



Department of Justice

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DEPARTMENT OF JUSTICE PROPOSES REMEDY TO ADDRESS BAZAARVOICE'S UNLAWFUL ACQUISITION OF POWERREVIEWS

Remedy Would Require Bazaarvoice to Sell All PowerReviews Assets; Provide Syndication Services to the Divestiture Buyer; Remove Trade-Secret Restrictions for Employees Hired by the Divestiture Buyer

WASHINGTON — The Department of Justice today submitted to the court a proposed remedy to address Bazaarvoice Inc.'s unlawful acquisition of PowerReviews Inc., following the Jan. 8, 2014, U.S. District Court for the Northern District of California finding that Bazaarvoice violated Section 7 of the Clayton Act when it acquired PowerReviews, its closest and only serious competitor. The proposed remedy is intended to restore competition in the provision of online ratings and reviews.

“Bazaarvoice’s unlawful acquisition of PowerReviews has deprived customers of the benefits of competition for 20 months,” said Assistant Attorney General Bill Baer in charge of the Department of Justice’s Antitrust Division. “The department’s proposed remedy will restore the competitive landscape by enabling another company to replicate the critical competitive role that PowerReviews would be playing today had it not been illegally acquired by Bazaarvoice.”

Since the merger closed, Bazaarvoice has not invested in research and development for the PowerReviews platform, and it has migrated customers away from the PowerReviews platform to its own product, the department said. The department’s proposed remedy, if approved by the court, requires Bazaarvoice to sell all of PowerReviews assets and contains other provisions to compensate for the deterioration of PowerReviews’ business. Under the department’s proposal, Bazaarvoice would be required to provide syndication services to the divestiture buyer, allowing the buyer to build its customer base and develop its own syndication network. Bazaarvoice would also be 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.

If the PowerReviews assets have diminished so significantly that the asset sale would not transfer a large number of customers to the divestiture buyer, Bazaarvoice would also be required to license a copy of its latest ratings and reviews platform to the divestiture buyer, under the proposed remedy. Additionally, the department is asking the court to appoint a special

master to oversee the divestiture process and monitor Bazaarvoice's compliance with its other obligations under the proposed remedy.

On Jan. 10, 2013, the department filed a civil antitrust lawsuit in the U.S. District Court for the Northern District of California 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.

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.

The department's trial against Bazaarvoice, which was overseen by Judge William Orrick, 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.

Bazaarvoice's opposition to the department's proposed remedy must be filed with the court by March 5, 2014. If the court determines that a hearing is necessary, it will be held on April 2, 2014.

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