

# Publishers want US to shelve Apple e-book restrictions

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Illustration of a woman looking at e-books on an Apple iPad. Publishers have opposed a bid by the US Department of Justice to rein in deals Apple can make with e-book providers

Heavyweight publishers came out swinging against a bid by the US Department of Justice to rein in deals Apple can make with e-book providers.

HarperCollins, Penguin, Simon & Schuster and others joined together in a legal brief opposing "remedies" proposed by the DOJ as punishment for Apple's conviction in an e-book price-fixing case.

"The plaintiffs are attempting to impose a specific business model on the publishing industry, despite their express and repeated representations that they would play no such role," the publishers argued.

On Friday, the Justice Department launched a bid to more tightly regulate Apple's wildly lucrative iTunes storefront after the tech giant was found guilty of conspiring with publishers to fix prices.

The proposed settlement would see Apple end its current agreements with five US-based publishers: Hachette Book Group, HarperCollins, Macmillan, Penguin and Simon & Schuster.

The tech firm would promise not to enter new contracts with the five to limit price competition in the next five years, and would allow other e-book retailers to link to their products from iPad and iPhone apps for two years.

"The provisions do not impose any limitation on Apple's pricing behavior at all," the publishers argued in the filing.

"Rather, under the guise of punishing Apple, they effectively punish (publishers that settled in the case) by prohibiting agreements with Apple to use the agency model."

The agency model lets publishers dictate prices for eBooks, while sellers such as Apple or Amazon are paid a fee for each sale.



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The DOJ order goes further, prohibiting the iPhone maker from seeking to drive up prices by signing "agreements with suppliers of [e-books](#), music, movies, television shows or other content."

Apple condemned the DOJ proposal in a brief filed with the court on Friday.

"Plaintiffs' proposed injunction is a draconian and punitive intrusion into Apple's business, wildly out of proportion to any adjudicated wrongdoing or potential harm," Apple attorneys argued in the legal brief.

Publishers argued that the DOJ's plan contradicts settlements negotiated in the case.

Under the existing settlements, the publishers agreed to end any agreements they have with retailers like Apple to prevent them from discounting titles sold through their platforms.

Through its devices and software, Apple allows readers to buy electronic versions of books online and download them to personal digital libraries.

In this it competes with other retailers such as Amazon and Barnes & Noble, which sell e-books for reading on computers, smartphones, or tablets.

The DOJ's proposal is essentially telling Apple "to get out of the e-book business," said Gartner analyst Van Baker.

"It is basically putting a stake through a portion of Apple's business, and I confess to being surprised by that," he continued.

"It strikes me as a pretty heavy-handed solution to the issue."

Last month, a US district court in New York found Apple guilty of conspiring with publishers to fix book prices for readers using its iPad and iPhone devices.

The DOJ lodged a civil antitrust lawsuit against Apple and the publishers in April last year.

It has since reached settlements with four of the [publishers](#) and has an agreement with Macmillan that is yet to be approved by the court.

The DOJ's proposed Apple's settlement still has to be approved by a federal judge.

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