

US fires back at Apple bid to thwart e-book monitor

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US prosecutors on Friday fired back at Apple's bid to derail a courtordered monitor in its e-book price-fixing case.

Apple is out of line asking for an emergency order stopping the monitor from tending to business until the outcome of an appeal in the case, Mark Ryan of the US Department of Justice argued in a court filing.

Ryan held firm that assigning the monitor was backed by law and sound judgment, and that Apple has been "stonewalling" to prevent oversight of the company.

"Almost immediately following the monitor's appointment, Apple began resisting his effort to do his job," Ryan said in the filing.

Apple's bid for an emergency stay came after a <u>federal judge</u> last week rejected a different request by Apple to block the monitor's work and chided the company for failing to cooperate with him.

US District Judge Denise Cote last week denied the tech giant's request to delay the work of former prosecutor Michael Bromwich, appointed last year to ensure Apple complies with an order to mend its ways after being found guilty of price-fixing.

The judge's 64-page order harshly criticized Apple for failing to work with Bromwich, and said she appointed him only after Apple made it clear it would not reform its practices on its own.



Cote said that the monitor has "important work to do" and interviewing Apple executives is part of it.

Apple failed to show it would be "irreparably harmed" by complying with the court order or with the monitor, according to the judge.

She said that since the monitor began work three months ago, Apple has permitted only 13 hours of interviews, and that seven of the 11 people interviewed were attorneys.

The Northern California-based maker of iPads, iPods, iPhones and Macintosh computers has a had a strained relationship with Bromwich since he was appointed.

The company protested Bromwich's intent to question chief executive Tim Cook, lead designer Jony Ive, board member Al Gore and other top executives who aren't involved in day-to-day operations.

Apple also objected to the \$1,100 hourly rate for himself and the \$1,025 rate for his legal support team.

"The deterioration of the relationship between Apple and the monitor is unfortunate and disappointing," Cote said.

"It is strongly in the public's interest for the monitor to remain in place."

The trial 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 effectively reshaped the market for electronic books with a new pricing scheme.

In September, the judge who found Apple guilty of illegal price-fixing for e-books ordered the tech giant to steer clear of new contracts with



publishers that could violate antitrust law.

Apple can still sell e-books through its online channels, but cannot make any special arrangements or collude with publishers to fix prices.

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