Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, APRIL 24, 2014
WWW.JUSTICE.GOV

AT
(202) 514-2007
TTY (866) 544-5309

JUSTICE DEPARTMENT AND BAZAARVOICE INC. AGREE ON REMEDY TO ADDRESS BAZAARVOICE'S ILLEGAL ACQUISITION OF POWERREVIEWS

Remedy Will Fully Restore Competition Eliminated in the Provision of Online Product Ratings and Reviews Platforms

WASHINGTON — The Department of Justice and Bazaarvoice Inc. have agreed on a remedy that will address Bazaarvoice's illegal acquisition of PowerReviews Inc. by requiring Bazaarvoice to divest the assets it acquired from PowerReviews and adhere to other requirements to fully restore competition in the provision of online product ratings and reviews platforms.

On Jan. 8, 2014, the U.S. District Court for the Northern District of California in San Francisco ruled that Bazaarvoice violated Section 7 of the Clayton Act when it acquired PowerReviews, its only serious competitor. Today's proposed remedy, if approved by the court, will resolve the department's competitive concerns associated with Bazaarvoice's acquisition of PowerReviews.

"As a result of today's agreement, Bazaarvoice will remedy the harm caused by its unlawful acquisition of PowerReviews," said Assistant Attorney General Bill Baer in charge of the Department of Justice's Antitrust Division. "In addition, Bazaarvoice has agreed to meaningful additional measures that will allow a divestiture buyer to quickly achieve the competitive position that PowerReviews would have occupied today, absent the unlawful transaction."

The proposed remedy requires Bazaarvoice to sell all of the PowerReviews assets to a divestiture buyer and contains other provisions to compensate for the deterioration of PowerReviews' competitive position that occurred as a result of the transaction. Under the terms of the agreement, Bazaarvoice is required to provide syndication services to the divestiture buyer for four years, allowing the divestiture buyer to build its customer base and develop its own syndication network. Bazaarvoice is required to waive breach of contract claims against its customers, allowing them to switch to the divestiture buyer without penalty. Bazaarvoice is also required to waive trade-secret restrictions for any of its employees who are hired by the divestiture buyer, enabling the buyer to leverage Bazaarvoice's post-merger research and development efforts.

Additionally, the agreement provides for the appointment of a trustee to oversee the divestiture process and to monitor Bazaarvoice's compliance with its other obligations under the proposed remedy.

Bazaarvoice's acquisition of PowerReviews was not required to be reported under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, which requires companies to notify and provide information to the department and the Federal Trade Commission before consummating certain acquisitions. The department began its investigation shortly after the transaction closed.

On Jan. 10, 2013, the department filed a civil antitrust lawsuit in the U.S. District Court for the Northern District of California in San Francisco against Bazaarvoice. The department alleged that Bazaarvoice's June 2012 acquisition of PowerReviews eliminated the company's only significant rival, in violation of the antitrust laws.

The department's trial against Bazaarvoice, conducted by Judge William H. Orrick III, began on Sept. 23, 2013. The trial lasted three weeks, with closing arguments taking place on Oct. 15, 2013. On Jan. 8, 2014, the court found that Bazaarvoice violated Section 7 of the Clayton Act by acquiring its primary rival, PowerReviews.

The proposed remedy, along with the department's competitive impact statement, will be published in the Federal Register, consistent with the requirements of the Antitrust Procedures and Penalties Act. Any person may submit written comments concerning the proposed remedy within 60-days of its publication to James J. Tierney, Chief, Networks & Technology Enforcement Section, Antitrust Division, U.S. Department of Justice, 450 Fifth Street, N.W., 7th Floor, Washington, D.C. 20530. These comments will be published either in the Federal Register or, with the permission of the court, will be posted electronically on the department's website. At the conclusion of the 60-day comment period, the court may enter the final judgment upon a finding that it serves the public interest.

# # #

14-435