

DOJ Suit to Block Hewlett Packard Enterprise-Juniper Networks Merger Signals Continued Heightened Enforcement Under Trump Administration

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On January 30, 2025, the Department of Justice (“DOJ”) sued to block Hewlett Packard Enterprise Co.’s (“HPE”) proposed \$14 billion acquisition of Juniper Networks Inc. (“Juniper”) in the Northern District of California.¹ This is the first antitrust suit brought by the DOJ since President Trump took office on January 20, 2025.

HPE and Juniper are the second- and third-largest providers of wireless local area technology networks (“WLAN”) in the United States, respectively. The largest provider is Cisco Systems, Inc. (“Cisco”). In the press release announcing the lawsuit, the DOJ described WLAN as “critical for the modern workplace,” noting that “[wireless] networking is the primary means by which many employees connect to their employer’s computer network and the

¹ See Complaint, *United States v. Hewlett Packard Enterprise Co.*, No. 3:25-cv-00951 (N.D. Cal. Jan. 30, 2025) (hereinafter, “Complaint”).

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internet.”² The suit was approved by recently appointed Acting Assistant Attorney General Omeed A. Assefi, who has taken over leadership of the Justice Department's Antitrust Division while President Trump's nominee, Gail Slater, awaits Senate confirmation.³

In the Complaint, the DOJ emphasized the concentration of the proposed relevant market, alleging that market leader Cisco and post-acquisition HPE would together hold “over 70 percent” of the U.S. market for enterprise-grade WLAN solutions, which includes “wireless access points, the hardware or software tools to manage them, and related logistical support.”⁴ Further, the acquisition would significantly increase concentration in an “already highly concentrated market”; “eliminat[e] fierce head-to-head competition”; increase prices for customers; and harm “quality, service, and innovation.”⁵

HPE and Juniper criticized the DOJ's analysis of the acquisition as “fundamentally flawed” and announced their intention to “vigorously defend the transaction.”⁶ HPE Chief Executive Antonio Neri said the DOJ defined the relevant WLAN market too narrowly, ignored the benefits of the transaction, and disregarded competition from eight other wireless networking companies in the United States.⁷ “[The DOJ's] case is flawed because they think there is a market of three going down to two vendors,” said Neri, “There are at least three or four that have the exact same market share as Juniper.... The barriers to compete are very low, and they are all disrupters.”⁸

At first blush, the Complaint appears to be a traditional challenge to a merger between two competitors in an industry the government believes to be highly concentrated. But the timing and circumstances of the challenge are notable for a few reasons. The DOJ's challenge comes despite the fact that the merger was cleared unconditionally months ago by both the European Commission, the European Union's executive body, and the United Kingdom's Competition and Markets Authority (“CMA”).⁹ In the full CMA decision, for instance, the CMA concluded that HPE's

² Press Release, Office of Public Affairs, U.S. Dep't of Justice, Justice Department Sues to Block Hewlett Packard Enterprise's Proposed \$14 Billion Acquisition of Rival Wireless Networking Technology Provider Juniper Networks (Jan. 30, 2025), <https://www.justice.gov/opa/pr/justice-department-sues-block-hewlett-packard-enterprises-proposed-14-billion-acquisition>.

³ Josh Sisco & Zoe Tillman, *Former Trump Justice Department Official Named Interim Antitrust Chief*, BLOOMBERG (Jan. 21, 2025), <https://www.bloomberg.com/news/articles/2025-01-21/former-trump-doj-official-named-interim-antitrust-chief>.⁴ Complaint at 9.

⁴ Complaint at 9.

⁵ *Id.* at 1, 19–20.

⁶ *Hewlett Packard Enterprise and Juniper Networks strongly oppose Department of Justice's decision to file suit to block acquisition*, HEWLETT PACKARD ENTERPRISE (Jan. 30, 2025), <https://www.hpe.com/us/en/newsroom/press-release/2025/01/hewlett-packard-enterprise-and-juniper-networks-strongly-oppose-department-of-justices-decision-to-file-suit-to-block-acquisition.html>.

⁷ Dave Michaels, *Justice Department Sues to Block Hewlett Packard Enterprise's Bid for Juniper Networks*, WALL STREET JOURNAL (Jan. 30, 2025), <https://www.wsj.com/politics/policy/justice-department-sues-to-block-hewlett-packard-enterprises-bid-for-juniper-networks-99af47ac>.

⁸ *Id.*

⁹ See European Commission Press Release, IP/24/4101, Commission approves acquisition of Juniper by HPE (July 31, 2024), available [here](#); Competition and Markets Authority, Anticipated acquisition by Hewlett Packard Enterprise Company of Juniper Networks, Inc. Decision on relevant merger situation and substantial lessening of competition (Sept. 17, 2024), available [here](#).

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acquisition “does not give rise to a realistic prospect of a substantial lessening of competition.”¹⁰ U.S. and European enforcers have coordinated closely in recent years, and have rarely reached such divergent outcomes on global deals.¹¹

In addition, the DOJ cites to and purports to rely on the 2023 Merger Guidelines and its revised concentration thresholds for presuming that competition will be substantially lessened.¹² Coming as early as it does in the Trump administration, this cannot yet be taken as an indicator that those revised Guidelines will remain in place, particularly as the DOJ’s calculated degree of concentration would also violate the now defunct but more conservative 2010 Horizontal Merger Guidelines.

Finally, the DOJ does not allege a specific post-acquisition market share, but there are indications that even under the DOJ’s definition of the relevant market, HPE and Juniper together may hold less than 30% of the alleged relevant market. Courts have previously relied on *Philadelphia National Bank* for the proposition that a 30% market share is an “undue” share of the market that gives rise to a presumption of illegality—a presumption that then shifts the burden from the government to the defendant.¹³ Accordingly, this first-filed Trump administration antitrust suit may test the bounds of the presumption or, alternatively, call upon the DOJ to prove its case for anticompetitive effects without relying on that presumption and its concomitant burden-shifting.

The lawsuit, filed just ten days after President Trump took office, may indicate that the Trump administration will continue to pursue aggressive enforcement against proposed mergers. Willkie will continue to monitor this litigation and other steps by the new administration that indicate its enforcement priorities and approach.

¹⁰ Competition and Markets Authority, Anticipated acquisition by Hewlett Packard Enterprise Company of Juniper Networks, Inc. Decision on relevant merger situation and substantial lessening of competition (Sept. 17, 2024), available [here](#).

¹¹ In the Complaint, the DOJ limited the relevant market to the United States and alleged that “customers in the United States have fewer options than they would if they were based abroad” in part because the U.S. government identified certain WLAN vendors as security threats. Complaint at 13–14.

¹² Complaint at 14.

¹³ *United States v. Philadelphia Nat. Bank*, 374 U.S. 321, 363–64 (1963).

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