

Sony to buy game streaming company Gaikai

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(AP) — Sony is buying the video game-streaming company Gaikai for about \$380 million in a bid to establish a new cloud-based gaming service.

Video game streaming is not as widespread as music and movie streaming, largely because the technology is far more complicated. Games cannot be compressed into smaller files, like movies are, before they are sent over a broadband connection. And since they are interactive, video games require an immediate reaction to a player's actions so that on-screen characters can respond as expected.

Gaikai's technology lets people play video games on Internet-connected devices, including mobile gadgets, computers and TV sets.

Tokyo-based Sony Corp. said Monday that Gaikai will become part of its video game business, Sony Computer Entertainment.

One of Gaikai's biggest rivals is OnLive Inc., another company that lets people play high-end video games streamed from remote servers. Palo Alto-based OnLive, which is privately held, had no comment on the acquisition.

Sony shares fell 8 cents to \$14.16 in afternoon trading.

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