

# Deep Dive Gaming: Kick Off

10 June 2026

Summer is finally here. Sunlight is breaking through, sidewalk cafés are filling up, and the city is buzzing with energy. As we dust off our favourite pair of shades, we also look back at an incredibly inspiring week: Berlin just hosted the Games Industry Law Summit, bringing together the brightest minds in the sector. The atmosphere at the event made one thing clear: Games do more than entertain. They tell stories, spark imagination, and connect people across borders. However, as the fruitful discussions in Berlin highlighted, it is not all fun and games. They are also increasingly at the centre of regulatory scrutiny that directly affects growth, monetization, distribution and deal strategy.

Over the coming weeks, we will deep-dive into the regulatory web discussed at the Summit and beyond. We want to highlight real risks and showcase new opportunities. Consider this your compass for navigating a complex landscape. Best of all, we promise this briefing will arrive well before GTA VI.

## Regulatory scrutiny and challenges are on the rise

Gaming is no longer a niche hobby. It is a global industry encompassing the development and distribution of interactive digital entertainment. From mobile apps to AAA console titles, it serves every demographic. The post-pandemic slump is over, and the market is growing at a staggering pace. By 2036, some projections suggest the industry's value could more than triple. This expansion is driven by a devoted customer base and rapid technological shifts.

These shifts are forming entirely new market structures. The landscape is moving toward a hardware-agnostic future:

- **Mobile Dominance:** Mobile devices will soon hold nearly half the market share. Smartphones are now the "blueprint" for major franchises, acting as a gateway to unified gaming ecosystems.
- **The Online Shift:** Online games are expected to hold over 60% of the market by 2026. Revenue now comes from live services and subscriptions rather than one-time boxed sales.
- **The Creator Economy:** User-generated content is exploding. Platforms like Roblox and Fortnite are turning players into producers.

- **Consolidation through M&A activity:** Players such as Microsoft and Tencent are increasingly acquiring smaller game studios leading to an industry-wide consolidation.
- **In-game payments/ microtransactions:** Mobile free-to-play games have become a profitable model in the gaming industry. It relies on in-game purchases as primary revenue stream.
- **War for talent:** Within the gaming industry and, indeed, within the broader tech sector, the demand for highly skilled employees is rising.
- **Platform economy:** Digital distribution platforms, such as *Steam*, are immensely popular, yet the industry is increasingly dominated by mobile gaming where Big Tech (acting as gatekeepers through their app stores) largely control access to the market.
- **AAA vs. indie developers:** AAA games are high-budget projects with a global reach (e.g. *Red Dead Redemption* by Rockstar Games) while indie developers prioritise creativity and cater to more niche audiences (e.g. *Temple Run* by Imani Studios).

To keep up, we are entering a content scale cycle. Leading publishers are absorbing high costs to build persistent digital worlds. Success in this environment depends on cutting-edge tools. **Roughly half of all studios already use AI** to speed up development and create smarter gameplay. Furthermore, **cloud gaming is set for a massive leap**. It will soon transform how players access high-end titles without expensive hardware.

## The key regulatory battlegrounds

The gaming industry is entering a new era of scrutiny. We see five key regulatory battlegrounds that will define the coming years that we will cover in our upcoming briefings:

### 1. The M&A Playbook

A wave of recent multi-billion-dollar deals is reshaping the gaming industry. The European Commission has differentiated between various product markets based on a number of parameters. Key watchpoints in assessing gaming mergers are the emergence of cloud gaming, any other foreclosure risks and ecosystem control. The newest addition to the list are 'acqui-hires', i.e. the practice of acquiring key personnel rather than an entire business. With a cooling geopolitical climate, Foreign Direct Investment (FDI) Screening is another potential pitfall for gaming transactions.

## 2. Defeating the Final Boss

New digital regulations like the Digital Markets Act (DMA) and Germany's section 19a ARC are rewriting the rules for Big Tech and are a win for mobile game developers. Essentially, access to the internet is being re-negotiated. The DMA forces big players such as Apple and Google to allow alternative app stores and payment systems, enable interoperability with features controlled by their operating systems, and provide access to valuable data for game developers. We show you how the gaming industry is uniquely positioned to collect a "DMA dividend" and how you can best claim it.

## 3. Time to Riot!

The EU is on a quest for digital autonomy, resulting in a flood of new laws. Game publishers and developers now face a plethora of obligations spread across multiple different pieces of legislation: the DSA, CRA, AI Act, and Data Act all carry an impact on game developers. We also dive into the key principles for in-game currencies, which are not technically law, but have the potential to negatively reshape established revenue streams. Lastly, we look at the proposed Digital Fairness Act. The clock is ticking, and lobbying against its restrictive rules is a winning move.

## 4. Digital Antitrust Only? Wrong!

Digital regulation, such as the DMA is all the rage, lately, but disregarding classic anti-trust law frameworks can be a costly mistake. Competition authorities around the world continue to impose multi-million-euro fines for classic cartel or abuse of dominance infringements in the gaming sector. Their enforcement efforts tend to pay particularly close attention to multi-layered gaming ecosystems, app store owners, game distribution platforms, but can also target providers of technical services and smaller players on follow-on markets, such as hardware manufacturers. As the line between legitimate and anticompetitive behaviour can be blurry, knowing your way around competition law is vital.

## 5. Sanctions

Our series concludes with the ultimate challenge: Sanctions. This isn't just about mergers; it's about pure geopolitics. We explore how global expansion strategies for even the most innocent games can hit massive roadblocks. When the political landscape shifts, your expansion plans might face restrictions that no patch can fix.

## Decoding the regulatory future

BLOMSTEIN will continue to monitor and assess the developments and practical application of the regulatory landscape for the gaming industry. If any of these issues affect your growth strategy, monetization model or transaction plans Leonard von Rummel, Anna Blume Huttenlauch and Philipp Trube and the entire team are happy to assist you.

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