

Authors Guild worried by Apple e-book suit report

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The president of the Authors Guild expressed concern on Friday over reports that the Justice Department is threatening to file an antitrust suit against Apple and book publishers.

"Our government may be on the verge of killing real competition in order to save the appearance of competition," Authors Guild president Scott Turow wrote in a letter to members.

Turow's letter comes two days after The Wall Street Journal reported that the Justice Department is threatening to sue Apple and five major [book publishers](#) for allegedly colluding to raise [electronic book](#) prices.

Prior to the introduction of Apple's [iPad](#) in April 2010, 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 e-book reading platform, moving publishers to a so-called "agency model" which calls for them 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.

European [antitrust officials](#) announced in December they were

conducting a probe into Apple and the five publishers to determine whether they had struck illegal deals to fix the prices of e-books in Europe.

In his letter, Turow said "we have no way of knowing whether publishers colluded in adopting the agency model for e-book pricing.

"We do know that collusion wasn't necessary: given the chance, any rational publisher would have leapt at Apple's offer and clung to it like a life raft," said Turow, author of the best-seller novel "Presumed Innocent" and others.

"Amazon was using e-book discounting to destroy bookselling, making it uneconomic for physical bookstores to keep their doors open."

"By the end of 2009, Amazon held an estimated 90 percent of the rapidly growing e-book market," Turow said. "Traditional bookstores were shutting down or scaling back.

"Two years after the agency model came to bookselling, Amazon is losing its chokehold on the e-book market: its share has fallen from about 90 percent to roughly 60 percent," the [Authors Guild](#) president said.

The five [publishers](#) reportedly facing a potential lawsuit are 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](#).

According to the Journal, several of the parties have held talks to head off an antitrust case but not every publisher is in settlement discussions.

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