

FTC prepares to break up Microsoft's \$68.7B bid to buy Activision Blizzard

Article

The news: The Federal Trade Commission (FTC) filed to stop [Microsoft from buying Activision Blizzard](#), saying the \$68.7 billion blockbuster deal would suppress competition.

Curbing a gaming monopoly: The FTC issued a complaint Thursday seeking to block the acquisition, saying the deal “would enable Microsoft to suppress competitors to its Xbox gaming consoles and its rapidly growing subscription content and cloud-gaming business.”

- The merger [won approval from Brazil](#), Saudi Arabia, and Serbia, but the US and the EU still pose formidable hurdles.
- **The FTC's lawsuit could derail the deal's deadline, sending parties back to the drawing board.** Any legal delays will cost all parties involved substantial fees while game releases get held up or canceled.
- "Microsoft has already shown that it can and will withhold content from its gaming rivals," said **Holly Vedova**, director of the FTC's Bureau of Competition, in a press release.
- "We continue to believe that our deal to acquire Activision Blizzard will expand competition and create more opportunities for gamers and game developers," Microsoft president **Brad Smith** said.

What this means for the FTC: After a year of anemic regulatory activity, the FTC under chairperson **Lina Khan** is looking for its first decisive win, and Microsoft's deal could be its white whale.

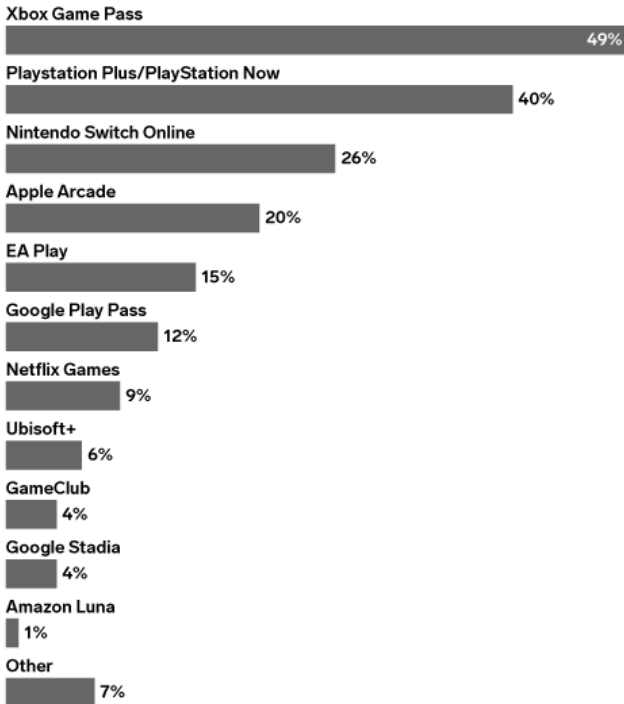
- The FTC has the [support of Microsoft rival Sony](#), and can lean on concurrent investigations by the UK's [Competition Markets Authority](#) (CMA) to win its case.
- Failure to rein in the biggest gaming acquisition play in history would be a huge black eye for the FTC and could dampen all future regulatory efforts.

What this means for Microsoft: If approved, the merger gives Microsoft a leadership position with some of the most popular franchises, including **Call of Duty, Candy Crush, Warcraft, Diablo**, and **Overwatch**, among others.

Key takeaway: Microsoft could appear magnanimous and make [games available on other platforms](#) while the ink dries, but there's no guarantee it won't revert to anticompetitive behavior through Xbox and PC exclusives over rival consoles.

To Which Game Subscription Services Are US Gamers Subscribed?

% of respondents, Feb 2022



Note: n=1,042 ages 18+; includes games played via phone, desktop/laptop, gaming console, or other device

Source: SurveyMonkey as cited in company blog, Feb 8, 2022

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