

Federman John
Form 4
April 16, 2007

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Federman John

2. Issuer Name and Ticker or Trading Symbol
ART TECHNOLOGY GROUP INC
[ARTG]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
ONE MAIN STREET
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
04/12/2007

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
SVP & GM of eStara

CAMBRIDGE, MA 02142

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) Price | | | |
| Common Stock ⁽¹⁾ | | | | | 366,537 | D | |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|---------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount |
| Employee Stock Option (Right to buy) | \$ 2.05 | | | | | 10/10/2007 ⁽²⁾ | 10/10/2016 | Common Stock | 200,000 |
| Restricted stock units | ⁽³⁾ | 04/12/2007 | | A | 50,000 | ⁽⁴⁾ | ⁽⁴⁾ | Common Stock | 50,000 |
| Restricted stock units | ⁽³⁾ | 04/12/2007 | | A | 50,000 | ⁽⁵⁾ | ⁽⁵⁾ | Common Stock | 50,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|--------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Federman John ONE MAIN STREET CAMBRIDGE, MA 02142 | | | SVP & GM of eStara | |

Signatures

/s/ Jeffrey T Kowalski by Power of Attorney
04/16/2007

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- 113,703 of these shares are restricted shares that vest in installments of 3,159 shares per month over 36 months. In accordance with the Agreement and Plan of Merger dated September 18, 2006 pursuant to which Art Technology Group, Inc. acquired eStara, Inc., 22,832 of
- (1) these shares are being held in escrow pending any working capital adjustments, and 40,497 of these shares are being held in escrow for one year for the purpose of securing amounts that may be payable to Art Technology Group as a result of indemnification provisions in the Agreement and Plan of Merger.
 - (2) Options are exercisable 25% one year from grant date and 6.25% quarterly thereafter.
 - (3) Each restricted stock unit represents a contingent right to receive one share of Art Technology Group, Inc. common stock.
 - (4) The restricted stock units vest in four equal annual installments beginning May 12, 2008 and annually thereafter.
 - (5) The number of restricted stock units that may vest is determined by the performance metrics set forth in the applicable restricted stock unit agreement. Of that subset of restricted stock units that may vest, the restricted stock units vest in four equal annual installments beginning May 12, 2008 and annually thereafter; provided, however, that additional performance metrics set forth in the applicable

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restricted stock unit agreement may trigger immediate vesting in full.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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