

FTC sues to unwind Altria's \$12.8 billion investment in Juul

The Federal Trade Commission is suing to unwind Altria's \$12.8 billion investment in Juul Labs, alleging that the two companies worked together to eliminate competition in the e-cigarette market.

In its complaint, the FTC said that Juul's e-cigarette products posed a significant threat to Altria's market dominance. Juul had been a competitor to Altria's own e-cigarette offerings. But in 2018, Altria stopped making e-cigarettes and instead became Juul's largest investor. "Altria and Juul turned from competitors to collaborators by eliminating competition and sharing in Juul's profits," said Ian Conner, director of the Bureau of Competition, in a statement. Altria used its leverage as a top tobacco company to secure favorable shelf space for Juul's products in stores across the United States, the FTC alleged.

This relationship helped Juul become the top e-cigarette brand in the country, according to the commission.

Juul did not immediately respond to a request for comment.

Last August, *The Wall Street Journal* reported that the FTC was investigating Juul over its marketing practices, including how it marketed its products to minors over social media. Last October, Altria confirmed that it was also under investigation by the commission over its relationship with Juul. At the time, Juul had just ousted its embattled CEO, Kevin Burns, and replaced him with a former longtime Altria executive.

<https://www.theverge.com/2020/4/1/21203670/ftc-sues-to-unwind-altrias-12-8-billion-investment-in-juul>