

Rhapsody buys Napster from Best Buy

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The Napster logo is seen in 2005 in New York City. Former file-sharing renegade Napster has a new owner. US online music service Rhapsody announced on Monday that it has purchased Napster from electronics retailer Best Buy.

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US online [music service Rhapsody](#) announced on Monday that it has purchased Napster from electronics retailer Best Buy.

The Seattle, Washington-based Rhapsody did not disclose the price it paid for Napster, which Best Buy acquired in 2008 for \$121 million in a bid to break into the online music subscription space.

Under the terms of the agreement, Rhapsody said it will acquire Napster's subscribers and other assets and [Best Buy](#) will receive a [minority stake](#) in Rhapsody.

"This deal will further extend Rhapsody's lead over our competitors in the growing on-demand [music market](#)," Rhapsody president Jon Irwin said.

"There's substantial value in bringing Napster's subscribers and robust IP portfolio to Rhapsody as we execute on our strategy to expand our business via direct acquisition of members and distribution deals," Irwin said.

"This is a 'go big or go home' business, so our focus is on sustainably growing the company," he added in a statement.

Rhapsody is facing stiff competition from other music services such as MOG, Apple's iTunes, Pandora and newcomer Spotify.

Napster was launched in 1999 as a peer-to-peer file-sharing service but shut down by the US courts in 2001 and eventually declared bankruptcy.

Rhapsody said the transaction is expected to close in November.

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