UNITED STATES DISTRICT COURT
DISTRICT OF COLUMBIA

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UNITED STATES OF AMERICA,	:	
Petitioner,	:	Misc. Action No. 94-338 HHG
- v. -	:	
TIME WARNER INC. 75 Rockefeller Plaza New York, New York 10019,	:	
SONY CORPORATION OF AMERICA 1 Sony Drive Park Ridge, New Jersey 07656,	:	RESPONDENT TIME WARNER INC.'S ANSWER TO PETITION TO ENFORCE CIVIL INVESTIGATIVE DEMANDS
POLYGRAM HOLDING, INC. Worldwide Plaza 825 Eighth Avenue New York, New York 10019,	:	
EMI MUSIC Carnegie Hall Tower 152 West 57th Street New York, New York 10019,	:	
BERTELSMANN, INC. 1133 Avenue of the Americas New York, New York 10036,	:	
MCA, INC. 100 Universal City Plaza Universal City, California 91608.	:	
Respondents.	:	

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Respondent, Time Warner Inc. ("Time Warner"), by its attorneys, Cravath, Swaine & Moore and Paul, Weiss, Rifkind, Wharton & Garrison, as and for its Answer to the Petition to Enforce Civil Investigative Demands (the "Petition") answers the averments of the Petition as follows:

1. Admits that Petitioner is proceeding under the Antitrust Civil Process Act, but denies that it has jurisdiction to do so.

2. Admits that the United States Department of Justice ("DOJ") is authorized to issue CIDs pursuant to 15 U.S.C. § 1312, but only where it has jurisdiction to do so.

3. Admits that Time Warner is located at 75 Rockefeller Plaza, New York, New York 10019 and that it is found or transacts business in Washington, D.C.

4. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the averments contained in paragraph 4 of the Petition.

5. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the averments contained in paragraph 5 of the Petition.

6. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the averments contained in paragraph 6 of the Petition.

7. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the averments contained in paragraph 7 of the Petition.

8. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the averments contained in paragraph 8 of the Petition.

9. Admits that DOJ purports to be investigating the subject matter described in paragraph 9 of the Petition,

but denies that it has jurisdiction to investigate matters involving international markets in this case.

10. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the averments contained in paragraph 10 of the Petition, but admits that Time Warner received a CID which recites that it was issued on July 7, 1994 and bears a return date of August 15, 1994.

11. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the averments contained in paragraph 11 of the Petition.

12. Admits the averments contained in paragraph 12 of the Petition.

13. Admits that Time Warner has objected to the CID on the grounds described in paragraph 13 of the Petition and on other grounds as well.

14. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the averments contained in paragraph 14 of the Petition.

15. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the averments contained in paragraph 15 of the Petition, but admits on information and belief that Sony has objected to the CID.

16. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the averments contained in paragraph 16 of the Petition.

17. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the averments contained in paragraph 17 of the Petition, but admits on information and belief that PolyGram has objected to the CID.

18. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the averments contained in paragraph 18 of the Petition.

19. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the averments contained in paragraph 19 of the Petition, but admits on information and belief that EMI has objected to the CID.

20. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the averments contained in paragraph 20 of the Petition.

21. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the averments contained in paragraph 21 of the Petition.

22. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the averments contained in paragraph 22 of the Petition, but admits on information and belief that BMG has objected to the CID.

23. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the averments contained in paragraph 23 of the Petition.

24. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the averments contained in paragraph 24 of the Petition.

25. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the averments contained in paragraph 25 of the Petition, but admits that the Petition, as it relates to Time Warner, purports to cover documents located in the U.S.

26. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the averments contained in paragraph 26 of the Petition concerning what documents and information are, or are not, in Petitioner's possession and denies the remaining averments contained in paragraph 26.

27. Denies knowledge or information sufficient to form a belief as to the truth or falsity of the averments contained in paragraph 27, but admits that Time Warner has redacted or declined to produce documents or information which are covered by its jurisdictional and other objections to the CID.

28. Denies the averments contained in paragraph 28 of the Petition.

29. Denies the averments contained in paragraph 29 of the Petition, to the extent it contains any facts, and objects to the request for relief contained therein on the ground that Petitioner seeks to investigate matters beyond

its jurisdiction and in conflict with principles of international comity.

First Affirmative Defense

30. Petitioner has no jurisdiction to investigate the matters covered by the Petition because, inter alia, they are outside the jurisdiction of the antitrust laws of the United States as defined by the Foreign Trade Antitrust Improvements Act, 15 U.S.C. § 6a, and because Petitioner's efforts to investigate those matters violate fundamental principles of international comity.

WHEREFORE, judgment should be entered dismissing the Petition with prejudice and granting such other relief as the Court deems just and proper.

Dated: New York, New York
December 7, 1994

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