
Thursday, August 30, 2012

MADISON — Attorney General J.B. Van Hollen, along with 54 attorneys general in other states, districts and U.S. territories, announced today that they have reached an antitrust settlement with three of the largest book publishers in the United States, including Hachette Book Group Inc., HarperCollins Publishers L.L.C., and Simon & Schuster Inc. The publishers have agreed to pay a total of more than $69 million to consumers to resolve antitrust claims of an alleged unlawful conspiracy to fix the prices of electronic books, or E-books. Publishers also have agreed to change future pricing policies for E-books.

The settlement occurs in conjunction with a lawsuit filed late yesterday in U.S. District Court for the Southern District of New York against Hachette, HarperCollins, and Simon & Schuster, that alleges that three settling publishers and others, including non-settling publishers Macmillan and Penguin “conspired and agreed to increase retail E-book prices for all consumers” and “agreed 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.”

“Price-fixing raises costs for consumers, who, in this case, were forced to overpay for some of the most popular E-books. Today's settlement with three of those publishers paves the way for restitution for those consumers harmed by the scheme,” Attorney General Van Hollen said. “In addition to the money consumers will receive, this settlement will restore competition in the E-book market by promoting E-book competition among retailers.”

Under the proposed settlement agreement, which the court must approve, Hachette, HarperCollins and Simon & Schuster will compensate consumers who purchased E-books during the period of April 1, 2010, through May 21, 2012. Payments will begin 30 days after the court approval of the settlement becomes final. Wisconsin consumers are expected to receive more than $1 million. The settling defendants also will pay approximately $7.5 million to the states for fees and costs.

In addition to paying the $69 million nationwide consumer compensation, Hachette, HarperCollins and Simon & Schuster have agreed to terminate their existing agency agreements with certain retailers, requiring the publishers to grant retailers—such as Amazon and Barnes & Noble—the freedom to reduce the prices of their E-book titles. For two years they will be prohibited from making any new agreements that constrain retailers' ability to offer consumer discounts or other promotions that encourage the sale of e-Books.


Trial in this case is set for June 2013.

Assistant Attorney General Gwendolyn J. Cooley represents the State of Wisconsin in this matter.