II

(Acts whose publication is not obligatory)

COMMISSION

COMMISSION DECISION

of 12 December 1988

relating to a proceeding under Article 85 of the EEC Treaty (IV/27.393 and IV/27.394, Publishers Association — Net Book Agreements)

(89/44/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation No 17 of 6 February 1962 first Regulation implementing Articles 85 and 86 of the Treaty (1), as last amended by the Act of Accession of Spain and Portugal, and in particular Article 3 thereof,

Having regard to the notification made by the Publishers Association, London, United Kingdom, on 12 June 1973, pursuant to Articles 2 and 4 of Regulation No 17, of two agreements on the standard conditions of sale of so-called net books, the rules implementing and related to these agreements and the Association's objects and general regulations; and to the notification made by the Publishers Association on 23 September 1986 of the modifications to some of the related rules in 1985,

Having regard to the Commission's decision of 8 October 1986 to initiate proceedings in these cases,

Having given the Publishers Association the opportunity to make known their views on the objections raised by the Commission, pursuant to Article 19 (1) of Regulation No 17 and Commission Regulation No 99/63/EEC of 25 July 1963 on the hearings provided for in Article 19 (1) and (2) of Council Regulation No 17 (2),

After consulting the Advisory Committee on Restrictive Practices and Dominant Positions,

Whereas :

I. THE FACTS

A. The parties to the agreements

(1) The notified agreements were concluded within the framework of the Publishers Association and notified by it; parties to the agreements are publishers established in the United Kingdom. The publishers who are parties to the first of the two agreements are the members of the Association, whereas those who are parties to the second agreement are not.

The list of members of the Association is attached as Annex I, the list of non-members, parties to the latter agreement, as Annex II.

B. The Publishers Association

(2) The current main objects of the Publishers Association are :

'1. To encourage the widest possible spread of printed books throughout the world;

2. To promote and protect by all lawful means the interests of the publishers of the United Kingdom;

3. ...;

(1) OJ No 13, 21. 2. 1962, p. 204/62.
(2) OJ No 127, 20. 8. 1963, p. 2268/63.

4. In pursuance of encouraging the widest possible dissemination of books, and recognizing that it is for each publisher to decide whether or not to publish books at net prices, to administer and enforce (where books are published at net prices) the Net Book Agreement, 1957, and to make and publish regulations, and to secure by all lawful means the observance of all such regulations, including (without prejudice to the generality of the foregoing) the taking of all lawful steps as shall appear necessary to the Association or its Council to secure observance and adherence to the standard conditions of sale of net books;

5. ...'.

(3) According to the current Regulation No 53 of the Association: 'The Council shall have power to use the funds of the Association whether specially raised for the purpose or otherwise to indemnify any individual publisher against all proper costs and expenses incurred by that publisher when complying with his obligations under the Net Book Agreement, 1957, to exercise his legal rights against those who fail to observe the standard conditions of sale of net books as set out in the Net Book Agreement'.

(4) Natural and legal persons carrying on the business of book publishers in the United Kingdom are eligible for membership of the Association.

(5) Members of the Association constitute the large majority of the publishing industry in the United Kingdom (estimates of the precise share vary: on the basis of business monitor statistics the share is some 70 %, on the basis of Euromonitor statistics it is between 80 and 85 %).

C. The agreements

(6) The agreements concerned are the Net Book Agreements, which provide for uniform standard conditions of sale of so-called net books.

The Net Book Agreement between members and the agreement between non-members contain essentially the same provisions. The only difference between the agreements concerns the enforcement mechanism, as will be set out below. For the rest, the following description applies to both agreements.

(7) As to the meaning of the different terms used in the agreements, these define a 'net book' as a book, pamphlet, map or other similar printed matter published at a net price; and a 'net price' as the price fixed from time to time by the publisher below which the net book shall not be sold to the public (clause (vi) of the agreements).

Within the context of the agreements the term 'publisher' is, according to the Association, interpreted as meaning the person enjoying the right to put the book on to the market in the United Kingdom, i.e. the person enjoying the United Kingdom publishing right or the person licensed to be the importer or distributor.

The term 'public' includes schools, libraries, institutions and other non-trading bodies (clause (vi) of the agreements).

(8) As to the specific conditions of sale, laid down in the agreements, clause (i) of the agreements provides that 'except as provided in clauses (ii) to (iv) hereof and except as we may otherwise direct', a book, once it has been made a net book by the publisher, may not be sold or offered for sale or caused or permitted to be sold or offered for sale to the public at less than the net published prices.

