Vermont Attorney General’s E-Books Settlement Will Deliver As Much As $178,000 To Vermont Consumers

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Vermont Attorney General Bill Sorrell, along with 54 other attorneys general, announced an antitrust settlement with three of the largest book publishers in the United States. As part of the settlement, Hachette Book Group Inc., HarperCollins Publishers L.L.C. and Simon & Schuster Inc. will pay as much as $178,000 to Vermonters to resolve antitrust claims that the companies conspired to fix the price of electronic books (e-books).

In the lawsuit, the States allege that the three settling publishers, together with others, unlawfully agreed to raise retail prices and eliminate retail price competition so that all e-book prices would be the same. As a result, consumers paid millions of dollars more for their e-books than they would have absent the conspiracy. The publishers will pay a total of about $69 million to injured consumers across the country. The case will continue against Apple, Inc. and the two non-settling publishers, Penguin Group, Inc. and Macmillan.

“This case sends a strong message that price-fixing will not be tolerated,” Attorney General Sorrell said. “The actions of these publishers had a major impact on the prices paid by consumers for some of the most popular e-book titles. As a result of today’s settlement, harmed consumers will be compensated for the higher prices they paid, and competition will be restored to the e-book market. We will continue the litigation against the remaining defendants to recover additional monies for those who purchased e-books.”

Under the proposed settlement, which must be approved by the court, the three settling publishers will compensate consumers who purchased e-books from any of the five publishers during the period from April 1, 2010 through May 21, 2012. The settling publishers have also agreed, among other things, to terminate agreements that prevented certain retailers, such as Amazon and Barnes & Noble, from reducing e-book prices.