KOBRE & KIM | DISPUTES AND INVESTIGATIONS

Insights

Benjamin Sirota Previews U.S. Antitrust Regulatory Scrutiny of Microsoft-Activision Deal

January 27, 2022

Publication: ***Quartz***

Microsoft has escaped scrutiny from U.S. legislators and antitrust regulators in recent years, even as pressure builds for other Big Tech companies, but the firm’s bid to acquire video game giant Activision Blizzard may put it back on the radar. Kobre & Kim’s Benjamin Sirota, a former U.S. federal antitrust prosecutor, previews what regulators might look for when he spoke with *Quartz*.

One area regulators will scrutinize is how the deal will affect competitors, given Microsoft already owns the Xbox console, Xbox Game Studios and the popular game Minecraft. Mr. Sirota pointed out that the acquisition allows Microsoft to both vertically integrate – owning a bigger part of the gaming ecosystem from studio to distribution to console – as well as expand horizontally by purchasing a major game studio and publishing rival.

Stronger capabilities in the virtual and augmented reality spaces might also help Microsoft dominate the metaverse in the future. Antitrust authorities in the U.S. and abroad are trying to be “crystal ball gazers,” Mr. Sirota explained, attempting to predict the effect deals would have in emerging markets. With so much potentially at stake, Microsoft is likely to have to endure a long approval process. “I don’t know if Microsoft is going to become synonymous with antitrust enforcement like it was in the ‘90s,” Mr. Sirota said, “but it’ll certainly come back into the public consciousness in some way.”

Click here to read the full article (subscription required).