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Memorandum

Return of the Remedy: First FTC Merger Settlement Under Second Trump Administration in Synopsys/Ansys

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On May 28, 2025, the Federal Trade Commission (FTC) signaled a shift in policy from the Biden administration and a return to accepting remedies to resolve competitive concerns when it approved the $35 billion merger between Synopsys, Inc. (Synopsys) and Ansys, Inc. (Ansys) subject to the divestiture of certain assets. This is the first settlement of a merger-enforcement action by either antitrust agency under the second Trump administration and stands in contrast to the Biden administration's policies disfavoring antitrust remedies. Chairman Ferguson also issued a Statement[1] (joined by the two other Commissioners) outlining how the FTC will approach merger remedies during his time as Chair, and previewing the forthcoming publication of a more comprehensive merger remedies policy statement. Notably, the DOJ announced its first divestiture settlement concerning another merger on June 2.[2]

In **Synopsys/Ansys**, the FTC alleged the combination of two software providers raised competitive concerns in three markets where the parties were direct competitors: (i) optical software tools, (ii) photonic software tools, and (iii) Register Transfer Level (RTL) power consumption analysis tools. According to the FTC, each of these markets is highly concentrated with the parties' combined shares exceeding 60%. To resolve the FTC's concerns, the parties agreed to divest tangible and intangible assets including products, employees, facilities, intellectual property, and other assets from both parties to Keysight Technologies, Inc. (an "upfront buyer" selected in advance of settlement). Specifically, the parties are required to divest Synopsys' optical software products and assets and photonic software products and assets aiding the design and simulation of photonic devices, as well as Ansys' PowerArtist product and assets. In Chairman Ferguson's Statement, he noted that Keysight "has a long track record of acquiring assets in related markets and making them successful, as well as the financial resources to compete effectively after the divestiture."

Key Takeaways Include:

The settlement is notable in that it marks the first accepted merger remedy under the new Trump administration, following several years of remedies being disfavored under the prior Lina Khan-led FTC (which had not accepted a

[1] Available here.

[2] On June 2, 2025, DOJ announced it would require Keysight to divest assets as part of a remedy to conclude its own, separate acquisition of Spirent Communications plc.'s high-speed ethernet testing, network security testing, and RF channel emulation businesses. *See* Press Release available here.

pre-litigation divestiture since 2022). The accompanying statement issued by FTC Chairman Ferguson highlights the FTC's general approach to accepting remedies to settle litigation.

- **Settlements Are Back.** In Chairman Ferguson's Statement, he emphasizes that part of the settlement decision-making process under the new administration will involve declining to bring lawsuits to conserve agency resources if a settlement can preserve competition. "[S]ettlement maximizes the Commission's finite enforcement resources. Antitrust litigation is expensive."
- **Robust Structural Remedies Remain Preferred.** Chairman Ferguson also cautioned that behavioral remedies are disfavored and should be treated with "substantial caution." The Statement explains that structural remedies should typically involve "the sale of a standalone or discrete business, or something very close to it, along with all tangible and intangible assets necessary (1) to make that line of business viable, (2) to give the divestiture buyer the incentive and ability to compete vigorously against the merged firm, and (3) to eliminate to the extent possible any ongoing entanglements between the divested business and the merged firm." Further, the FTC must be confident that the divestiture buyer has the "resources and experience necessary to make that standalone business competitive in the market." Chairman Ferguson's Statement explains that unless these conditions are met, the Commission should proceed to litigation.
- **Remedy Should Prevent "Substantial Lessening of Competition."** The FTC has historically taken a position that remedies should fully maintain or restore the lost competition from a transaction.[3] However, recent litigated merger challenges have rejected this position, finding instead that proposed remedies need only prevent a substantial lessening of competition from the subject transaction under Section 7 of the Clayton Act. In an apparent nod to the recent precedent, Chairman Ferguson's Statement notes that "[i]f the Commission is confident that a settlement will prevent a substantial lessening of competition as fully as would litigation . . . then it should accept that settlement."
- **No Prior Approval**. The settlement does not include a requirement that the settling companies seek 'prior approval' from the FTC before any future acquisitions in the relevant market for a specified period of time. In July 2021, under the prior administration, the FTC rescinded a 1995 policy statement that limited the use of prior approvals, and thereafter included broad prior approval requirements (often up to 10 years) in many consent agreements. This case indicates the use of prior approval requirements in FTC settlements, if at all, will be more selective than during the prior administration.
- **FTC Policy Statement on Remedies Forthcoming.** Chairman Ferguson also indicated the FTC will publish a policy statement on the role of remedies "in due course."

[3] *See* 2012 Negotiating Merger Remedies, available here.

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