

Court denies FTC's last-ditch attempt to stop Microsoft buying Activision Blizzard



The Federal Trade Commission (FTC) has lost what may be its final attempt to block Microsoft from buying Activision Blizzard. It's the second loss for the FTC after a US federal judge denied its request for a preliminary injunction earlier this week to block Microsoft from acquiring Activision Blizzard until the conclusion of a separate FTC administrative case.

The FTC appealed the decision by Judge Jacqueline Scott Corley, and now the Ninth Circuit Court of Appeals has denied its request for emergency relief to prevent Microsoft from closing the deal until the result of the FTC's appeal is complete.

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Microsoft welcomed the denial late on Friday. "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," says Brad Smith, vice chair and president of Microsoft, in a statement to *The Verge*.

This means Microsoft is now free to close its Activision Blizzard deal after a temporary restraining order, part of Judge Corley's order, expires at 11:59PM PT tonight. Microsoft has until July 18th to close its deal; otherwise, it may need to renegotiate terms with Activision Blizzard, pay \$3 billion in breakup fees if Activision wants to walk away, or simply let the deal deadline naturally extend if both parties are happy to.

Microsoft might not be able to close the deal immediately, though. There's still the complicated matter of the deal being blocked in the UK. The Competition and Markets Authority in the UK blocked Microsoft's deal earlier this year, citing competition fears in the emerging cloud gaming market. Both the CMA and Microsoft have agreed to pause their legal battles to figure out how the transaction might be modified in order to address the CMA's cloud gaming concerns.

The UK regulator also warned this week that Microsoft's proposals may "lead to a new merger investigation" and that discussions with Microsoft were at an early stage. The CMA has also issued a notice of extension for its overall investigation into the deal earlier today, moving the date for final undertakings or a final order from July 18th to August 29th.

The CMA's extension comes hours after *Bloomberg* reported that Microsoft is considering selling UK cloud-gaming rights to a telecommunications, gaming, or internet company to allow the Activision deal to close in the UK.

Update, July 15th at 8PM ET: Article updated with Microsoft comment.

<https://www.theverge.com/2023/7/14/23794707/microsoft-activision-blizzard-ftc-acquisition-appeal-loses>