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DOJ Accepts Divestitures to Resolve Concerns With Technology Merger

On June 2, 2025, the DOJ <u>announced</u> that it resolved concerns that the \$1.5 billion merger of Spirent, Inc. and Keysight Technologies Inc. would harm competition in three semiconductor and light simulation software markets. Spirent will be required to divest certain businesses that overlap horizontally with Keysight businesses it is acquiring in the merger.

According to the <u>complaint</u>, "Keysight and Spirent are the dominant providers of high-speed ethernet testing equipment, network security testing equipment, and RF channel emulators in the United States. Their proposed merger would extinguish the competition between them and would presumptively result in a substantial lessening of competition in each market." Each market is "already highly concentrated and would become significantly more concentrated after the proposed merger."

The required <u>divestitures</u> include "the high-speed ethernet, network security, and channel emulation business lines of Spirent, Spirent TestCenter, and" several "product lines and projects" and is being made to Viavi Solutions, Inc. Assistant Attorney General for Antitrust Abigail Slater noted that the consent order is a "structural solution [that] preserves competition," and the divestiture is being made to "an established and innovative" company.

The settlement is subject to review by the United States District Court for the District of Columbia pursuant to the Tunney Act which, at a high level, requires that the settlement is in the public interest.

The development is significant because it marks a clear change from the prior administration's policy which favored litigation over settlement. This indicates that antitrust agency leadership will consider and approve structural merger remedies where appropriate.

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This memorandum is not intended to provide legal advice, and no legal or business decision should be based on its content. Questions concerning issues addressed in this memorandum should be directed to:

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