US clears Cisco-Tandberg deal

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The Cisco Systems logo stands in front of the company's headquarters in San Jose, California. The US Justice Department on Monday approved Cisco's 3.4-billion-dollar purchase of Norwegian video conferencing company Tandberg, saying it would not hamper competition.

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"The proposed deal is not likely to be anticompetitive due to the evolving nature of the videoconferencing market," the Justice Department said in a statement.

San Jose, California-based Cisco offered 3.0 billion dollars for Tandberg on October 1. It later raised its offer to 3.4 billion dollars after facing resistance from shareholders who believed the initial offer was too low.

Tandberg employs 1,500 people worldwide.

The videoconferencing sector is benefiting from the economic crisis as firms decide to lower or eliminate the costs associated with business travel.

The US watchdog cited "commitments that Cisco has made to the European Commission to facilitate interoperability," in waiving the probe.

An initial Justice Department probe had focused on the impact the takeover might have on "telepresence" conferencing, which seeks to replicate in-person meeting using high definition broadcasts and life-sized images.

"Cisco has made commitments to facilitate interoperability between its telepresence products and those of other companies as part of the EC's merger clearance process," the Justice Department said.

It is the latest in a series of Cisco purchases.

It recently bought Hong Kong-based DVN Holdings Ltd, a leading maker of boxes for delivering digital television broadcasts, for 44.5 million dollars.

Cisco also bought San Francisco- and London-based Web security company ScanSafe for some 183 million dollars and wireless equipment maker Starent Networks for 2.9 billion dollars.

In March, Cisco bought Pure Digital Technologies, maker of the hot-selling Flip Video camcorder, and purchased Tidal Software Inc. the following month.

European regulators on Monday also approved Cisco's purchase of Tandberg, saying it would not hamper competition.

"In light of the remedies offered by the parties, the European Commission has now concluded that the proposed concentration, as modified by the commitments, would not significantly impede effective competition" in Europe, a statement said.

"The approval is notably conditional upon the divestment of a protocol developed by Cisco for its videoconference solutions, called 'TIP,' to ensure the interoperability of the merged entity's products with those of its competitors," it added.

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