

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA,)
) Plaintiff,)
) v.)
THE NEW YORK TIMES COMPANY,)
NEW YORK TIMES SALES, INC.,)
and FIELD ENTERPRISES, INC.,)
) Defendants.)
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CIVIL ACTION NO. 71 C 615
FILED: May 21, 1971

COMPLAINT

The United States of America, plaintiff, by its attorneys, acting under the direction of the Attorney General of the United States, brings this civil action to obtain equitable relief against the above-named defendants, and complains and alleges as follows:

I. JURISDICTION AND VENUE

1. This complaint is filed and this action is instituted under Section 4 of the Act of Congress of July 2, 1890, as amended (15 U.S.C. §4), commonly known as the Sherman Act, in order to prevent and restrain the continuing violation by the defendants as hereinafter alleged of Section 1 of said Act (15 U.S.C. §1).

2. Each of the defendants transacts business and is found within the Eastern District of New York.

II. THE DEFENDANTS

3. The New York Times Company, hereinafter referred to as "Times," is made a defendant herein. It is a corporation organized and existing under the laws of the State of Delaware and has its principal place of business in New York, New York. It is the publisher of the New York Times. New York Times Sales, Inc., hereinafter referred to as "Times Sales," is made a defendant herein. It is a corporation organized and existing under the laws of the State of Delaware and has its principal place of business in New York, New York. It is a wholly-owned subsidiary of defendant Times. Times and Times Sales are engaged in the business, among others, of producing, and of distributing to newspapers located throughout the United States and in foreign countries, a supplemental news service known as the New York Times News Service, hereinafter referred to as "Times Service."

4. Field Enterprises, Inc., hereinafter referred to as "Field," is made a defendant herein. It is a corporation organized and existing under the laws of the State of Delaware and has its principal place of business in Chicago, Illinois. It is the publisher of the Chicago Daily News and the Chicago Sun-Times. Field is also engaged in the business of producing, and of distributing to newspapers located throughout the United States and in foreign countries, a supplemental news service known as the Chicago Daily News/Sun-Times Service, hereinafter referred to as "CDN Service."

III. INTERSTATE TRADE AND COMMERCE

5. It is the business of a supplemental news service to provide to daily newspapers, on a timely basis, news coverage, comment, and analysis which supplements the news coverage provided by basic wire services such as the Associated Press and United Press International. In performing this service supplemental news services, such as those operated by the defendants, gather news, comment and analysis from sources located throughout the world, edit it, and disseminate it, by means of a wire, to newspapers located throughout the United States and in foreign countries. Supplemental news services rely for most of their content on the material supplied by the staffs of the newspapers that own them; operation of a supplemental news service is a method of obtaining some additional revenue to pay for the cost to the newspaper of maintaining this staff. In the operation of their news services the defendants are engaged in interstate commerce.

6. The Times Service is a leading supplemental news service. The content of the Times Service consists primarily of material gathered by the staff of the New York Times. In 1970 total revenues derived from the sale of the Times Service were about \$1.75 million. In that same year the total circulation of the approximately 175 domestic daily newspapers subscribing to the Times Service was in excess of 18 million issues per day or about 29% of the total circulation of all daily newspapers published in the United States.

7. The CDN Service is a leading supplemental news service. The content of the CDN Service consists primarily of material gathered by the staffs of the Chicago Daily News and Sun-Times and of material purchased from Knight Newspapers and Newhouse Newspapers. In 1970 total revenues derived from the sale of the CDN Service were about \$370,000. In that same year the total circulation of the approximately 94 domestic daily newspapers subscribing to the CDN Service was in excess of 14.5 million issues per day or about 23% of the total circulation of all daily newspapers published in the United States.

IV. OFFENSE CHARGED

8. On or about December 10, 1970, defendant Times, through its subsidiary Times Sales, and defendant Field entered into an agreement which constitutes a contract and combination in unreasonable restraint of the above-described interstate trade and commerce in supplemental news services in violation of Section 1 of the Sherman Act.

9. The substantial terms of the aforesaid agreement are that

(a) the Times Service and CDN Service will share the use of a single wire and will restrict the time that each may use the wire to transmit material to subscribing newspapers; and

(b) Times and Field will have Times Sales act as an agent for both Times and Field for the promotion and sale of Times Service and CDN Service.

V. EFFECTS

10. The effects, among others, of the aforesaid agreement between defendants Times and Field will be that

(a) competition between Times and Field in the promotion and sale of supplemental news services will be substantially lessened; and

(b) competition generally in the promotion and sale of supplemental news services will be substantially lessened.

PRAYER

WHEREFORE, plaintiff prays:

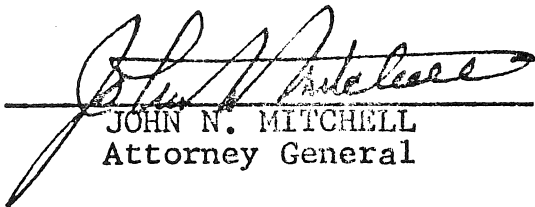
1. That the Court adjudge and decree that the aforesaid agreement between Times and Field constitutes a contract and combination in unreasonable restraint of interstate trade and commerce in supplemental news services in violation of Section 1 of the Sherman Act.

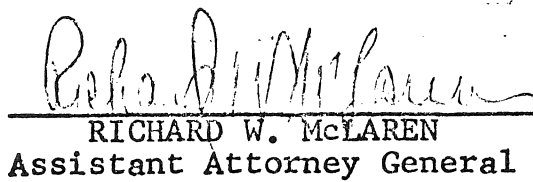
2. That defendants be ordered and directed to terminate and cancel the aforesaid agreement.

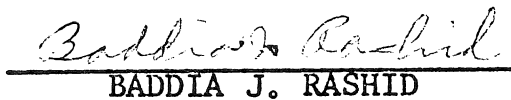
3. That the defendants, their officers, directors, agents, representatives, successors, assignees and all persons acting or claiming to act on behalf of them be perpetually enjoined and restrained from in any manner directly or indirectly continuing, maintaining or renewing the aforesaid agreement and from engaging in any practice having the purpose or effect of continuing, renewing, or reviving the violation hereinbefore described.

4. That the Plaintiff have such other and further relief as may be just and proper.

5. That the Plaintiff recover the cost of this suit.


JOHN N. MITCHELL
Attorney General

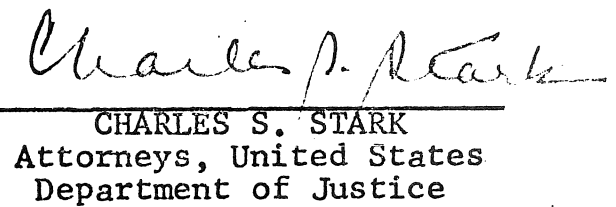

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