

FTC Court Win Blocks Henkel's Acquisition of Liquid Nails

August 21, 2026

On August 17, 2026, the Federal Trade Commission (FTC) announced it had secured a win in court to block the merger of two of the largest construction adhesive brands. The ruling is a significant triumph for the FTC and a useful data point for dealmakers evaluating how the agency is litigating – and where it is choosing to litigate – merger challenges under Chairman Andrew Ferguson.

On August 14, 2026, the US District Court for the Southern District of New York granted the FTC's request for a permanent injunction to block Henkel's proposed \$725 million acquisition of Liquid Nails from private equity firm American Industrial Partners. Henkel is the manufacturer of the industry-leading Loctite brand of construction adhesives. In December 2025, the FTC sued to block Henkel's proposed acquisition of Liquid Nails, Loctite's chief rival in the construction adhesives market, alleging that combining the two brands would eliminate significant head-to-head competition and lead to higher prices, lower quality and reduced innovation for a product widely used in home building and maintenance.

After a seven-day trial, the district court sided with the FTC and issued a permanent injunction blocking the deal outright, rather than referring the matter back to the agency's administrative process. Announcing the result, FTC Bureau of Competition Director Daniel Guarnera framed the case as a straightforward horizontal competition problem: "Anyone who looked at the construction adhesives shelves of a hardware store or home improvement retailer could see that a merger between Loctite and Liquid Nails would be a bad deal for Americans." He added that the decision "will ensure that Americans benefit from continued competition between Loctite and Liquid Nails, including lower prices and higher quality."

Beyond the substantive result, the agency was explicit that it views this case as validating a procedural shift, describing the win as marking "the Commission's new approach to seeking permanent injunctions to block anticompetitive mergers without the need to continue cases in administrative proceedings," or litigating merger challenges to a final, binding result in federal district court rather than pursuing a preliminary injunction in federal court while the underlying merits proceed in the FTC's own administrative tribunal.

The Loctite/Liquid Nails result, along with public comments from Ferguson that the agency should bring its merger challenges directly in federal court rather than through the FTC's in-house administrative process, signals a departure from the agency's traditional two-track model. Taken together with the outcome in this case, the FTC seems to be making an intentional choice: Rather than seeking a preliminary injunction to preserve the status quo while an administrative case proceeds on a separate track, the agency litigated this matter through trial in district court to a final, appealable injunction.

Why this matters

For parties contemplating mergers that raise potential horizontal overlap concerns, several practical takeaways emerge:

- **Prepare for federal court, not the FTC's administrative docket.** If the agency is committed to litigating merger challenges to final judgment in federal district court, merging parties should plan for full-blown federal litigation – including trial – as the primary (not merely preliminary) battleground, including the associated discovery burden, timeline and evidentiary standards that this entails.
- **Building materials and other consumer-facing input markets remain a priority.** The agency's public messaging ties this enforcement action to housing affordability and cost-of-living themes, signaling continued scrutiny of consolidation in building products and other markets seen as directly affecting household costs.
- **Brand concentration arguments retain force.** The FTC's theory here rested on eliminating direct competition between

two well-known, closely positioned brands within the same category – a straightforward horizontal theory that remains a core enforcement priority regardless of procedural reforms.

This content is provided for general informational purposes only, and your access or use of the content does not create an attorney-client relationship between you or your organization and Cooley LLP, Cooley (UK) LLP, or any other affiliated practice or entity (collectively referred to as "Cooley"). By accessing this content, you agree that the information provided does not constitute legal or other professional advice. This content is not a substitute for obtaining legal advice from a qualified attorney licensed in your jurisdiction, and you should not act or refrain from acting based on this content. This content may be changed without notice. It is not guaranteed to be complete, correct or up to date, and it may not reflect the most current legal developments. Prior results do not guarantee a similar outcome. Do not send any confidential information to Cooley, as we do not have any duty to keep any information you provide to us confidential. When advising companies, our attorney-client relationship is with the company, not with any individual. This content may have been generated with the assistance of artificial intelligence (AI) in accordance with our AI Principles, may be considered Attorney Advertising and is subject to our [legal notices](#).

Key Contacts

Norman Armstrong Jr. Washington, DC	narmstrong@cooley.com +1 202 728 7120
Albert Y. Kim Washington, DC	albert.kim@cooley.com +1 202 776 2378
Jennifer C. Ok Washington, DC	jok@cooley.com +1 202 728 7082
Hanna T. Ali Washington, DC	htali@cooley.com +1 202 776 2210

This information is a general description of the law; it is not intended to provide specific legal advice nor is it intended to create an attorney-client relationship with Cooley LLP. Before taking any action on this information you should seek professional counsel.

Copyright © 2023 Cooley LLP, 3175 Hanover Street, Palo Alto, CA 94304; Cooley (UK) LLP, 22 Bishopsgate, London, UK EC2N 4BQ. Permission is granted to make and redistribute, without charge, copies of this entire document provided that such copies are complete and unaltered and identify Cooley LLP as the author. All other rights reserved.