

US settles with final publisher in Apple ebook case

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A woman tries out an e-book reader app on an Apple iPad at the Leipzig Book Fair on March 15, 2012. US authorities said Friday they reached a settlement with Macmillan, the last of five publishing firms accused of colluding with Apple in an e-book price-fixing conspiracy.

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The <u>Justice Department</u> said in a statement that with the five <u>publishers</u> having settled, the case will proceed against <u>Apple</u>, and that a trial was set to begin in June.

Macmillan joined Penguin Group, Hachette Book Group Inc., HarperCollins and Simon & Schuster in settling the charges of an illegal <u>conspiracy</u> to raise e-book prices.

Macmillan agreed to immediately lift restrictions it has imposed on discounting and other promotions by e-book retailers, and its practices will be monitored under the settlement.

US officials allege the price-fixing scheme was aimed at ending a discounting effort by Amazon, which sold most e-books at \$9.99 until Apple's new pricing plan was forced on the retail giant.

The move almost instantly raised the prices <u>consumers</u> paid for e-books to \$12.99, \$14.99 or higher, according to the US complaint.

"As a result of today's settlement, Macmillan has agreed to immediately allow retailers to lower the prices consumers pay for Macmillan's e-books," said Jamillia Ferris of the Antitrust Division at Justice.

"Just as consumers are already paying lower prices for the e-book versions of many of Hachette's, HarperCollins' and Simon & Schuster's new releases and best sellers, we expect the prices of many of Macmillan's e-books will also decline."

According to the lawsuit filed last April, the five publishers and Apple were unhappy Amazon's efforts had reduced e-book prices and the retail profit margins of the book sellers to levels they thought were too low.

The suit filed in US District Court in New York said a conspiracy dating



back to 2009 involved "schemes to limit Amazon's ability to discount e-books," hurting consumers by pushing up prices.

Macmillan's parent firm Holtzbrinck Publishers LLC is owned by German-based Verlagsgruppe Georg von Holtzbrinck GmbH.

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