

Judge sets Apple e-book damages trial for May 2014

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The Apple logo on September 11, 2012 at the Yerba Buena Center for Arts in San Francisco. A US jury is to convene next May to determine damages to be paid by Apple for e-book price-fixing, a judge has ordered.

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New York federal Judge Denise Cote, who found Apple guilty in July of a price-fixing conspiracy to boost the price of electronic books, placed



the case on the May 2014 trial calendar, according to a court document made available Thursday.

The US government lawsuit focused on a six-week period in late 2009 and early 2010 during which Apple negotiated contracts with publishers ahead of its iPad launch and proposed a new and more profitable business model.

Apple plans to appeal the decision.

The US Justice Department has claimed in recent filings that publishers were already joining hands again to prevent prices from falling, and insisted Apple should be forced to end its current contracts with them.

But Apple, backed by the publishers, argued in its own submission that the judge in the case made numerous legal missteps that gave it grounds to appeal the verdict.

In a transcript of a hearing last week, the <u>judge</u> said she plans to issue an injunction against Apple but is still considering details.

"We do need an injunction here. There was blatant price-fixing," she said.

"There was structural collusion by the publisher defendants. All of the defendants, and other players, were absolutely willing to play hard ball with each other. This was a rough and tumble game played high stakes by one and all. And the consumer suffered significantly from the price increases and the lack of competition at any level."

But she added that any injunction "should not be broader or in place longer than necessary since this is a swiftly changing world and I want to make sure nothing I do discourages innovation and dynamic change."



The government has recommended that Apple be forced to end its current e-book deals with five top publishers—Hachette Book Group, HarperCollins, Macmillan, Penguin and Simon & Schuster.

All had already struck deals with prosecutors to settle price-fixing conspiracy charges. Among the settlements, the largest was with Penguin for \$75 million, while a deal with Hachette, Harper Collins and Simon & Schuster created a \$69 million fund for refunds to consumers. Macmillan settled for \$26 million.

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