

US examining Apple over online music: NYT

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Apple's iTunes website is reflected in an iPod. The US Justice Department is examining Apple's tactics in the market for digital music in a preliminary antitrust inquiry, The New York Times reported on Wednesday.

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The newspaper, citing "several people briefed on the conversations," said Justice Department staff members had talked to [music labels](#) and [Internet music](#) companies as part of the inquiry, which it said was "in its early stages."

The Times said the conversations have revolved broadly around the dynamics of selling music online.

Besides music, Apple sells television shows, movies and applications for

its iPhone, iPod Touch and [iPad](#) through the online iTunes store it opened in 2003.

The Times said investigators had asked in particular about allegations that Apple used its dominant market position to persuade music labels to refuse to give online retailer Amazon exclusive access to music about to be released.

Billboard magazine reported in March that Amazon had asked music labels to give it the exclusive right to sell certain songs for one day before they went on sale more widely.

Representatives of Apple's iTunes [music service](#) asked the music labels not to participate in Amazon's promotion and punished those that did by withdrawing marketing support for those songs on iTunes, according to Billboard.

The Times, citing figures from marketing consultancy NPD Group, noted that Apple is the largest seller of online music in the United States with a 69 percent share of the market followed by Amazon with eight percent.

Daniel Brown, an antitrust lawyer at Sheppard Mullin Richter & Hampton, told the newspaper that "if the Justice Department is getting involved, it raises the possibility of potential serious problems down the road for Apple.

"Without knowing what acts or practices they are targeting, it's difficult to say exactly how big a problem this is," Brown said. "But it's probably something [Apple](#) is already concerned about."

According to the Times, the US Federal Trade Commission is conducting a separate investigation into Apple's rules for software

developers who create applications for the [iPhone](#) operating system.

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