

Judge rejects Silicon Valley anti-poaching settlement

August 9 2014



Attendees gather at the Apple Worldwide Developers Conference on June 2, 2014 in San Francisco, California

A federal judge Friday rejected a plan to compensate employees affected by an "anti-poaching" agreement involving Silicon Valley tech giants Apple, Google, Intel and Adobe.

Judge Lucy Koh said in a ruling that the \$324 million class-action [settlement](#) was too low, compared with a deal with other companies

sealed a year ago.

"The court finds the total settlement amount falls below the range of reasonableness," the judge said in her ruling.

"The court is concerned that class members recover less on a proportional basis from the instant settlement with (the four companies) than from the settlement with the settled defendants a year ago, despite the fact that the case has progressed consistently in the class's favor since then."

The long-running case alleged that major tech companies in Silicon Valley had secret agreements not to hire each other's employees, in a move to keep salaries under control.

The lawsuit alleged that the late Apple chief Steve Jobs, Google chairman Eric Schmidt and other tech executives were part of the conspiracy.

Other companies in the lawsuit which reached earlier settlements included eBay, Lucasfilm, Pixar and Intuit.



An Intel employee demonstrates the Intel touchscreen display on January 7, 2010 in Las Vegas, Nevada

Koh said the latest settlement would end up giving each plaintiff an average of \$3,750—after deducting attorney's costs and other expenses—with the money divided up among the 64,000 class members.

She said the plaintiffs had been seeking \$3 billion in total damages, and that the amount could be tripled under antitrust law under certain conditions.

Had the case gone to trial, the [judge](#) said, there would have been "compelling" evidence against the companies, including statements and admission from key executives about the collusion.

"This is particularly true for Google and Apple, the executives of which

extensively discussed and enforced the anti-solicitation agreements," she wrote.

© 2014 AFP

Citation: Judge rejects Silicon Valley anti-poaching settlement (2014, August 9) retrieved 24 April 2024 from <https://phys.org/news/2014-08-silicon-valley-anti-poaching-settlement.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.