expects the Acquisition to result in cost savings that will be passed to customers in the form of greater investment in new products.
88. When asked by the OFT about possible customer benefits as a result from the Acquisition, customers suggested that it might result in better alignment of the parties' products and easier searching for legal information, although customers responses generally showed some scepticism about efficiencies resulting from the Acquisition put forward by Thomson Reuters in its submission.
89. However, in view of the OFT's conclusion that the Acquisition does not give rise to significant competition concerns, it was not necessary for the OFT to reach a view on rivalry-enhancing efficiencies or relevant customer benefits.

THIRD-PARTY VIEWS

90. Although customers generally did not see the parties' products currently as clear substitutes, several customers expressed concerns about the Acquisition, in particular about the perceived position of market strength of Thomson Reuters and LexisNexis in the provision of legal information, which would, in these third parties' view, be strengthened by the Acquisition. Some customers also raised a concern about bundling. Competitor views were mixed. These third-party views have been discussed above where relevant.

⁵⁵ *Merger Assessment Guidelines*, section 5.7, and *Exception to the duty to refer and undertakings in lieu of reference guidance* (OFT1122, December 2010), section 4.

ASSESSMENT

91. Thomson Reuters and PLC provide legal information to customers such as law firms and corporate and public sector legal departments. Thomson Reuters' main products for the purposes of this case are Westlaw and Lawtel, which provide online access to primary and secondary legal sources such as legislation, cases and legal journals, textbooks and commentary, as well as legal and business news. PLC's main product is an online legal know-how service, focussing on how the law is applied in practice. This includes practice notes containing explanations of law and practice, checklists, drafting notes and standard form documents, as well as emailed updates with analysis and commentary regarding legal developments.
92. The products of the parties and their main competitors show significant differentiation and there is not always a clear demarcation between legal research products (Thomson Reuters' focus) and legal know-how products (PLC's focus). There are also indications that the sector is evolving and the distinction between these products may become increasingly blurred in view of evolving conditions in the provision of legal information. The OFT has therefore not sought to achieve a precise market definition and an allocation of specific market shares but has instead focussed on other evidence to assess the Acquisition's impact on actual and potential competition, in particular the extent to which the parties' products are in close competition, evidence from third parties and evidence from the parties' internal documents.
93. Based on the content and usage of the parties' products and their internal documents, the current overlap between the parties' products is very limited and the parties are not currently close competitors. LexisNexis is mentioned in internal documents of both parties as their main competitor. The parties' cancellation data in 2012 is consistent with a lack of current close competition between them. This was generally supported by customer comments received by the OFT, as well as by evidence submitted to the OFT that suggested that PLC has been able to implement significant price increases. Several customers raised a concern that the Acquisition will reinforce a strong position of Thomson Reuters, along with LexisNexis, in the provision of legal information. However, the lack of actual current competition between the parties does not suggest that the Acquisition gives rise to significant competition concerns in this respect.

94. The OFT has also considered whether the parties are potential competitors and assessed the likelihood that, absent the Acquisition, Thomson Reuters would move into the legal know-how segment and PLC would move into the legal research segment in the near future. The OFT finds on balance that, while it is apparent from internal documents that Thomson Reuters considered entry into the legal know-how segment and engaged in some limited development of various options to do so, including alternatives to the Acquisition, Thomson Reuters does not appear to have pursued this entry further (given, for example, the absence of detailed, well-developed planning of an alternative build option) and was likely to have focussed in the short term on its commercial partnership with PLC. Accordingly, the OFT considers that a finding that Thomson Reuters was likely to enter the legal know-how segment in the short term, absent the Acquisition, such that it could be considered to be a potential competitor of PLC, is not established.
95. Similarly, while internal documents show that PLC planned further to integrate legal research materials into its product through expanding the existing links to third-party research materials, there was no evidence that PLC was planning to produce its own legal research materials. Also, the evidence shows that PLC was not planning to gain direct revenues from its links to third-party materials but instead intended to strengthen its existing know-how product, in particular in competition with LexisNexis' combined research and know-how offering. Accordingly, the OFT considers that a finding that PLC was likely to enter the legal research segment in the short term, absent the Acquisition, such that it could be considered to be a potential competitor of Thomson Reuters, is not established.
96. The OFT has also considered whether the Acquisition could give rise to non-horizontal effects, in view in particular of concerns from some customers that the merged firm may engage in tying and bundling strategies. Taking account in particular of the competition the parties face, and are likely increasingly to face, from LexisNexis through its LexisPSL know-how product in combination with its legal research offering, the OFT considers that it is not realistic that the Acquisition will give rise to significant competition concerns through non-horizontal effects.
97. Consequently, the OFT does not believe that it is or may be the case that the Acquisition has resulted or may be expected to result in a substantial lessening of competition within a market or markets in the United Kingdom.

DECISION

98. This merger will therefore **not be referred** to the Competition Commission under section 22(1) of the Act.