

FTC faces fallout for Big Tech regulatory failures

Article

The news: By failing to block **Microsoft's Activision Blizzard** acquisition, the **Federal Trade Commission (FTC)** is facing the biggest in a series of defeats that are undermining ambitions to regulate Big Tech and raising questions about the effectiveness of its approach.

How we got here: The FTC filed to stop [Microsoft from buying Activision Blizzard](#) late last year, saying the **\$68.7 billion** blockbuster deal would suppress competition in the video game market.

- [The push to block the acquisition](#) was seen as a bold and risky maneuver for the regulator after a year of anemic regulatory activity.
- **Judge Jacqueline Scott Corley** rejected the FTC’s request for a preliminary injunction to prevent Microsoft from completing its acquisition.
- The deal still needs to pass regulation by the UK’s **Competition and Markets Authority (CMA)**.
- While the FTC has appealed the ruling, the setback calls into question the regulator’s recent string of failures, including its [inability to block Meta’s purchase](#) of rival VR company **Within**.

Zooming out: Khan maintains that such regulatory losses can still help signal the need for updated antitrust laws in the digital age.

- However, these strategies have not been met with universal approval, with some arguing that her approach to altering antitrust laws is imprudent and could render future tech regulation ineffective.
- House Republicans are slated to examine what the judiciary panel’s website says is Khan’s “mismanagement of the FTC and its disregard for ethics and congressional oversight.”

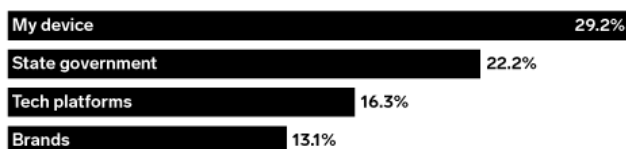
Our take: The Biden administration’s ambitious plan to facilitate a sweeping crackdown on Big Tech companies—with the triumvirate of Khan, antitrust lawyer **Jonathan Kanter** as the DOJ’s antitrust chief, and activist **Tim Wu** as White House assistant—seems to be unraveling.

Wu departed the White House in December to resume teaching in **Columbia Law School**, and Kanter, a noted **Google** critic, was only cleared to work on US antitrust matters in January.

Possible solution: Pursuing smaller and more manageable M&As and monopolies could restore regulatory momentum for agencies that may be stretched thin against tech behemoths and their lobbyists.

Institutions US Consumers Trust to Protect Their Data, Jan 2023

% of respondents



Note: n=1,672 ages 16-64

Source: Razorfish, "The Data Privacy Paradox," March 22, 2023

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