Tennessee Attorney General Reaches Agreement with Apple on E-Book Price-Fixing Damages
Claims
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Tennessee Attorney General Bob Cooper today announced a proposed settlement of claims for monetary relief against Apple Inc. related to its participation in a price-fixing conspiracy in the market for E-books. The settlement agreement, which remains subject to approval by the U.S. District Court for the Southern District of New York, would resolve claims for consumer damages brought by Tennessee and 32 other states and territories.

Pursuant to the terms of the settlement, the amount to be received by consumers is contingent upon the resolution of Apple's appeal of the District Court's July 2013 finding that Apple violated the antitrust laws by orchestrating a conspiracy with five publishers to artificially raise prices for E-books between 2010 and 2012. That appeal is currently pending before the United States Court of Appeals for the Second Circuit. Consumers nationwide (including those represented by private counsel in a related class action) will receive $400 million if the court's ruling is ultimately affirmed. If the appellate courts do not affirm the court's ruling, the settlement provides for a smaller recovery, or no recovery if Apple is ultimately determined not to have violated the antitrust laws.

Attorney General Cooper said he is pleased with this settlement, which, combined with previous publisher settlements, will provide consumers with over twice their actual damages, assuming the liability finding is upheld on appeal. Tennessee consumers comprise approximately 1.7% percent of E-book purchasers in the country.

E-book purchasers nationwide have already received compensation from $166 million in settlement funds paid by the five publishers involved in the conspiracy – Penguin Group (USA), Inc. (now part of Penguin Random House); Holtzbrinck Publishers LLC d/b/a Macmillan; Hachette Book Group Inc.; HarperCollins Publishers LLC; and Simon & Schuster Inc.