Schuette Announces Michigan Wins Apple E-Books Price-Fixing Suit

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LANSING - Attorney General Bill Schuette today announced that a federal court found Apple Inc. unlawfully conspired with major U.S. publishers to raise the prices of electronic books. The U.S. District Court for the Southern District of New York ruled Apple's role in an E-books price-fixing scheme violated federal and state antitrust laws.

"Price-fixing abuses the good faith of consumers, and harms the pocketbooks of hard-working Michigan families," said Schuette. "This case should serve as a cautionary tale for any companies considering illegal price-fixing schemes at the expense of consumers."

Attorney General Schuette and 30 other state attorneys general and the attorneys general of the District of Columbia and Puerto Rico won a suit claiming Apple Inc. conspired with five major publishers to artificially raise e-book prices. The court's order was issued after a three-week civil antitrust trial before U.S. District Court Judge Denise Cote, which began June 3, 2013 and ended June 20, 2013.

The court found that Apple "played a central role in facilitating and executing" the conspiracy to raise E-book prices - and that "Apple's orchestration" of the conspiracy was necessary to its success. The trial did not address the issue of monetary damages, which will be the subject of a future proceeding.

Michigan has previously settled with five other publishers: Penguin Group (USA), Hachette Book Group Inc., HarperCollins Publishers L.L.C., Simon & Schuster Inc., and Holtzbrinck Publishers LLC d/b/a Macmillan for illegally conspiring to increase the retail price of e-books. The alleged collusion caused prices for e-book editions of New York Times Best Sellers to increase from $9.99 to $12.99 and $14.99. Consumers nationwide will receive $166 million in compensation as a result of the settlements with the five publishers. The settlement agreement also precludes the publishers from further conspiring or sharing competitively sensitive information with their competitors or entering into any kind of contract that could undermine the effectiveness of the settlement agreement.

If you purchased an e-book with an artificially inflated price from the five publishers, you should have already received a notice from your retailer. Consumers can file a complaint at: http://bit.ly/10jtom6

The Michigan Antitrust Reform Act (MARA) prohibits price-fixing agreements because such agreements undermine competitive market forces, causing artificially higher prices for consumers. If a consumer has evidence of an actual agreement to fix prices in any market, they are encouraged to contact Attorney General Bill Schuette's Consumer Protection Division at 1-877-765-8388 or file a complaint online at www.michigan.gov/ag.

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