

US agency loses bid to halt Microsoft's \$69bn purchase of Activision Blizzard

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A US appeals court on Friday rejected the Federal Trade Commission's request to pause Microsoft's \$69bn (£53bn) purchase of Call of Duty maker Activision Blizzard. The appeals court decision removes one of the few remaining hurdles stopping Xbox maker Microsoft from closing the deal and expanding its gaming business. The FTC had also asked Judge Jacqueline Scott Corley of the US district court in northern California for a similar stay but she rejected that request late on Thursday. The FTC did not return an immediate request for comment. Brad Smith, the president of Microsoft, said: "We appreciate the ninth circuit's swift response denying the FTC's motion to further delay the deal. This brings us another step closer to the finish line in this marathon of global regulatory reviews." The deal, the largest in the history of the video game industry, still needs to be approved in Britain. The merger agreement between Microsoft and Activision, a leading games developer also behind World of Warcraft and Candy Crush Saga, will expire on 18 July. After that date, either company will be free to walk away from the deal unless they negotiate an extension. In the UK, the Competition and Markets Authority (CMA) opposes the transaction on concerns about the impact on competition in cloud gaming. On Friday it received a "detailed and complex" new proposal from Microsoft and extended its deadline for a final ruling to 29 August, although it said it would aim to do it as soon as possible. CMA had said in a statement this week that the deal had to be restructured to address its concerns, saying: "They can choose to restructure a deal, which can lead to a new merger investigation." In the United States, the FTC had argued the deal would hurt consumers whether they played video games on consoles or had subscriptions because Microsoft would have an incentive to shut out rivals like Sony Group. Microsoft responded to that by offering 10-year licenses to rivals. But on Tuesday, Judge Corley ruled the deal was legal under antitrust law and declined the FTC request to slap a preliminary injunction on it to give the FTC time to take it before an internal FTC judge in August. An FTC spokesperson said earlier this week that the merger posed a "clear threat ... to open competition in cloud gaming, subscription services, and consoles". After the judge's ruling against the FTC this week, Bobby Kotick, Activision Blizzard's chief executive, said: "Our merger will benefit consumers and workers. It will enable competition rather than allow entrenched market leaders to continue to dominate our rapidly growing industry."