

## **ANTICIPATED ACQUISITION BY REED ELSEVIER (UK) LIMITED OF JORDAN PUBLISHING LIMITED**

### **Notice under paragraph 2(1) of Schedule 10 to the Enterprise Act 2002 (the Act) – consultation on the proposed undertakings in lieu of reference pursuant to section 73 of the Act**

**ME/6539/15**

#### **Introduction**

1. Reed Elsevier (UK) Limited, trading as LexisNexis (**LexisNexis**), has agreed to acquire Jordan Publishing Limited (**Jordans**) (the **Merger**). LexisNexis and Jordans are together referred to as the **Parties**.
2. On 10 September 2015, the Competition and Markets Authority (**CMA**) decided under section 33(1) of the Enterprise Act 2002 (the **Act**) that it is or may be the case that the Merger constitutes arrangements that are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation, and that this may be expected to result in a substantial lessening of competition (**SLC**) within a market or markets in the United Kingdom (the **SLC decision**). The text of the SLC decision is available on the CMA webpages.<sup>1</sup>
3. On 17 September 2015, LexisNexis offered undertakings to the CMA for the purposes of section 73(2) of the Act. The CMA gave notice to LexisNexis on 24 September 2015, pursuant to section 73A(2)(b) of the Act, that it considered that there were reasonable grounds for believing that the undertakings offered, or a modified version of them, might be accepted by the CMA under section 73(2) of the Act and that it was considering the undertakings offered by LexisNexis.

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<sup>1</sup> See the [full text of the decision](#).

## The undertakings offered

4. The Parties overlap in the supply of print and online legal information for the family law and company law practice areas. Their publications include commentary titles and legislative and case law content, as well as practical guidance, precedents and checklists. As set out in the SLC decision, the CMA found a realistic prospect of an SLC in relation to segments within the supply of legal information in the family law practice area in England and Wales, namely in the areas of children law, matrimonial property law and family court reports.<sup>2</sup>
5. To address the CMA's concerns, LexisNexis has offered to divest one title in each segment identified in the SLC decision, one additional title in relation to practical guidance for family proceedings, and to also license certain family law precedents as detailed below to Bloomsbury Publishing plc (**Bloomsbury**):
  - (a) *Hershman McFarlane* (currently published by Jordans);
  - (b) *Family Court Reports* (currently published by LexisNexis);
  - (c) *Duckworth's Matrimonial Property and Finance* (currently published by Jordans);
  - (d) *A Practical Guide to Family Proceedings* (currently published by Jordans);
  - (e) a licence for 14 family law precedents to supplement those that are already in the titles above (in particular *in Duckworth's Matrimonial Property and Finance*); and
  - (f) a licence for the content contained in certain chapters of the Butterworths Family Law Service (Binder 1, Chapter 4 and 5, Binder 2, Chapter 2) by way of a nine-month, non-exclusive, royalty-free, non-transferable licence.

Together with the relevant third party contracts, intellectual property rights, an employee and other rights and contracts as set out in the text of the proposed undertaking that is available on the CMA webpages (the **Divestment Business**) to an upfront buyer.
6. As is evident from the above, the Divestment Business includes a 'mix and match' of the acquirer's and the target's titles. The CMA considers that this combination of titles and precedents offers as comprehensive a solution as is

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<sup>2</sup> [Full text of the decision](#), paragraphs 6 & 19.

reasonable and practicable and that the solution can be readily implemented, allowing Bloomsbury to compete with LexisNexis in relation to segments within the supply of legal information in the family law practice area, in a timely and effective manner.

7. In the SLC decision, the CMA noted that the Parties compete most closely in the supply of online and printed publications in the areas of children law, matrimonial property law and family court reports. The sale of the titles listed above will eliminate the overlaps between LexisNexis and Jordans in England and Wales.

## **Proposed purchaser of the Divestment Business**

8. LexisNexis has proposed Bloomsbury as the purchaser of the Divestment Business. The sale and purchase agreement between LexisNexis and Bloomsbury will be conditional on acceptance by the CMA of the proposed undertakings, including approval of Bloomsbury as the purchaser of the Divestment Business.

