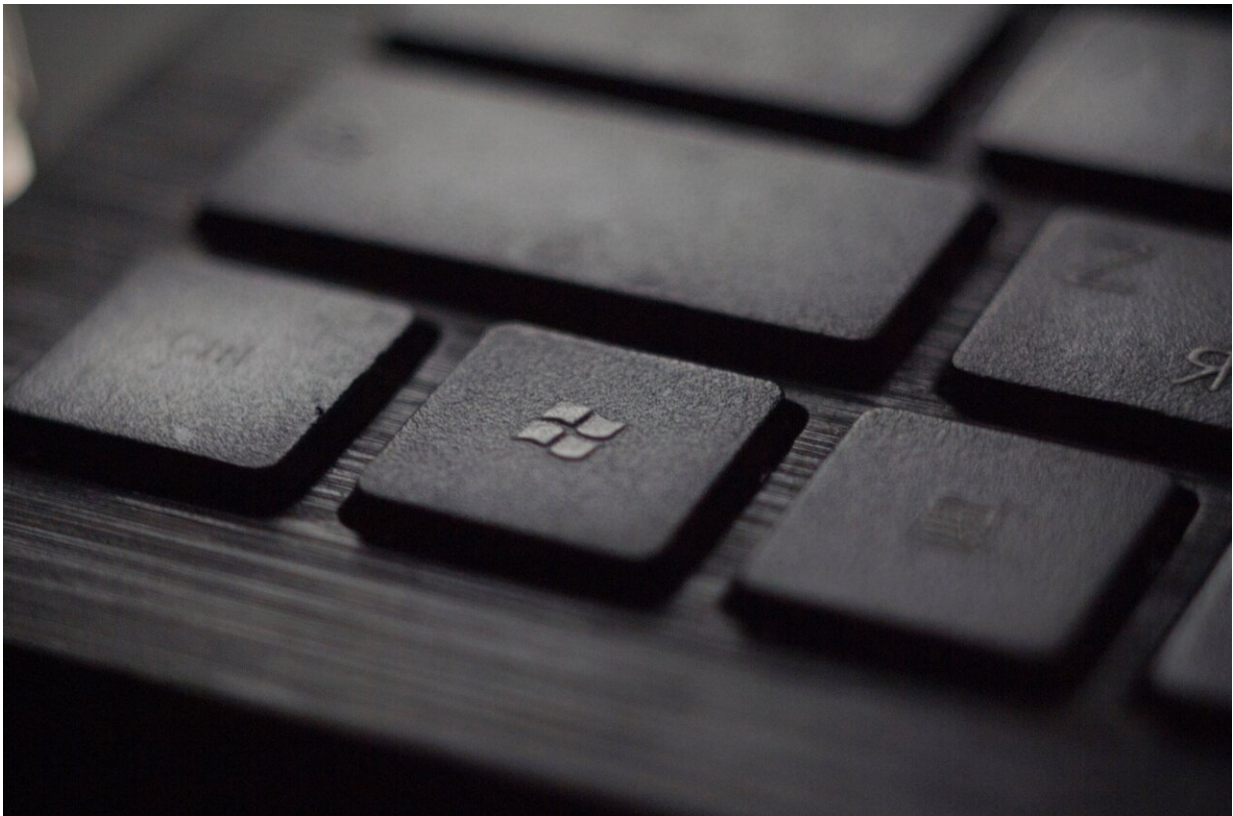


UK competition watchdog clears Microsoft's hiring of AI startup's core staff

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British regulators on Wednesday cleared Microsoft's hiring of key staff from startup Inflection AI, saying the deal wouldn't stifle competition in the country's artificial intelligence market.

The Competition and Markets Authority had opened a [preliminary investigation](#) in July into Microsoft's recruitment of Inflection's core team, including co-founder and CEO Mustafa Suleyman, chief scientist Karen Simonyan and several top engineers and researchers.

The watchdog said its investigation found that the hirings amounted to a "merger situation" but that the "transaction does not give rise to a realistic prospect of a substantial lessening of competition."

Big technology companies have been facing scrutiny on both sides of the Atlantic lately for gobbling up talent and products at innovative AI startups without formally acquiring them.

Three U.S. Senators called for the practice to be investigated after Amazon pulled a similar maneuver this year in a deal with San Francisco-based Adept that sent its CEO and key employees to the e-commerce giant. Amazon also got a license to Adept's AI systems and datasets.

The U.K. [watchdog](#) said Microsoft hired "almost all of Inflection's team" and licensed its [intellectual property](#), which gave it access to the startup's AI model and chatbot development capabilities.

Inflection's main product is a chatbot named Pi that specializes in "[emotional intelligence](#)" by being being "kind and supportive."

However, the CMA said the [deal](#) won't result in a big loss of [competition](#) because Inflection has a "very small" share of the U.K. consumer market for chatbots, and it lacks chatbot features that make it more attractive than rivals.

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