

# UK regulators investigate Microsoft's \$69B Activision-Blizzard acquisition

Article

**The news:** Microsoft's blockbuster **Activision-Blizzard** acquisition is facing an antitrust probe from the UK's **Competition and Markets Authority (CMA)**, **per** TechCrunch.

**The game is afoot:** The CMA, the UK's leading antitrust watchdog, says it has until September 1 to decide if the **\$68.7 billion gaming consolidation** push could harm competition. Specifically, it will decide whether Microsoft could use first-party Activision-Blizzard title exclusives to shut out competing consoles or gaming platforms.

- Microsoft stands to acquire the rights and intellectual property of Activision-Blizzard's games including **World of Warcraft, Call of Duty, Diablo, Overwatch, Hearthstone, Candy Crush, Crash Bandicoot, and StarCraft**, among others.
- The CMA said it will engage "as appropriate" with its competition authority counterparts around the world who are also looking into the merger. In context, the **Federal Trade Commission (FTC)** is also **reviewing** the wider effects the acquisition could have on competition.
- Responding to the CMA, **Lisa Tanzi**, Microsoft's corporate vice president and general counsel, said, "We will fully co-operate with the CMA's merger review. We expect and think it's appropriate for regulators to take a close look at this acquisition. ... We remain confident the deal will close in fiscal year 2023 as initially anticipated."

**Why this matters for Microsoft:** The software giant has managed to stay clear of major antitrust probes for close to **20 years**. Prolonged inquiries by the CMA and FTC might affect the company's reputation, which could damage its value.

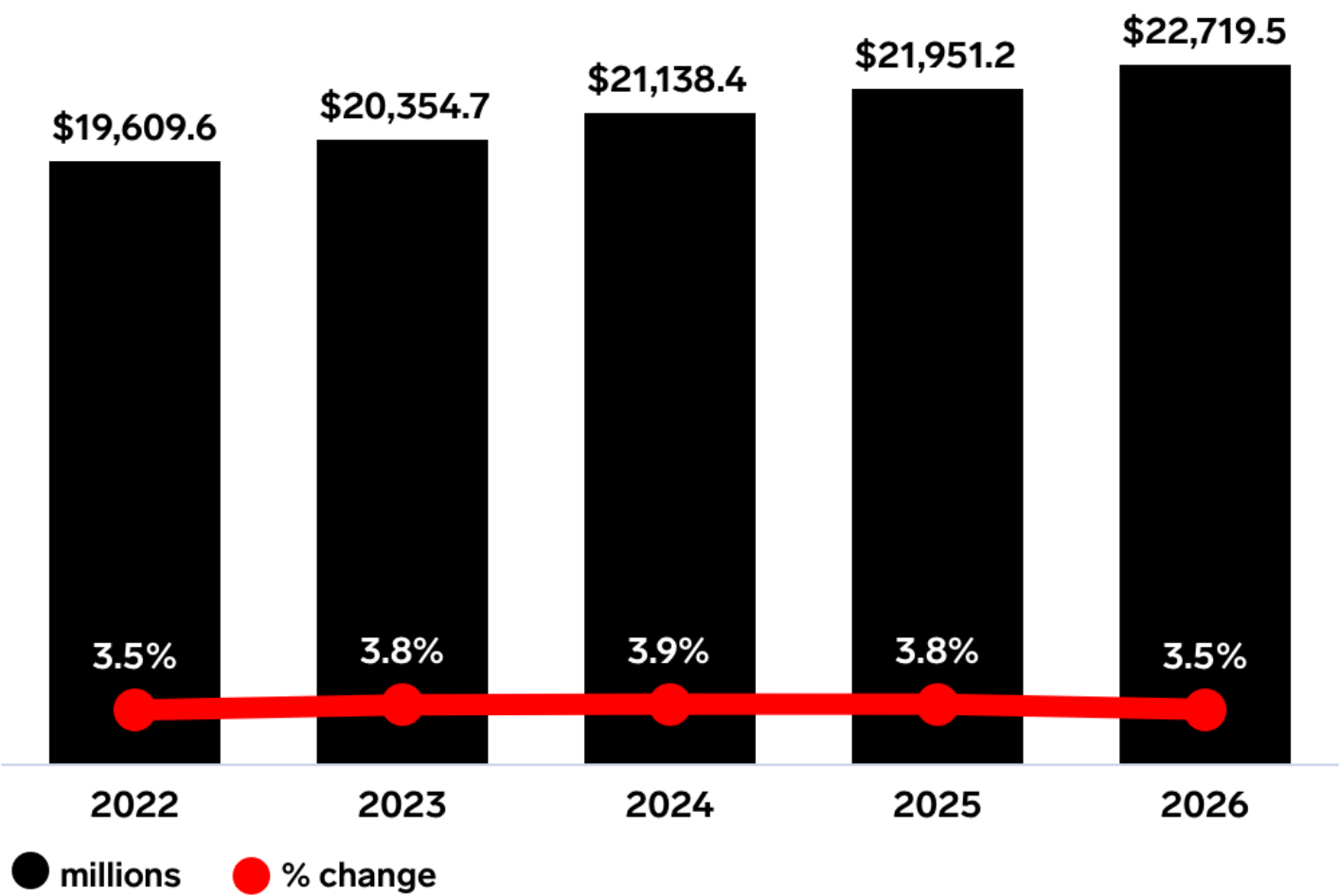
**Why this matters for Activision-Blizzard:** The investigation casts a pall on Activision-Blizzard, which recently saw the formation of the first major **video game union** in the US and has been under fire for its toxic **workplace culture**.

**The big takeaway:** The Microsoft and Activision-Blizzard merger is far from safe.

The CMA successfully shut down **Nvidia's \$40 billion acquisition of Arm** and investigated **Google's ad tech** monopoly and the **smartphone duopoly**.

# Gaming In-App Spending

US, 2022-2026



Source: eMarketer, April 2022

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