



Written by [Luis Miguel](#) on October 13, 2023

## Microsoft Wins Antitrust Battle, Completes Activision Purchase

Tech giant Microsoft is running a victory lap after concluding a major win over antitrust regulators.

On Friday, the company completed its acquisition of popular video game maker Activision Blizzard, known for hits such as *Call of Duty*, *World of Warcraft*, *Guitar Hero*, and *Candy Crush Saga*. The \$69 billion deal is going down in history as one of the most expensive tech purchases ever, and is making waves throughout the video game industry.

Notification of the deal's completion came seven hours after the United Kingdom's competition watchdog walked back its earlier decision to block the merger of the two companies, thus removing the last hurdle.

The news constitutes a major win for Microsoft, whose flagship video game console, the Xbox, is currently in third place behind Sony's PlayStation and Nintendo's consoles in terms of sales. Moreover, owning Activision will allow Microsoft to incorporate the company's titles into its multi-game subscription service, which essentially works like a Netflix or Hulu equivalent for video gaming.

In total, the deal's completion took almost 22 months, the result of pushback from governmental regulatory bodies who feared Microsoft's cornering of one of the biggest video game producers would allow it to suffocate the competition. And independent game developers worry the move will close opportunities for them while stifling creativity because Microsoft may focus its capital on big franchises with a record of success.

The U.S. Federal Trade Commission (FTC) also opposes the merger, arguing that Microsoft will create "walled gardens" based around the Xbox Game Pass subscription service and streaming on demand.

"The FTC continues to believe this deal is a threat to competition," FTC spokeswoman Victoria Graham said in a statement Friday, as reported by [The Associated Press](#). The FTC lost a court battle to put a hold on the merger, but is still pursuing a legal process to undo it.

Microsoft, meanwhile, defends the acquisition by saying its aim is to make Activision games available on more platforms, not take games away from rival console producers. The remarks touch upon fears expressed by competitors such as Sony, which is concerned Microsoft would restrict PlayStation gamers' access to *Call of Duty*.

"Whether you play on Xbox, PlayStation, Nintendo, PC or mobile, you are welcome here — and will remain welcome, even if Xbox isn't where you play your favorite franchise," reads a statement from



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Microsoft Xbox CEO Phil Spencer, as shared with AP.

The outlet further reports:

Since the deal was announced in January 2022, Microsoft has secured approvals from antitrust authorities covering more than 40 countries. Crucially, it got a thumbs-up from the 27-nation European Union after agreeing to allow users and cloud gaming platforms to stream its titles without paying royalties for 10 years.

... To get the U.K.'s approval, Microsoft will sell off European cloud streaming rights for all current and new Activision games released over the next 15 years to French game studio Ubisoft Entertainment.

But [the U.K. Competition and Markets Authority] still criticized how the agreement came together and warned other companies not to use Microsoft's tactics to "insist on a package of measures that we told them simply wouldn't work."

Prior to the Activision acquisition, the biggest tech deal in history was done by Dell when it bought the data storage company EMC in 2016 for a sum of \$60 billion. Microsoft's previous biggest buy was the professional networking platform LinkedIn for \$26 billion.

And Activision isn't Microsoft's first purchase of a video game publisher. Last year, it acquired ZeniMax Media for \$7.5 billion, which makes *Elder Scrolls* and *Fallout* through its Bethesda Softworks subsidiary. In 2014, Microsoft purchased Swedish developer Mojang Studio, which makes the popular sandbox game *Minecraft*.

The FTC is also pursuing an [antitrust lawsuit](#) against another major Big Tech company — Amazon. Last month, the FTC filed the suit in federal court.

Lina Khan, the Biden-appointed chairwoman of the Federal Trade Commission with a history of tough-on-Big Tech rhetoric, has previously called for breaking up Amazon. If this new suit is successful, she could see her wish come true, causing the restructuring of the \$1.3 trillion company, which would drastically impact how Americans shop, sell, and run their businesses.

Among the Amazon business practices the lawsuit challenges are the commerce giant's rules, which the FTC claims oblige merchants to use Amazon's in-house logistics and advertising services even when they would otherwise not want to.

As [The New American](#) previously reported, Silicon Valley has been focusing its lobbying resources on state legislatures and making significant gains. The industry has successfully passed major legislation benefiting it in states such as California, while killing bills that would curb it in places such as Oregon.

It's not yet clear whether the FTC's last-ditch efforts to stop Microsoft's Activision purchase will be successful. Regardless, Microsoft's victory — permanent or momentary — is exemplary of the trend toward consolidation and even monopoly in today's Silicon Valley landscape, a trend that could prove dangerous for competition and consumers in the long term.



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