New lawsuit accuses Amazon of e-book price fixing

Amazon is facing a new lawsuit alleging that a deal between the company and five book publishers has created higher prices on e-books, *The Wall Street Journal* reported.

The lawsuit filed by law firm Hagens Berman in a federal district court in New York, alleges that the publishers pay high commissions and other costs to Amazon, which in turn increases the retail price of e-books sold on the platform. Due to the deal between Amazon and the publishers—HarperCollins Publishers, Hachette Book Group, Penguin Random House, Simon & Schuster, and Macmillan — the Amazon price is the price the publishers charge other retailers as well, preventing other sellers from offering the e-books at lower prices, according to the lawsuit.

The lawsuit claims the five publishers account for 80 percent of books sold in the US, and calls the arrangement a "conspiracy to fix the retail price of e-books," which it argues is a violation of antitrust law.

In another e-book lawsuit back in 2012, the Justice Department accused Apple of conspiring with major book publishers in an attempt to compete with Amazon, by inflating e-book prices above the $9.99 price that Amazon preferred. Hagens Berman was lead counsel in the Apple case as well. The publishers settled, but Apple went to court and lost, eventually agreeing to a $450 million settlement, with $400 million issued as refunds to consumers. Apple denied any wrongdoing in regard to e-book pricing.

Amazon declined to comment, as did Penguin Random House. The

other publishers named in the lawsuit did not immediately respond to requests for comment from *The Verge* on Sunday.

Update January 17th 1:07PM ET: *Adds that Amazon and Penguin Random House declined comment.*

https://www.theverge.com/2021/1/17/22234684/new-lawsuit-accuses-amazon-e-book-price-fixing