
Court Finds Apple Conspired to Raise E-Book Prices

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After a much watched bench trial, the United States District Court in the Southern District of New York (Cote, J.) ruled that Apple Inc. conspired with book publishers to raise the price of e-books in violation of §1 of the Sherman Act and applicable state antitrust laws. The United States Department of Justice and 33 states alleged that Apple entered into distribution agreements with five of the six major publishers (the five publishers are referred to in this memo as the "Publishers") to raise the retail prices of e-books from \$9.99 to as much as \$14.99. The court found that Apple played a central role in facilitating the conspiracy by providing the publishers with "the vision, the format, the timetable, and the coordination that they needed to raise e-book prices" without which the conspiracy would not have succeeded.