



## Commission sends Amazon Statement of Objections over proposed acquisition of iRobot

Brussels, 27 November 2023

The European Commission has informed Amazon of its preliminary view that its proposed acquisition of iRobot may restrict competition in the market for robot vacuum cleaners ('RVCs').

**Amazon** provides an online marketplace (the Amazon Stores), which allows retailers to advertise and sell products (including RVCs) to customers. Amazon is active as a retailer of various products (including RVCs) on its online marketplace. **iRobot** manufactures RVCs and sells them also through Amazon's online marketplace.

### The Statement of Objections

On [6 July 2023](#), the Commission opened an in-depth investigation to assess if Amazon's acquisition of iRobot may (i) restrict competition in the **market for the manufacturing and supply of RVCs**; and (ii) allow Amazon to strengthen its position in the **market for online marketplace services** to third-party sellers (and related advertising services) and/or **other data-related markets**.

As a result of this in-depth investigation, the Commission is concerned that Amazon may restrict competition in the **European Economic Area ('EEA')-wide and/or national markets for RVCs**, by **hampering rival RVC suppliers' ability to effectively compete**. In particular, the Commission found that:

- Amazon may have the **ability and the incentive to foreclose iRobot's rivals by engaging in several foreclosing strategies** aimed at preventing rivals from selling RVCs on Amazon's online marketplace and/or at degrading their access to it. This may include: (i) delisting rival RVCs; (ii) reducing visibility of rival RVCs in both non-paid (i.e., organic) and paid results (i.e., advertisements) displayed in Amazon's marketplace; (iii) limiting access to certain widgets (e.g. 'other products you may like') or certain commercially-attractive product labels (e.g. 'Amazon's choice' or 'Works With Alexa'); and/or (iv) directly or indirectly raising the costs of iRobot's rivals to advertise and sell their RVCs on Amazon's marketplace. Amazon may have the **ability to foreclose iRobot's rivals** because **Amazon's online marketplace is a particularly important channel to sell RVCs** in France, Germany, Italy, and Spain. RVC customers in these countries particularly rely on Amazon both in terms of product discovery as well as for their final purchasing decision.
- Amazon may have the **incentive to foreclose iRobot's rivals because it may be economically profitable to do so**. The merged entity would likely gain more from additional sales of iRobot RVCs, than it would lose from fewer sales of iRobot's rivals and other related products on Amazon. Such gains include benefits from additional data gathered from iRobot's users.
- Such foreclosure strategies could restrict competition in the market for RVCs, leading to higher prices, lower quality, and less innovation for consumers.

The Commission has conducted a wide-ranging investigation to understand the market and the potential impact of the deal. This investigation has included, among others, analysing internal documents provided by the parties and gathering views from market participants such as suppliers of RVCs and other smart home devices, as well as from providers of online sales channels.

The Commission closely cooperated with other competition authorities during both the initial investigation and the in-depth investigation and will continue such cooperation during the remainder of the in-depth investigation.

### Companies and products

**Amazon** is a US-based multinational company. It provides an online marketplace, which allows retailers to advertise and sell products (including RVCs) to customers. Amazon is active as a retailer of various products (including RVCs) on its Amazon Stores. Amazon also offers the Alexa voice

assistant.

**iRobot** is a US-based manufacturer of robot vacuum cleaners which iRobot sells also on Amazon's online marketplace.

## Background

A Statement of Objections is a formal step in an investigation, where the Commission informs the companies concerned in writing of the objections raised against them. The sending of a Statement of Objections does not prejudice the outcome of the investigation. Amazon now has the opportunity to reply to the Commission's Statement of Objections, to consult the Commission's case file and to request an oral hearing.

The proposed transaction was notified to the Commission on 1 June 2023. The Commission opened an in-depth investigation on [6 July 2023](#) and now has until 14 February 2024 to take a final decision.

The Commission has the duty to assess mergers and acquisitions involving companies with a turnover above certain thresholds (see Article 1 of the [Merger Regulation](#)) and to prevent concentrations that would significantly impede effective competition in the European Economic Area or a substantial part of it.

The vast majority of notified mergers do not pose competition problems and are cleared after a routine review. From the moment a transaction is notified, the Commission generally has 25 working days to decide whether to grant approval (Phase I) or to start an in-depth investigation (Phase II).

In addition to this proposed transaction, there are currently three on-going Phase II merger investigations: (i) [the proposed creation of a joint venture between Orange and MasMovil](#); (ii) [the proposed acquisition of Asiana by Korean Air](#); and (iii) [the proposed acquisition of Figma by Adobe](#).

More information will be available on the Commission's [competition](#) website, in the public [case register](#) under the case number [M.10920](#).

IP/23/5990

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