

Tribunal approves Microsoft acquisition of Nokia devices, services



By [Leana Engelbrecht](#)

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In September 2013, Microsoft announced its intention to acquire substantially all of Nokia's devices and services business in what is viewed as an attempt by Microsoft to increase its offering in the mobile phone market.



Source: finance.yahoo.com

The South African leg of this transaction was considered by the Competition Tribunal (Tribunal) on 19 February 2014 and was subsequently unconditionally approved.

The Competition Commission's recommendation and the Tribunal's decision is in line with the position taken in other jurisdictions that have concluded that this transaction is unlikely to raise competition law concerns (as there are many strong competitors active in the market, such as Apple and Samsung).

The Tribunal specifically noted that there is no horizontal overlap as Microsoft is primarily involved in the design, development and supply of computer software and hardware devices and related services, where Nokia is active in the development and supply of mobile handsets, telecom networks and location services. The vertical relationship between Microsoft and Nokia was considered in respect of the provision of operating systems, development of apps, consumer communication services, email services and smartphones and the Tribunal concluded that the transaction is unlikely to result in input or customer foreclosure in respect of these services and, in addition, based on an existing partnership agreement between Nokia and Microsoft, the transaction does not present a new incentive to the merging parties to foreclose rivals from using patent licenses.

This transaction has most notably also been approved by the US Department of Justice early in December 2013 and shortly thereafter by the European Commission.

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