



## Press Release

# FTC Action on Vertical Merger Could Stifle Game-Changing Cancer Technology

PAULINA ENCK | SEPTEMBER 14, 2022

The Federal Trade Commission (FTC) recently sued to block an \$8 billion vertical merger between medical technology companies Illumina and Grail; for regulatory watchers, this action provides a window into the FTC's intentions for future oversight of vertical mergers and how the agency thinks about competition in this market. In a new insight, Competition Economics Analyst Fred Ashton examines the flaws in the FTC's complaint and the potential benefits of the merger in the quest to end cancer.

### Key points:

- Grail, which is developing a multi-cancer early detection (MCED) test, and Illumina, a manufacturer and seller of sequencing instruments and consumables for next-generation sequencing systems, are seeking to merge to accelerate the development, approval, and adoption of Grail's MCED test.
- While there is disagreement between the courts about the legality of the merger, a closer analysis suggests that the procompetitive effects of the merger and steps taken by Illumina to ensure other MCED test developers continue to have access to its technology outweigh potential harms to competition.
- As the Biden Administration [launches](#) its moonshot to end cancer, it should be cautious of the potential harms of an overly aggressive antitrust enforcement regime, as it would delay the procompetitive effects of mergers generally, and in the case of Illumina and Grail, a game-changing advancement in cancer diagnostics.

[Read the analysis](#)