(9) As to the exceptions mentioned in clause (i), the term 'except as we may otherwise direct' refer, according to the Association, to the freedom of individual parties to the agreements, in relation to any net book published by them, to authorize exceptions to the standard conditions of sale other than those laid down in the agreements or, by virtue of the agreements, approved by the Council of the Association.

(10) The exceptions provided for in clauses (ii) to (iv) of the agreements are the following:

(a) A net book may be sold or offered for sale to the public at less than the net price if:

— it has been held in stock by the bookseller for a period of more than 12 months from the date of the latest purchase by him of any copy of that book, and

— it has been offered to the publisher at cost price or at the price at which the bookseller intends to sell the book to the public, whichever is the lowest, and

— such offer has been refused by the publisher (clause (ii)).

(b) A net book may be sold or offered for sale to the public at less than the net price if it is second-hand and six months have elapsed since its date of publication (clause (iii)).

(c) A net book may be sold at a discount to such libraries, book agents, quantity buyers and institutions as are from time to time authorized by the Council of the Publishers Association. The amount and conditions of such a discount are laid down in the authorization (clause (iv)).

(11) According to the agreements, the prohibition on giving any other discounts on a net book includes the one to offer or give 'any consideration in kind, e.g. card indexing, stamping, reinforced bindings etc., at less than the actual cost thereof to the bookseller' (clause (v)).

(12) Parties have agreed to apply the standard conditions to all sales of net books executed in the United Kingdom and in Ireland, whether effected by wholesaler or retailer, when the publisher's or wholesaler's immediate trade customer is in the United Kingdom or in Ireland (clause (vii)).

As a consequence of this clause the standard conditions of sale do not apply to sales from a publisher directly to any non-trading client.

At the same time, the clause provides for the geographical area in which the standard conditions of sale apply.

Thus, the conditions apply to all sales of net books by wholesalers or retailers in the United Kingdom and Ireland to non-trading customers in these and in other countries. The only exception to this is the case where such a wholesaler or retailer purchased the net book concerned from a foreign supplier who bought the book directly from the publisher in the United Kingdom.

(13) Finally the agreements provide for an enforcement mechanism.

The Council of the Publishers Association is appointed to act as the parties' agent in the collection of information concerning breaches of contract by booksellers and in keeping each individual publisher informed of such breaches.

Parties agree that they will each enforce their contractual rights and their rights under the Restrictive Trade Practices Act 1956, if called upon to do so by the Council. The enforcement of contractual rights may be an application by a supplier for an injunction by a court against a client bookseller in order to enforce the standard conditions of sale or may also be the suing of such a client in the courts for damages. The rights under the Restrictive Trade Practices Act 1956, which have been consolidated into the Resale Prices Act 1976, refer specifically to the statutory right, under section 26 of the 1976 Act, to enforce a minimum resale price condition in respect of goods exempted under that Act (as is the case of books), and to obtain an injunction to restrain breach of the condition. Such an enforcement is possible against any person having received notice that such a condition applies.

Parties which are members of the Association are only obliged to proceed to such enforcement on the Council's request, if the Association indemnifies them, if so requested by them, in respect of any costs of such action incurred by them or by the Council on their behalf (see also (3) above).

D. The implementing rules laid down by the Publishers Association by virtue of clause (iv) of the agreements

(14) In application of clause (iv) of the agreements the Council of the Association laid down the following rules, taking the form of standard formulae for authorization by the Association for booksellers to grant discounts to libraries and quantity buyers and for book agents to receive discounts.

1. *Discounts to libraries*

(15) According to the terms and conditions of the library licence, a bookseller may only grant discounts to a library if the bookseller has received a library licence from the Association in respect of that specific library. The discount may then not exceed 10 % and the books supplied with such a discount may not be resold by the library. A licence will only be given, if the library grants access to the public free of charge and if the current total annual expenditure on new net books for use in that library is not less than £ 100. Finally no discount may be allowed to a library on net books on which the bookseller(s) receive(s) a discount of less than 21 $^{2}/_{3}$ %.

2. *Quantity discounts*

(16) Quantity discounts are governed by the quantity book buying scheme established by the Association. Under the scheme a bookseller may give a quantity discount to a client if he has obtained a licence from the Association in respect of that client. A scale of discounts allowable provides for discounts from 5 to 10 % to be given for orders for assorted titles worth £ 250 or more. The discount allowable depends on the value of the order. For an order for a large quantity of one title (minimum 12), to a total value of £ 25 or more, a flat 10 % discount may be granted.

(17) In order to obtain a quantity discount a certain number of conditions must be satisfied.

