

Apple must allow Kindle store links DoJ insists over ebook antitrust

[Apple](#) must allow Amazon, B&N, and other ebook sellers to link directly to their stores from their ereading apps, a proposed DoJ ebook antitrust settlement has suggested, as well as forcing Apple to hold off from any multimedia agreements that might increase overall [market price](#) for five years. The [proposed remedy](#) from the Department of Justice follows Apple [being found guilty last month](#) of colluding with publishers to raise ebook pricing and force rivals to the so-called “agency model” and sets out several recommendations for how the Cupertino firm could be prevented from “conspiring to thwart competition” in the years ahead.



The proposed relief is intended to halt Apple’s anticompetitive conduct, restore lost competition and prevent a recurrence of the illegal activities” the DoJ remedy suggests. The document, which is not yet legally binding, will likely form the basis of the court-mandated remedies set to be discussed in hearings beginning August 9, 2013.

The DoJ's approach centers on constraining Apple's powers to push for contracts that might in some way nudge up [pricing](#) to end-users or, indeed, make comparing deals between vendors difficult. For instance, apps like Amazon's Kindle and Barnes & Noble's NOOK for iPhone and iPad should be permitted to include links for each product to the relevant download stores – something not currently permitted under Apple's iOS terms of service for third-party apps – “allowing consumers who purchase and read e-books on their iPads and iPhones easily to compare Apple's prices with those of its competitor.”

The links would be included for up to two years, the DoJ proposal suggests.

Meanwhile, Apple would also be forced to terminate its existing agreements – deemed anticompetitive by the court – with Hachette, Harper Collins, Penguin, Simon & Schuster, and Macmillan – and “refrain for five years from entering new e-book distribution contracts which would restrain Apple from competing on [price](#).”

That would include preventing Apple from “serving as a conduit of information” between the different publishers during negotiations, something which the DoJ claimed the company used to muster combined support against Amazon in advance of the iBookstore launch.

If approved, the settlement would have broad implications for all of the content Apple currently offers through iTunes. “Apple will also be prohibited from entering into agreements with suppliers of e-books, music, movies, television shows or other content” the DoJ proposes, “that are likely to increase the [prices](#) at which Apple's competitor retailers may sell that content.”

To make sure all of the proposed constraints hold, the DoJ wants “an external monitor to ensure that Apple's internal antitrust compliance policies are sufficient to catch anticompetitive activities before they result in harm to consumers.” This

court-appointed watchdog would be paid for out of Apple's own pocket, the DoJ insists, and would be responsible for not only reporting to an external audit committee but for training Apple staff about antitrust requirements.

Apple [will appeal the guilty verdict](#), and is likely to argue strongly against the Department of Justice's proposals. The suggested measures are already proving controversial, with some claiming that they do little to prevent Amazon's near-monopoly on ebook sales.