

Jilted Fujifilm sues Xerox for \$1bn after aborted merger

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Fujifilm is seeking more than \$1bn in damages

Japanese technology giant Fujifilm said Tuesday it was suing US firm Xerox, seeking more than \$1 billion in damages after a merger between the two firms was scrapped last month.

Fujifilm slammed what it said was a "unilateral decision to terminate without legitimate cause" the planned merger announced in January.

The merger was shelved after a lawsuit by powerful shareholders Carl Icahn and Darwin Deason, who together own more than 15 percent of Xerox and had vigorously opposed the tie-up.

The pair secured an injunction in April to halt the deal after a New York judge agreed the merger prioritised the interests of the Xerox CEO over the firm's shareholders.

Fujifilm also announced a challenge to that ruling, saying it was "inconsistent with [shareholder](#) democracy to allow Carl Icahn and Darwin Deason... to dictate the fate of Xerox."

When scrapping the merger, Xerox cited "material deviations" in the audited accounts of an existing joint venture known as Fuji Xerox controlled by Fujifilm.

And the Japanese firm said it continued to believe that the tie-up between Xerox and Fuji Xerox was "the only correct solution to provide shareholders of both companies with exceptional short and long-term value".

Xerox issued a robust statement in response, saying it would "vigorously defend its decision and pursue any and all remedies available to Xerox arising from Fujifilm's mismanagement and misconduct".

Calling off the [merger](#) was seen as a victory for Icahn, a battle-tested billionaire who has aggressively challenged companies since the 1980s.

It came after activist fund Elliott won a weeks-long power struggle with Vivendi over Telecom Italia by wresting control of the company's board

in early May.

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