



Department of Justice

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The Department of Justice today filed a civil antitrust suit against four major motion picture companies and Getty Oil Company of Los Angeles, California, to block their collective agreement to establish and operate a pay-television network program service.

The motion picture companies are:

Columbia Pictures Industries, Inc. of New York, New York;

MCA, Inc. of Universal City, California;

Paramount Pictures Corporation of New York, New York; and

Twentieth Century-Fox Film Corporation of Los Angeles, California.

Acting Attorney General Charles B. Renfrew said that the complaint, which alleges a violation of Section 1 of the Sherman Act, was filed in the United States District Court in New York City.

The complaint alleges that the joint venture, which is called Premiere, would eliminate price competition among Columbia, MCA, Paramount and Twentieth Century-Fox in the licensing of motion pictures to pay-television. In addition, according to the complaint, the defendants have agreed to refuse to deal with pay-television network programmers competing with Premiere.

Richard J. Favretto, Deputy Assistant Attorney General in the Antitrust Division, said that Columbia, MCA, Paramount and Twentieth Century-Fox are four of the largest motion picture distributors for theatrical exhibition in the United States. Before their entry into the joint venture agreement, the motion picture defendants each licensed to pay-television network programmers films recently shown in theaters.

(MORE)

The suit alleges that, by the terms of the joint venture agreement signed in April 1980, the defendants have agreed that Columbia, MCA, Paramount and Twentieth Century-Fox will not license to other pay-television network programmers motion pictures recently released for theatrical exhibition until nine months after those films are made available to Premiere.

The suit also charges that the license fee paid by Premiere to the motion picture distributor defendants--as well as the price Premiere will charge pay television systems to carry its network program services--will be determined by agreement among the defendants.

The complaint asks that the defendants' agreement to offer a pay-television network program service be declared illegal and permanently enjoined.

Pending a final determination on the merits of the suit, the complaint also seeks preliminary relief to prevent defendants from licensing any motion pictures to Premiere and from taking any further steps to implement the joint venture, now scheduled to begin operations on January 1, 1981.

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