E-books Antitrust Settlement Nets $347,000 for Idaho Consumers

(Boise) – Idaho consumers are expected to receive up to $347,000 in restitution payments as a result of an antitrust settlement with three of the largest book publishers in the United States, Attorney General Lawrence Wasden said today. Wasden joined with the attorneys general of 54 other states and territories and the U.S. Department of Justice in the $69 million settlement with Hachette Book Group (USA), HarperCollins Publishers L.L.C. and Simon & Schuster, Inc.

The settlement resolves allegations that the three publishers participated in an unlawful conspiracy to fix the prices of electronic books (e-books). Trial for the remaining defendants, McMillan, Penguin and Apple, Inc., is set for June 2013 in U.S. District Court for the Southern District of New York.

Under the proposed settlement agreement, the three publishers will compensate consumers who purchased their e-books or e-books from publishers McMillan and Penguin between April 1, 2010 and May 21, 2012. Payments will begin 30 days after court approval of the settlement becomes final. Most consumers will automatically receive credits to their Kindle, Nook or iBookstore accounts. Other consumers may need to file a claim. The Attorneys General will establish a website with detailed payment and claims information following court approval of the settlement.

A two-year investigation developed evidence that the publishers listed conspired to end e-Book retailers’ freedom to compete on price by taking control of pricing from e-Book retailers and substantially increasing the prices that consumers paid for e-books. The Justice Department said that the publishers prevented retail price competition resulting in consumers paying millions of dollars more for their e-books.

"Colluding to fix prices violates state and federal law and raises costs for customers," Attorney General Lawrence Wasden said. "Today’s settlement with three publishers paves the way for restitution payments to consumers harmed by the scheme. In addition the settlement will restore competition in the e-Book market by promoting competition among retailers."

In addition to paying consumer compensation, the three publishers agreed to structural changes that will allow retailers the freedom to reduce the prices of the e-books they publish. They are also prohibited for two years from making any new agreements that constrain retailers’ ability to offer discounts or other promotions which encourage the sale of e-books.

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