## **Suitability of the proposed purchaser**

9. In approving a purchaser, the CMA's starting position is that it must be confident without undertaking a detailed investigation that the proposed purchaser will restore pre-merger levels of competition.<sup>3</sup> The CMA therefore seeks to ensure that:
  - (a) the acquisition by the purchaser remedies, mitigates or prevents the SLC concerned;
  - (b) the proposed purchaser is independent of and unconnected to the merging parties;
  - (c) the proposed purchaser has the necessary expertise, financial resources, incentive and intention to maintain and operate the divested business as an effective competitor in the marketplace;
  - (d) the proposed purchaser is reasonably expected to obtain all necessary approvals, licences and consents from any regulatory or other authority; and

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<sup>3</sup> *Mergers: Exceptions to the duty to refer and undertakings in lieu of reference guidance (OFT1122)* (2010), paragraph 5.22. OFT1122 was adopted by the CMA (see *Mergers: Guidance on the CMA's jurisdiction and procedure (CMA2)* (2014), Annex D.

(e) the acquisition by the proposed purchaser does not itself create an SLC within any market or markets in the UK.<sup>4</sup>

10. Bloomsbury has an established position in academic and professional publishing, providing information to law and tax professionals in business and practice. Bloomsbury submitted that it is also present in legal practice areas such as criminal, property, wills and probate, employment and personal injury law, ie areas of law that have a complementary customer base to the Divestment Business. It also submitted that it has experience working with the Law Society of Scotland and other trade bodies, delivering online services for their members. This provides Bloomsbury with sufficient experience targeting similar customer groups to those of the Divestment Business.
11. In this case, the CMA considers it relevant that the potential purchaser has an existing online platform through which it can offer attractive content in the family law practice area to the legal sector. Bloomsbury's online platform was launched in 2011, covering law and tax content for Ireland, England and Wales. Bloomsbury also submitted that it has experience in publishing continuity products in print and online.
12. Bloomsbury submitted a detailed business plan to the CMA in relation to the Divestment Business. This business plan also discusses Bloomsbury's wider strategy in the family law practice areas, including the commissioning of new titles in this practice area. The CMA has examined this business plan and is satisfied that it evidences Bloomsbury's intention to effectively publish and market the Divestment Business.
13. In relation to financial resources, the CMA understands that Bloomsbury intends to fund the Divestment Business from its internal group resources.
14. The CMA is therefore confident that Bloomsbury has the necessary expertise, incentive and intention to effectively publish and market the Divestment Business in active competition with the Parties and other competitors in the market.
15. As regards the independence of Bloomsbury, the CMA notes that Bloomsbury has no equity interest in or interest in any debt of LexisNexis or Jordans.
16. The sale is conditional on the consent of the authors of the titles of the Divestment Business, which the CMA understands to be obtained in due

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<sup>4</sup> OFT1122, paragraphs 5.25–5.30.

course. No other consents or approvals are required to complete the acquisition and commence trading.

17. The CMA does not believe that Bloomsbury's acquisition of the Divestment Business would in itself create a realistic prospect of an SLC within any market or markets in the UK. It does not publish any materials overlapping with the Divestment Business in the areas of family law.
18. Therefore, subject to the outcome of this consultation, the CMA considers Bloomsbury to be a suitable purchaser of the Divestment Business.

### **Proposed decision and process going forward**

19. For the reasons set out above, the CMA considers that the proposed undertakings and the purchase of the Divestment Business by Bloomsbury are, in the circumstances of this case, appropriate to remedy, mitigate or prevent the competition concerns identified in the SLC decision.
20. The CMA therefore gives notice that it proposes to accept these undertakings in lieu of a reference for a phase 2 investigation. The text of the proposed undertakings is available on the CMA webpages.
21. Before reaching a decision as to whether to accept the proposed undertakings, the CMA invites interested parties to make their views known.
22. The CMA will have regard to any representations made in response to this consultation and may make modifications to the proposed undertakings as a result. If the CMA considers that any representation necessitates any material change to the proposed undertakings, the CMA will give notice of the proposed modifications and publish a further consultation.
23. Representations should be made in writing to the CMA and be addressed to:

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Mergers Unit  
Competition and Markets Authority  
Victoria House  
37 Southampton Row  
London  
WC1B 4AD

Email: [lisa.kaltenbrunner@cma.gsi.gov.uk](mailto:lisa.kaltenbrunner@cma.gsi.gov.uk)

Telephone: 0203 738 6173

**Deadline for comments: 26 November 2015**