

Penguin to change e-books strategy to end EU competition probe

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A person points at an electronic book (e-book or digital book) on March 18, 2011 in Paris. The European Commission said Friday that book giant Penguin has offered commitments designed to end a probe into price fixing in the booming electronic publishing business.

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The EU's [competition watchdog](#) said commitments by Penguin owner Pearson were "substantially the same as those proposed by Simon & Schuster, Harper Collins, Hachette (and) Holtzbrinck and made legally binding by the Commission in December 2012."

The other major US, French and German publishing groups, along with iPad giant and key e-book distributor Apple convinced the Commission then that they would "restore normal competitive conditions" in the market.

The United States has taken similar action and in August 2012, it announced it had reached a \$69 million accord with US [publishers](#) after charging

them with conspiring with Apple to hike e-book prices.

The Commission's concerns were that the companies might have "contrived to limit retail price [competition](#) for e-books" but the publishers agreed to terminate or amend agreements over the next five years to remedy that issue, and offer retailers freedom to discount e-books during a two-year period.

Penguin's offer would grant the latter freedom for five years.

"The proposed commitments aim to alleviate concerns that Penguin may have engaged in an anti-competitive concerted practice," the Commission said in a statement.

It will now "market test" these proposals for one month and given the decision on the other publishers, can be reasonably expected to make them legally binding also on Penguin.

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