FTC files to block Microsoft from buying Activision Blizzard



The Federal Trade Commission is asking for US courts to stop Microsoft from acquiring Activision Blizzard while the government's bigger case to block the merger plays out. The FTC originally filed a legal challenge to try and block Microsoft's proposed Activision Blizzard acquisition in December, and now it's seeking a temporary restraining order and injunction from a US federal district court.

"Both a temporary restraining order and a preliminary injunction are necessary because Microsoft and Activision have represented that they may consummate the proposed acquisition at any time," reads the FTC's complaint.

The FTC filed its complaint just as Microsoft is progressing with its appeal against UK regulators' decision to block its proposed acquisition. The timing, just weeks before the July 18th deal deadline, shows the FTC is concerned Microsoft may be preparing to close its acquisition regardless of the block

in the UK. European regulators gave the deal the go-ahead last month, so Microsoft could technically close without the UK and without an injunction in the US preventing the deal from closing.

“Press reports began circulating suggesting that defendants were seriously contemplating closing the proposed acquisition despite the pending administrative litigation and the CMA orders,” says the FTC complaint. That, mixed with an ongoing CMA appeal, could have forced the FTC to try and attempt to secure an injunction.

The US judge will now need to decide on issuing a temporary restraining order (TRO) to restrict Microsoft from closing the deal for two weeks and a preliminary injunction that would prevent Microsoft from closing until the result of the FTC’s legal challenge. An evidentiary hearing is scheduled for August 2nd, shortly after Microsoft’s appeal hearing is scheduled to start in the UK.

If the FTC’s injunction is unsuccessful, then Microsoft is eager to fast track the FTC case. “We welcome the opportunity to present our case in federal court,” says Brad Smith, Microsoft vice chair and president, in a statement to *The Verge*. “We believe accelerating the legal process in the US will ultimately bring more choice and competition to the market.” In an email to employees shared publicly, Activision Blizzard CEO Bobby Kotick made a similar argument, saying that Monday’s actions were “a positive development in our merger progress” because it “accelerates the legal process.”

***Update June 12th, 6:02PM ET**: Added statement from Activision Blizzard CEO Bobby Kotick.*

https://www.theverge.com/2023/6/12/23758194/ftc-microsoft-activision-blizzard-complaint-block-acquisition-call-of-duty