Press Release

FTC Eyes Reverse Acquihires in AI Sector

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The race to secure talent in artificial intelligence is driving an increase in large tech companies' use of "acquihires" and "reverse acquihires" strategies. In a new insight, Director of Competition Policy Fred Ashton reviews these practices, and considers antitrust agencies' increasing scrutiny of reverse acquihires, in particular.

Key points:

> - *The use of "acquihires" is a strategy in which large tech companies buy startups to secure their talent, and "reverse acquihires" is a strategy in which these companies recruit startups' top talent but without an outright acquisition.*
> - *The latter of these strategies, reverse acquihires, is drawing increasing scrutiny from antitrust authorities, which have expressed concerns about firms structuring deals intended to avoid notification requirements, as well as the potentially harmful effects that the hoarding of labor by large tech firms may have on competition.*
> - *While enforcement action may be necessary to preserve competition, agencies should ensure that investigations focus on case-specific facts and consumer impact rather than the overly zealous, innovation-stifling enforcement posture of the Biden Administration.*

Read the analysis.