

Silicon Valley staff anti-poaching settlement rejected

SAN FRANCISCO, USA: A federal judge has rejected a plan to compensate employees affected by an "anti-poaching" agreement involving Silicon Valley technology companies Apple, Google, Intel and Adobe.



Judge Lucy Koh has rejected the compensation offer from major technology companies in Silicon Valley who underpaid their employees as part of an anti-poaching agreement designed to keep salaries low.
Image: Wikipedia

Judge Lucy Koh said in a ruling that the \$324m class-action settlement was too low, compared with a deal with other companies sealed a year ago.

"The court finds the total settlement amount falls below the range of reasonableness," the judge said in her ruling.

"The court is concerned that class members recover less on a proportional basis from the instant settlement with (the four companies) than from the settlement with the settled defendants a year ago, despite the fact that the case has progressed consistently in the class's favor since then," she said.

The long-running case alleged that major technology companies in Silicon Valley had secret agreements not to hire each other's employees, in a move to keep salaries under control.

Conspiracy to keep salaries down

The lawsuit alleged that the late Apple's former Chief Executive Steve Jobs, Google Chairman Eric Schmidt and other technology executives were part of the conspiracy.

Other companies in the lawsuit which reached earlier settlements included eBay, Lucasfilm, Pixar and Intuit. Koh said the latest settlement would end up giving each plaintiff an average of \$3,750 - after deducting attorney's costs and other expenses - with the money divided up among the 64,000 members of the class action.

She said the plaintiffs had been seeking \$3bn in total damages, and that the amount could be tripled under antitrust law under certain conditions.

Had the case gone to trial, the judge said, there would have been "compelling" evidence against the companies, including statements and admissions from key executives about the collusion.

"This is particularly true for Google and Apple, the executives of which extensively discussed and enforced the anti-solicitation agreements," she wrote.

Source: AFP via I-Net Bridge

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