

**Trade Regulation Reporter - Trade Cases (1932 - 1992), United States v. Capitol Service, Inc., Kohlberg Theatres Service Corp., Marcus Theatres Corp., and United Artists Theatre Circuit, Inc., U.S. District Court, E.D. Wisconsin, 1983-2 Trade Cases ¶65,657, (Jun. 16, 1983)**

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United States v. Capitol Service, Inc., Kohlberg Theatres Service Corp., Marcus Theatres Corp., and United Artists Theatre Circuit, Inc.

1983-2 Trade Cases ¶65,657. U.S. District Court, E.D. Wisconsin, Case No. 80-C-407, Filed June 16, 1983, as amended. Case No. 2753, Antitrust Division, Department of Justice.

**Sherman Act**

**Motion Pictures: Split Agreements: *Per Se* Illegality: Price Fixing and Market Allocation: U. S. Injunction Action.**— Split agreements among Milwaukee-area motion picture exhibitors allocating rights to negotiate for films released by motion picture distributors constituted *per se* illegal price fixing and market allocation. The split involved agreements not to bid for films, not to negotiate for a film until it was split, and not to negotiate for a film split to another exhibitor. There was ample evidence that the purpose of the split was to eliminate competition among exhibitors in the terms offered for motion picture licenses. Among effects of the split were reduction of the price paid for films by decreasing the number of bids submitted, the amount of guarantees paid, and the length of playtime, and an increase in the number of downward adjustments in film rentals. A contention that the government's pre-1977 position that splits were not *per se* illegal evinced the reasonableness of the practice was rejected. An injunction barring further splits throughout the United States was granted.

**Amending [1983-1 Trade Cases ¶65,454](#).**

[After issuance of the June 16 opinion, the court by letter amended the language of [1983-1 TRADE CASES ¶65,454](#), page 70,598, second column, first full paragraph, first sentence, to change the words “a reduction” to “an increase”.--CCH]