



**FRANCE**

## **Acquisition of LinkedIn by Microsoft: the Commission publishes its decision**

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On 6 December 2016, the European Commission granted conditional authorisation to the acquisition of sole control of the professional social network LinkedIn by the US giant Microsoft specialising in manufacturing operating systems and computer software ([Press release IP/16/4284](#)).

The concentration, having a European dimension as regards turnover thresholds provided by [Regulation 139/2004 of 20 January 2004](#) on the control of concentrations between undertakings, was notified to the European Commission on 14 October 2016.

The purpose of merger control within the European Union is to verify that the notified transaction will not significantly impede effective competition in the internal market of the European Union or a substantial part of it, in particular through the creation or strengthening of a dominant position (Article 2 (3) of Regulation 139/2004).

In its investigation, the European Commission focused on three areas in particular: professional social network services, software solutions for customer relationship management, and online advertising services. Microsoft and LinkedIn are primarily active in complementary business segments, apart from minor overlaps in the online advertising sector.

The Commission identified competition concerns raised by the proposed merger. In particular, it feared that the transaction would allow Microsoft to use its strong position in the operating systems market (Windows) to strengthen LinkedIn's position in the professional social networking market. Microsoft could have pre-installed LinkedIn by default on all computers running Windows. The Commission also feared that Microsoft would integrate LinkedIn with its Office software suite or combine LinkedIn with its user databases.

To dispel these serious concerns raised by the transaction, Microsoft proposed a series of commitments aimed at preserving competition between professional social networks in Europe. These commitments include in particular:

- ensuring that PC manufacturers and distributors are free not to install LinkedIn on Windows and, if they decide to install it by default, that PC users can uninstall it;

- enable professional social networking service providers in competition with LinkedIn to maintain current levels of interoperability with the Microsoft Office software suite;
- grant professional social networking service providers access to "*Microsoft Graph*", an interface designed for software developers.

Believing that these commitments are likely to remedy the competition concerns raised, the European Commission granted phase 1 approval of the transaction on 6 December 2016, making the commitments mandatory for a five-year period.

The merger, at \$26.2 billion, which has also been authorised in other countries, notably in the United States, Canada and Brazil, was finalised following the European Commission decision.

The most courageous can consult the [Commission decision](#) , amounting to 117 pages and published on 20 January 2017.

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