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John Bodrug Authors *Globe and Mail* Op-Ed on Lengthening Global Merger Reviews

Eyewear industry leaders Essilor and Luxottica recently completed regulatory clearances of their planned merger, more than 18 months after the deal was announced. In an article published in *The Globe and Mail*, Davies partner John Bodrug writes that this transaction reflects a trend toward increasingly prolonged merger reviews and illustrates the risks that need to be considered by companies considering a merger.

According to John, some of these delays are the result of competition authorities increasingly scrutinizing potential competition issues in "vertical" mergers between customers and suppliers, even where the parties are not direct competitors. In the case of Essilor and Luxottica, the focus of global regulators appears to have been on whether the transaction would allow the merged entity to foreclose competition in lenses or frames by tying or bundling their products together or otherwise restricting access to their products by downstream competitors.

John points out that this trend toward more extensive reviews may continue as government authorities grapple with many emerging issues where analytical underpinnings – such as platform competition, the competitive significance of "Big Data" and the impacts of mergers on incentives to innovate – remain relatively underdeveloped. He believes the key takeaway for business leaders seeking to embark on a merger is that, rather than focusing solely on its intended benefits, they need to consider – and prepare for – both the significant business risks of extended merger reviews and the delayed realization of the merger efficiencies.