



Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, NOVEMBER 25, 1974

The Department of Justice filed a civil antitrust suit today charging 21 major American publishing houses with conspiring to illegally divide world markets among themselves for the sale of books.

Attorney General William B. Saxbe said the suit was filed in U. S. District Court in New York City.

Named as defendants were:

- Addison-Wesley Publishing Company, of Reading, Massachusetts;
- Bantam Books, Inc., of New York City;
- Columbia Broadcasting System, Inc., New York City;
- Dell Publishing Co., Inc., New York City;
- Doubleday & Company, Inc., Garden City, New York;
- Grosset & Dunlap, Inc., New York City;
- Harcourt Brace Jovanovich, Inc., New York City;
- Harper & Row, Publishers, Inc., New York City;
- Houghton Mifflin Company, Boston, Massachusetts;
- Intext, Inc., Scranton, Pennsylvania;
- Litton Educational Publishing, Inc., New York City;
- MacMillan, Inc., New York City;
- McGraw-Hill, Inc., New York City;
- Oxford University Press, Inc., New York City;
- Penguin Books, Inc., Baltimore, Maryland;

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- Prentice-Hall, Inc., Englewood Cliffs, New Jersey;
- Random House, Inc., New York City;
- Simon & Schuster, Inc., New York City;
- The Times Mirror Company, Los Angeles, California;
- The Viking Press, Inc., New York City;
- John Wiley & Sons, Inc., New York City.

Named as co-conspirator but not a defendant was the Publishers Association, a British organization whose membership includes virtually all major United Kingdom publishing houses. Those publishers were also named as co-conspirators but not defendants.

Assistant Attorney General Thomas E. Kauper, in charge of the Antitrust Division, said the suit charged that the publishers since 1947 have entered into agreements to allocate exclusive marketing territories throughout the world except in areas agreed upon as being "open territory."

In addition, they monitored and attempted to suppress actual and attempted breaches of the allocation agreements, the suit said.

According to the suit:

- Books sales in the United States total more than \$2 billion a year, excluding sales by book clubs and mail order publications;

- That figure includes the \$140 million worth of books imported into the United States annually;

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--U. S. exports of books are estimated at more than \$250 million annually;

--The United Kingdom is the largest foreign market for books published in the United States;

--United Kingdom exports of books total more than \$165 million annually and its imports are more than \$65 million.

The suit charged that whenever a copyrighted book published in the United States by one of the defendant companies was also to be published in the United Kingdom, the American company would grant a license under the copyright to a publishing house in the United Kingdom.

Usually that license would give the United Kingdom publisher the exclusive right to publish, distribute or sell the book in the British Traditional Market.

That market includes virtually all present and former members of the British Commonwealth--some 70 countries.

In return for that agreement, the United Kingdom publisher would agree not to publish, distribute or sell the book in the United States and certain other countries--usually Canada and the Philippine.

The suit charged the system worked exactly the same way when a United Kingdom publisher brought out a book to be published also in the United States.

The U. S. publisher would usually get exclusive rights to handle the book in the United States and certain other

countries -- usually just the Philippines -- and in return would agree to stay out of the British Traditional Market.

As a result of these practices, the suit said, competition among United States and United Kingdom publishers has been suppressed, book buyers have been deprived of open competition, and international trade in English language books has been restrained.

The suit asked that the defendants and co-conspirators be perpetually enjoined from continuing to engage in conduct that has the purpose or effect of restraining competition between American and British publishers.

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