



CCMG, Competition and Markets Authority
Victoria House
Southampton Row
London | WC1B 4AD |

Subject: Tobii AB / Smartbox Assistive Technology Limited and Sensory Software International Ltd merger inquiry- Issues statement- our views

Assoausili is the only Italian Association which gather the very most of the companies operating in the Italian Assistive Technologies Market.

Assoausili was born in 2003 and currently has ten members, of which six are directly concerned in this topic, being distributors of TobiiDynavox or Smartbox.

The Italian market is mature and competitive, and it is one of the most important worldwide, however, it is not fully funded by the National Health Board. The NHB covers the full cost of the eye-tracking devices only.

Assoausili is pleased to provide this contribution since our market and our customers are weak and fragile, and some commercial options may heavily compromise the commercial offer and the functional and technological solutions.

Concerning your theories of harm:

- a. Horizontal unilateral effects arising from the removal of a competitor in the market which may lead to increased prices, lower product quality, reduced range and reduced innovation in:
 - i. The (upstream) supply of dedicated AAC hardware worldwide
 - ii. the (upstream) supply of AAC software worldwide; and
 - iii. the (downstream) supply of dedicated AAC solutions in the UK

Some really important foreword: Tobii Dynavox and Smartbox are two of the most important companies in the Assistive Technology Market; all the other companies are really far from them in terms of revenues, commercial positioning, and production capacity.

Only a few companies have the capacity to produce dedicated AAC hardware devices and SW for AAC with timely and regular upgrades and fast implementation.

Indeed Grid 3 is a software that can be really considered one Operating System for People with Special Needs.

For this reason, we think that having only just one player, so strong and structured, with weak potential competitors, will reduce the range of the solutions and opportunities for customers and it will probably increase the prices both worldwide and in the UK.



b. Vertical effects leading to foreclosure of the merged firm's competitors. We are minded to consider:

- i. Input foreclosure by the merged entity of Smartbox's AAC software ('Grid' software) to the Parties' rivals in the (downstream) supply of dedicated AAC solutions in the UK
- ii. Input foreclosure by the merged entity of Tobii's eye gaze cameras to the Parties' rivals in the (downstream) supply of dedicated AAC solutions in the UK.
- iii. Customer foreclosure by the merged entity of Tobii's eye gaze camera competitors worldwide.

Assoausili assumes that Grid 3 is currently a worldwide standard software for People with Disability, since from the beginning it was thoughtfully compatible with all the special inputs devices both eye tracking systems and devices for environmental control of different kinds.

Going deeper, currently, Grid 3 is compatible with seven different models of eye gaze camera.

The combination of hardware/software solutions is indeed a value for the Market, not only in itself but mainly for customers who have seven different solutions to try in order to find out the best which fits the real need.

It is also necessary to keep in mind that the customers who need eye gaze-tracking systems are the weakest and require tailored solutions since one size doesn't fit all.

Summarizing, for the reasons above said, Assoausili do believe that the perspective of having just one of the seven suppliers of eye tracking hardware system, moreover the most important and hardware market leader, controlling the Grid 3 software will probably have the following consequences:

- A state of large imbalance of the market
- The decrease of the opportunities for customers to find out the proper individual solution
- The risk of increased prices
- The risk of delayed, or even faded, technological improvements

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Thanks for your kind opportunity to formulate our considerations and experiences.

Kind Regards

Dr Filippo Borghi

