US blames Apple at NY trial for e-books price rise

LARRY NEUMEISTER - Associated Press - Associated Press

A Justice Department lawyer urged a judge Thursday to find that Apple Inc. conspired with publishers in 2010 to raise electronic book prices, while an attorney for the computer giant warned that such a finding in the civil antitrust case would set a "dangerous precedent" for businesses.

Justice Department lawyer Mark Ryan said the government had proven overwhelmingly through testimony and evidence offered at a three-week trial in U.S. District Court in Manhattan that Apple conspired with publishers to boost e-book prices above the $9.99 bargain price that the Seattle-based Amazon.com had established for the most popular electronic books.

He said publishers were eager to force Amazon to raise prices when Apple approached them in December 2009, beginning talks to boost prices of many books to $12.99 and $14.99 over the next year.

"The publishers were unwilling to take Amazon on alone," Ryan told U.S. District Judge Denise Cote.

Ryan said the plan "succeeded quite well," with substantial price increases for e-books.

But Apple attorney Orin Snyder told Cote earlier that she would set a "dangerous precedent" if she concluded Apple manipulated e-book prices as it entered a market new to the company. He said Steve Jobs, the late founder of the Cupertino, California-based corporation, had no interest in the e-books industry in mid-2009, when one of his top executives convinced him it would be worthwhile.

"Apple did not conspire with a single publisher to fix prices in the e-book industry," Snyder said. "Apple acted lawfully and did not violate the antitrust laws."

He asked Cote — who had urged Apple before trial to settle — to "take a fresh and open look" at the evidence, which included testimony from executives for Apple, publishers and Amazon.com.

"The government has overreached and now is asking this court to draw inferences and make factual findings that cannot be supported," Snyder said.

Snyder said e-book competitor Barnes & Noble was acting in 2010 in a similar fashion as Apple to compete with Amazon because competitive forces in the industry required it.

The trial stemmed from an antitrust lawsuit that the government brought last year against Apple and major publishers. The government has reached settlements with

five publishers.

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