

Microsoft CEO Satya Nadella and many Xbox executives are set to defend its FTC case

Microsoft is sending CEO Satya Nadella, Xbox chief Phil Spencer, and many other Xbox executives to defend against its Federal Trade Commission (FTC) case for its proposed Activision Blizzard acquisition.

Both Nadella and Activision CEO Bobby Kotick will appear in court this week to defend against a potential preliminary injunction against Microsoft's giant \$68.7 billion deal to acquire Activision Blizzard. If the FTC is successful in winning an injunction, then Microsoft has admitted in court filings that the deal could well be over.

The list of Microsoft and Xbox executives also includes Sarah Bond, head of Xbox creator experience; Microsoft CFO Amy Hood; Matt Booty, head of Xbox Game Studios; and Microsoft Gaming CFO Tim Stuart. Lori Wright, who previously testified for Microsoft at the *Epic Games v. Apple* trial, will also appear. Activision's CFO, Armin Zerza, will also testify.

Sony's PlayStation chief, Jim Ryan, will also testify via video link to discuss market competition. Microsoft was quick to point out that Sony – a vocal opponent of the merger – won't appear in person at the courtroom in San Francisco. "Unlike Sony, our most senior executives will testify in person to answer any questions about our business strategy. This deal means more choice for gamers, a fact that only becomes clearer the more you look at the case," says David Cuddy, general manager of public affairs at Microsoft, in a statement to *The Verge*.

A lot rests on this hearing for Microsoft after the FTC filed to block Microsoft from buying Activision Blizzard last week. The FTC is seeking an injunction from a US federal district court just weeks before the July 18th deal deadline. If an injunction is granted, then it would block Microsoft from closing its Activision deal until the result of the FTC's original legal challenge that was filed last year. An evidentiary hearing is scheduled for that case on August 2nd, shortly after Microsoft's appeal hearing is scheduled to start in the UK.

An injunction could spell the end of this deal for Microsoft, pushing back a potential close date to months down the line, with the Xbox maker forced to renegotiate the terms of the acquisition with Activision or walk away and pay a \$3 billion breakup fee. 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," said Brad Smith, Microsoft vice chair and president, in a statement to *The Verge* last week. "We believe accelerating the legal process in the US will ultimately bring more choice and competition to the market."

The FTC case will start with a pre-evidentiary hearing on June 21st, with the full hearing set across five days: June 22nd, 23rd, 27th, 28th, and 29th. *The Verge* will be following the Microsoft and FTC case closely throughout this week and next, so stay tuned for our coverage.

<https://www.theverge.com/2023/6/20/23767588/microsoft-activision-ftc-case-ceo-satya-nadella-xbox-executives>