

Two Major Luxury Brands Were Scheduled to Merge, But There's Been a Hiccup

"LVMH Moët Hennessy-Louis Vuitton SE was scheduled to acquire Tiffany & Co. no later than August 24th, 2020, but the merger came to a halt when LVMH failed to even apply for antitrust clearance," write Peter S. Lubin and Patrick Austermuehle in *Lubin Austermuehle's blog*.

"Antitrust laws exist to avoid monopolies. If two major companies merge to form one company, there's a fear that the existence of a huge corporation, which now owns the market shares of both companies involved, might dominate the industry, thereby making it difficult, or even impossible for any other company to compete with them. Since healthy competition promotes innovation and helps drive down prices, it's necessary for a healthy economy."

"As a result, when two major corporations merge to form one company, they have to file for antitrust clearance with the authorities in the markets in which they operate, meaning the authorities look at the market share of the two companies and agree that the merger would not create a monopoly. But according to a recent lawsuit filed by Tiffany, LVMH has not only failed to acquire the antitrust clearance by the agreed-upon date but has failed to even file for antitrust clearance."

Read the article.