**MERGER ANTITRUST LAW**

LAW 1469
Georgetown University Law Center
Fall 2026

Tuesdays and Thursdays, 3:30 pm – 5:30 pm
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## CLASS 1 HOMEWORK ASSIGNMENT—INSTRUCTOR'S ANSWER

### Instructions

OPTIONAL: Submit by email no later than 3:30 pm on Tuesday, August 25
Send to wdc30@georgetown.edu
Subject line: Merger Antitrust Law: Assignment for Class 1

### Assignment

Recall that the essential elements of a prima facie case of a Section 7 violation are:

1. The acquisition of stock or assets;
2. One or more relevant geographic markets ("section of the country");
3. One or more relevant product markets ("line of commerce"); and
4. In each relevant market,[1] an anticompetitive effect ("the effect of such acquisition may be substantially to lessen competition, or to tend to create a monopoly")

Identify each alleged relevant market—including both its product and geographic dimensions—in the TransDigm/Takata complaint. For each relevant market, identify the anticompetitive harm(s) alleged in the complaint and summarize the factual allegations in the complaint supporting each of these alleged harms.[2]

If you have any questions, send me an e-mail.

Dale Collins

**NOTE: Normally, homework assignments will receive participation grades. However, since the first week is more of a shopping period, you are not required to submit the assignments this week. I encourage you to do so, however, both because it will help you prepare for the discussion in class and it will help me better identify what I need to cover in more depth and what I can glance over in class.**

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[1] Recall that a "relevant market" is a line of commerce in a section of the country. In other words, the relevant market has the geographic dimensions of the relevant geographic market and the product dimensions of the associated relevant product market.

[2] This would be a typical assignment for an associate in a law firm.

**INSTRUCTOR'S ANSWER**

The complaint alleges the same two ultimate harms in each of the four relevant markets: expected price increases and reduced innovation and product improvement. Paragraphs 32–35 contain the principal allegations supporting those harms across the four markets. The market-specific allegations below principally support the complaint's assertion that SCHROTH was a significant competitive constraint on AmSafe in each market.

<table>
<tr><th>Relevant market</th><th>Harms and supporting allegations</th></tr>
<tr><td>1. Worldwide market for the development, manufacture, and sale of two-point lapbelts used on commercial airplanes</td><td>Alleged anticompetitive harms:<br>Higher product prices<br>Reduced rate of innovation and product improvements<br>Supporting allegations:<br>Only 3 meaningful competitors premerger (Compl. ¶ 24) (a "3-to-2 merger")<ol><li>AmSafe was by far the largest</li><li>Small, privately held firm that had been in the market for years but gained little share</li><li>SCHROTH, which entered the market with a new, innovative lightweight two-point lapbelt ("Airlite"), which it aggressively marketed to the major international airlines</li></ol></td></tr>
<tr><td>2. Worldwide market for the development, manufacture, and sale of three-point shoulder belts used on commercial airplanes</td><td>Alleged anticompetitive harms:<br>Higher product prices<br>Reduced rate of innovation and product improvements<br>Supporting allegations:<br>Only 2 meaningful competitors premerger (Compl. ¶ 26) (a "2-to-1 merger")<br>AmSafe was by far the largest<ol><li>"SCHROTH was aggressively seeking to grow its business at AmSafe's expense"</li><li>WDC: Probably means that SCHROTH had not achieved any significant sales yet, but that efforts to penetrate the market caused AmSafe to reduce prices</li></ol></td></tr>
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| 3. Worldwide market for the development, manufacture, and sale of technical restraints used on commercial airplanes | *Alleged anticompetitive harms*:<br>Higher product prices<br>Reduced rate of innovation and product improvements<br>*Supporting allegations*:<br>Only 3 significant suppliers premerger (Compl. ¶ 28) (a “3-to-2 merger”)<br>1. AmSafe (“leading supplier”)<br>2. SCHROTH (“aggressively seeking to grow”)<br>3. (Unnamed) international aerospace equipment manufacturer |
| 4. Worldwide market for the development, manufacture, and sale of inflatable restraint systems used on commercial airplanes | *Alleged anticompetitive harms*:<br>Higher product prices<br>Reduced rate of innovation and product improvements<br>*Supporting allegations*:<br>Only 2 meaningful competitors premerger (Compl. ¶ 30) (a “2-to-1” merger)<br>1. AmSafe (which developed technology—offers both inflatable lapbelts and structural mounted airbags)<br>2. SCHROTH (offers only structural mounted airbags), but “In recent years, SCHROTH had emerged as a strong competitor to AmSafe in the development of inflatable restraint technologies”<br>Sounds very weak to me<br>May be some innovation competition (but maybe not that much) |