Texas Attorney General Secures $69 Million Agreement with Three Major U.S. Publishers over E-Book Price-Fixing Allegations


“Unlawful collusion and price-fixing not only violates antitrust laws, it is anti-competitive and inconsistent with the free market approach that is critical to our economy. In this case, competition was undermined when publishers colluded to artificially set prices that should have been determined by the free market. Today’s settlements provide refunds to customers who paid artificially inflated prices for E-books and prohibit publishers from colluding, so that retail price competition is restored within the E-book market.”

Today’s settlement agreements with Hachette, HarperCollins, and Simon & Schuster were filed with – and must be approved by – the U.S. District Court for the Southern District of New York. Filed simultaneously with the settlements today was an antitrust enforcement action against the three settling publishers. In that civil legal action, the defendants are charged with “conspir[ing] and agree[ing] to increase retail E-book prices for all consumers” and “agree[ing] to eliminate E-book retail price competition between E-book outlets, such that retail prices to consumers would be the same regardless of the outlet patronized by the consumer.” Texas’ antitrust action based on the same allegations against publishers Macmillan and Penguin as well as Apple, Inc. remains pending.

Proposed settlement terms with Hachette, HarperCollins and Simon & Schuster

• Compensate customers who purchased E-books from any of the five publishers between April 1, 2010 and May 21, 2012. Customers in Texas are expected to receive up to $5.5 million in total compensation.
• Begin payments 30 days after the court approval of the settlement becomes final.
• Pay approximately $7.5 million to States for fees and costs.
• Terminate existing agreements with certain E-book outlets and grant those outlets greater freedom to reduce the prices of their E-book titles.