

# Apple, book publishers facing potential US suit: WSJ

March 8 2012

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The Justice Department is threatening to sue Apple and five major US publishers for allegedly colluding to raise the price of digital books, The Wall Street Journal reported on Wednesday.

The newspaper, citing people familiar with the matter, said several of the parties have held talks to head off an [antitrust case](#) but not every publisher is in settlement discussions.

The Journal identified the five publishers as [CBS Corp.](#)'s Simon & Schuster, Lagardere SCA's Hachette Book Group, Pearson's Penguin Group (USA); Macmillan, a unit of Verlagsgruppe Georg von

Holtzbrinck, and HarperCollins, a unit of News Corp., which owns The [Wall Street Journal](#).

European antitrust officials announced in December that they were conducting a similar probe into Apple and the five international publishers to determine whether they had struck illegal deals to fix the prices of electronic books in Europe.

The Journal said Apple persuaded publishers to change how they price their e-books before the introduction of the iPad in April 2010. Apple unveiled the third-generation of the tablet computer on Wednesday.

Prior to the introduction of the iPad, online retail giant Amazon, maker of the Kindle e-book reader, sold electronic versions of many new best sellers for \$9.99.

But Apple forced a change in pricing for e-books when the iPad emerged as a rival reading platform to the Kindle, moving publishers to a model which calls for publishers to set book prices and for Apple to take a 30 percent cut.

According to the Journal, Apple also included a stipulation that publishers would not let rival retailers sell the same book at a lower price.

The newspaper said the Justice Department's view is that Apple and book publishers acted in concert to raise prices and it is prepared to sue them for violating federal antitrust laws.

An unidentified publishing executive told the Journal that a "settlement is being considered for pragmatic reasons but by no means are we close."

The newspaper said a settlement between [Apple](#), the [publishers](#) and the

[Justice Department](#) could potentially lead to cheaper e-books for consumers.

A New York federal court is also currently considering class action suits filed in connection with e-book pricing, according to the Journal.

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