Adobe and Figma have ended their proposed $20 billion merger. The decision follows competition investigations from EU and UK regulators. The UK’s Competition and Markets Authority had said that combining the two companies would threaten competition in product design, image editing and illustration. Adobe had refused to offer solutions that satisfied the CMA’s concerns, arguing that divestment would be disproportionate. The two companies issued a joint statement terminating the merger shortly after the CMA published Adobe’s response to its request for remedies.

OpenAI and Axel Springer have reached what is described as a landmark deal for the global media industry. Under the arrangement the publishing group will allow its content to be accessed by the ChatGPT owner to train its AI models. It will also allow real-time access to its news stories to enable the OpenAI platform to provide current answers to questions from its users. In return, Axel Springer, whose media outlets include Bild, Politico and Business Insider, will receive an initial one-off fee for training the models followed by subsequent payments under an annual licence agreement. The fees are undisclosed, but thought likely to be in the tens of millions of euros annually.

The EU’s declaration that it had concluded a political agreement on the AI Act has met with a mixed response. EU Commissioner Thierry Breton announced that ‘the AI Act is much more than a rulebook – it’s a launch pad for EU start-ups and researchers to lead the global race.’ However, industry groups have claimed that the text has departed from the original ‘sensible risk-based approach’. The Computer & Communications Industry Association said that the ‘stringent obligations’ the Act imposes on developers will ‘hinder innovation in Europe’ and lead to an ‘exodus of AI talent’. Other groups point to the lengthy and expensive process needed to obtain a CE mark, a proposed requirement for models in the ‘high risk’ category. French President Emmanuel Macron has said ‘we will regulate things that we will no longer produce or invent. This is never a good idea’. The text still needs to be ratified by the European Council.
AI is an 'emerging threat' to financial stability, according to US Treasury secretary Janet Yellen. At a meeting of the Financial Stability Oversight Council, Yellen predicted that the use of AI by financial players is likely to increase, but that existing regulations could be used to curb the technology's potential market risks. She said 'AI has the potential to increase efficiency and innovation, but also introduces certain risks'.

A federal jury in the US has found against Google in a lawsuit brought by video game maker Epic. The search giant had been accused of suppressing competition in the Android app market to increase profits from its Play Store. Epic had sought to use an alternative billing mechanism on the Play Store that avoids Google's fees. The case is seen as significant because it brings into question the 30 per cent commission fee that is widespread in the gaming industry. Google is expected to appeal.

The EU has launched an investigation into social media platform X, its first under the Digital Services Act. The Commission said that the probe will focus on countering the dissemination of illegal content in the EU and measures to combat manipulation, including the community notes system. The DSA requires 'very large online platforms' and search engines to take action to tackle illegal content and risks to public security.