Competition Bureau Canada

Direction générale des affaires civiles

Civil Matters Branch

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October 15, 2014

OCT 2 1 2014

RECEIVED

Todd Kyle CEO Newmarket Public Library 438 Park Avc Newmarket, Ontario L3Y 1W1

NEWMARKET
PUBLIC LIBRARY

RE: Provision of e-content to Newmarket Public Library

Dear Mr. Kyle:

Thank you for your letter dated October 1, 2014, regarding Newmarket Public Library's access to e-content.

As you may know, the Competition Bureau (the "Bureau") is an independent law enforcement agency that contributes to the prosperity of Canadians by protecting and promoting competitive markets and enabling informed consumer choice. As part of its mandate, the Bureau is responsible for the administration and enforcement of the *Competition Act* (the "Act"), a federal law that governs most business conduct in Canada. The Act contains civil provisions aimed at preventing anti-competitive practices from taking place in Canadian markets. You can find information about these provisions on our website: www.competitionbureau.gc.ca.

As a statute of general application, the Act does not provide the Commissioner of Competition (the "Commissioner") with any regulatory authority to compel entities to adopt a particular course of conduct in respect of their activities. Rather, where the Commissioner has evidence a contravention of the Act has occurred, he may take appropriate action which can include making an application to the Competition Tribunal for an order to remedy the effects of the contravention.

As you may be aware, the Commissioner has an ongoing investigation into the market for e-books in Canada. Further to this investigation, on February 7, 2014, the Commissioner sought a consent agreement with, among others, Hachette Book Group, HarperCollins, Simon & Schuster and Macmillan with the Competition Tribunal. This agreement seeks to remedy the Commissioner's concerns with respect to certain conduct. On February 21, 2014, Kobo Rakuten Inc. filed an application to the Tribunal to vary or rescind terms of the consent agreement. The Tribunal has issued a stay of the consent agreement while the matters of Kobo's application are resolved. You may view the consent agreement sought by the Commissioner and certain of the publishers on the Competition Tribunal website: www.ct-tc.gc.ca.



The consent agreement does not prescribe any action to be taken with respect to the supply of e-content to libraries; however, should the Bureau find evidence of a contravention of the Act, it will not hesitate to take appropriate action.

As the Commissioner's investigation is ongoing, I am unable to disclose additional details at this time; however, should you wish to further discuss your concerns, please do not hesitate to contact Ms. Barbara Russell, Competition Law Officer in the Civil Matters Branch at (819) 934-3175.

For your information, pursuant to section 103.1 of the Act, any person may apply to the Tribunal for leave to make an application under certain sections of the Act.

Thank you for sharing your concerns with the Bureau,

Yours truly,

Richard Taylor

Deputy Commissioner