

Amazon faces new lawsuit alleging it fixed book prices

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A proposed class-action lawsuit from a Seattle firm has added to the swarm of antitrust scrutiny gathering around Amazon.

The suit, filed Thursday in <u>federal court</u> in New York on behalf of Chicago-area bookseller Bookends and Beginnings, alleges Amazon colluded to fix prices on print <u>books</u>.

Amazon's restrictive contracts with major publishers has made it impossible for book retailers to try to beat Amazon on price, Seattle law firm Hagens Berman alleges in the suit. The contracts, with publishers Hachette, HarperCollins, Macmillan, Penguin Random House and Simon & Schuster—known as the "Big Five"—prohibit the publishers from selling books to other retailers for less than the price they offer Amazon, provisions Hagens Berman has said are "anticompetitive." Attorneys are proposing the class include all booksellers that bought books from the Big Five after March 2017.

Amazon did not respond to questions about allegations in the suit.

The owner of Bookends & Beginnings, Nina Barrett, said in a statement that Amazon's growth has threatened her business.

"I've watched Amazon grow into the juggernaut it's become," she said. "I've experienced firsthand the devastation to publishing, bookselling, and to local brick-and-mortar shopping that's resulted."

Hagens Berman has a lengthy history of filing class-action suits alleging price-fixing. In 2011, the firm sued Apple, contending the tech giant was propping up e-book prices to the detriment of consumers. It launched another case against Amazon earlier this year leveling similar price-fixing allegations about the company's e-book division.

Days before that suit was filed, authorities in Connecticut said they had



also launched a probe into whether Amazon's deals to acquire e-books from publishers violate <u>antitrust laws</u>.

Amazon is facing ongoing antitrust investigations by attorneys general in California, New York and Washington. Founder Jeff Bezos was grilled by the House antitrust subcommittee last year about Amazon's allegedly unfair practices against third-party vendors using its platform.

Nearly 90% of online sales of print books route through Amazon, according to a report last year from the House antitrust subcommittee. The company is also responsible for 50% of all sales of <u>print books</u>, the report said.

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