

News & Announcements

Weil Helps Earn Global Regulatory Approval for Microsoft's Acquisition of Activision Blizzard

October 13, 2023

Weil advised Microsoft Corporation in the completion of its \$68.7 billion acquisition of Activision Blizzard, Inc., developer of the Call of Duty franchise, Candy Crush and other popular video games, after securing the final regulatory clearance required for the merger to proceed from the UK Competition and Markets Authority (CMA). Weil has been acting as global antitrust counsel for Microsoft, successfully steering the merger through review processes in 17 jurisdictions worldwide.

The CMA's approval of the merger on October 13, 2023 followed an innovative process. The CMA originally prohibited the merger in April 2023 at the conclusion of an in-depth Phase 2 investigation, citing concerns that Microsoft would withhold access to Activision games from cloud gaming rivals post-acquisition. Microsoft appealed the CMA's adverse decision before the UK Competition Appeal Tribunal. However, before the appeal reached a hearing, Microsoft submitted a restructured merger proposal to the CMA involving the divestment of the cloud streaming rights to Activision's games outside the EEA to Ubisoft Entertainment SA. Following a new merger investigation, on September 22, 2023, the CMA found that the divestment to Ubisoft substantively addressed its previous concerns. While the CMA identified a limited set of residual concerns, Microsoft addressed these through a set of undertakings given to the CMA, paving the way for the CMA's clearance decision.

Weil has successfully led Microsoft through several other regulatory hurdles in order to enable closing of the company's largest ever acquisition, first announced in January 2022. This included securing conditional approval from the European Commission, which had raised similar concerns to the CMA regarding the impact of the merger on cloud gaming rivals, in May 2023.

In July 2023, Microsoft defeated a request by the U.S. Federal Trade Commission to preliminarily enjoin the merger, following a five-day bench trial before Judge Jacqueline Scott Corley in the Northern District of California. The FTC's unsuccessful effort to enjoin the merger is the first litigated federal court challenge of a vertical transaction by the agency in decades. Judge Corley considered the evidence presented by Microsoft dispositive in rejecting the FTC's claim that there was a risk that Microsoft could injure competition by withholding Activision content from rivals.

Weil, working with local counsel, has also gained approval for the merger in Brazil, Chile, China, Japan, New Zealand, Saudi Arabia, Serbia, South Africa, South Korea, Taiwan, Turkey and Ukraine.

"It has been a privilege to work with the Microsoft team to enable this transaction to close and help the business realize its vision of bringing innovative gaming experiences to vast, new audiences," said [Michael Moiseyev](#), co-head of Weil's antitrust practice in the U.S., based in Washington, D.C.

“The transaction was subject to unprecedented levels of scrutiny by global regulators, but ultimately the concerns were able to be addressed,” added [Jenine Hulsmann](#), head of Weil’s European antitrust practice, based in London.

The Weil team leading the global regulatory effort to secure clearance for the merger was led by Washington D.C. antitrust partners [Michael Moiseyev](#) and [Megan Granger](#), London antitrust partner [Jenine Hulsmann](#), Brussels antitrust partner [Niklas Maydell](#) and London litigation partner [Jamie Maples](#). The team also included counsel [Chris Chapman](#), [Nafees Saeed](#), [Annagiulia Zanazzo](#) and associates [Rachel Crosswell](#), [Jakob Dewispelaere](#), [Marie-Marie de Fays](#), [Matthew Gibbon](#), [Jayati Handa](#), [Marija Momic](#), [Tyler Phelps](#), [Robert Eyres](#), [Chris Lee](#), [Nicole Payne](#), [Clémence Coppin](#), [Ines Sousa Mendes](#), [Rhys Williams](#), [Charlotte de Vitry](#), [Nya Gavin](#), [Patrick May](#), [Jenny Patroclou](#), [Hannah Berry](#) and [Venetia Hudd](#). Weil worked closely with [Wilkinson Stekloff](#), lead trial counsel, in the federal court FTC proceeding.

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