

Canada, publishers reach ebooks competition settlement

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A woman tries the eBook reader app on an Apple iPad at the Leipzig Book Fair in eastern Germany on March 15, 2012

Four major ebook publishers reached a settlement Friday with Canadian authorities to end practices which officials said choked off competition and kept prices high.

The Bureau of Competition said in a statement that the publishers "have agreed to remove or amend clauses in their distribution agreements with



individual ebook retailers that the Bureau believes have the effect of restricting retail price <u>competition</u>, which will allow retailers to offer discounts on <u>ebooks</u>."

As a result, the deal "is expected to lower the price of ebooks in Canada," the statement said.

The settlement follows an 18-month investigation into the ebook industry in Canada and was signed by Hachette Book Group, HarperCollins, Macmillan and Simon & Schuster.

The consent <u>agreement</u> was registered with Canada's Competition Tribunal.

"This agreement should benefit Canadian consumers by lowering the price of ebooks in Canada," said Competition Commissioner John Pecman.

"Businesses operating in the digital economy must realize that anticompetitive activity will not be tolerated, whether it occurs in the physical world or the digital one."

Officials said similar settlements reached in the United States in 2012 and 2013 resulted in lower <u>prices</u> for ebooks in the US market, including discounts of 20 percent or more on top-selling titles.

In the United States, major publishers reached an agreement to settle a probe into illegal collusion with Apple, but the maker of iPads went to trial and lost. Apple is facing court supervision in the case.

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