A vertical merger is an acquisition [1] which combines two companies that operate in successive stages of the production or distribution chain.[2] As vertical mergers involve firms that do not operate in the same market, it necessarily follows that such mergers produce no immediate change in the level of concentration in any relevant market. Although vertical mergers are less likely than horizontal mergers to create competitive problems, they are not invariably innocuous.[3]

Through U.S legal history, the analytical framework applied to vertical mergers has changed over time. In the absence of a consensus as to the proper standard susceptible to statutory codification, Congress passed the conundrum to the courts to resolve on a case-by-case basis. By enabling the courts to proceed through a "common law" approach to developing antitrust law, society could gain the benefits of incremental progress and learning by past mistakes.