The books must be required for gift or presentation in connection with the purchaser's business, or for philanthropic or propaganda purposes. The books may not be offered for sale by the purchaser, nor may their use or distribution be made subject to any charge or other consideration. No discount is allowable on books on which the bookseller himself does not receive a disount of at least 25 % from the publisher. A quantity discount licence applies to one order only.

3. *Discounts to book agents*

(18) Book agents are considered to be dealers not carrying on the business of selling books as their main activity, such as, for example, a head of a school maintaining a shelf of books for sale to the pupils at his school or an ecclesiastical incumbent operating a bookstall for the sale of religious and similar books in his church.

Disounts to book agents may only be given by booksellers if the book agent has received a licence from the Association. In that case the booksellers, mentioned in the licence, may give the book agent a discount not exceeding 50 % of the retail discount given to the bookseller by the publisher. The book agent himself is obliged to sell the books concerned at the net price.

E. Other rules relating to the agreements

(19) In relation to the application of the agreements the Association published a so-called code of allowances concerning the sale of new, revised or cheap editions, books with reduced net prices and remainders. Furthermore, the Association established regulations concerning book club editions and rules for the so-called annual national book sale, in the context of which net books may be sold at less than the net price during a short period each year.

1. *Code of allowances*

(20) The code of allowances contains 'established general trade practice regarding allowances on net books' and, according to the Association, is likely to be followed by most publishers of net books, including publishers of paperback books published as net books.

(21) According to the code, reductions of the net price, new (including revised) editions, cheap editions and remainders are customarily announced beforehand by the publisher in the trade press (paragraph 2).

Allowances are commonly given on copies which the bookseller can show he bought within six months prior to the announcement in the trade press, unless the book in question has been published for less than two years, if fiction, and for less than three years, if non-fiction (paragraph 3). In case of new or revised editions, no allowances are provided for, but the previous edition may be returned for credit or exchange (paragraphs 4 to 6).

(22) The other paragraphs of the code contain the more detailed conditions concerning the publication in the trade press and the time-periods to be taken into account in relation to the granting of the allowances.

(23) Finally, allowances are given only in the home market. In addition, allowances are not generally given in respect of non-net books, juveniles or paperback books (paragraph 1 of the code).

2. *Book club regulations*

(24) Special rules apply to book club editions. These are provided in the Association's regulations for conduct of book clubs, last modified in April 1985, which apply to book club operations within the United Kingdom.

(25) According to the Association, 'these regulations are regarded as an instrument of the Net Book Agreement' and 'reinforce' its objectives. Thus, the regulations apply only to books, the trade editions of which are published as net books (which may be books published within the United Kingdom or outside and, in the latter case, subsequently imported into the United Kingdom).

(26) Books are sold by book clubs under special book club rights granted by publishers, authorizing book clubs to sell book club editions of a book. According to the regulations publishers should license rights only to book clubs registered with the Association as having signed and agreed to the regulations.

(27) The regulations contain provisions as to the membership of books clubs and also the conditions which book clubs must satisfy in offering and selling books.

These conditions provide, in particular, that the books have to be special book club editions (except in some specified cases). At least four months before offering a title, book clubs have to inform the Association of their intention in order to enable the Association to publish the announcement in the trade press. Book clubs may not make an announcement that a title is to be offered as a book

club choice or as a premium (which is intended to induce people to join as a member of the book club) until three months before the intended date of issue of the book as such. A title may not be offered as a premium until at least six months after its first issue as a trade edition. Surplus stock of a title may not be remaindered by a book club except with the consent of the licensing publisher. Finally, some restrictions on advertising are provided for.

(28) The total value of sales through book clubs is between 5 and 10 % of the total value of books sold in the United Kingdom.

3. *The annual national book sale*

(29) Since 1955 (at which time previous versions of the present agreements applied) the Association has permitted an annual national book sale to take place lasting some weeks, during which, subject to certain conditions, net books may be sold at less than the net prices.

The annual national book sale 'provides booksellers and publishers with an annual opportunity of clearing their shelves of slow-moving titles and with finance for restocking, as well as giving the public a regular chance of obtaining book bargains for one fortnight of the year' (the Association's Annual Report 1980 to 1981, p. 64).

(30) The main conditions for selling net books below the net prices during the sale are the following:

— booksellers may sell overstocks at a price which may not exceed 66 ⅔ % of the published price, provided that they have not ordered a copy during the last 12 months,

— publishers may offer overstocks at a price not exceeding 25 % of the published price and wholesalers may do so at a price not exceeding 50 % of the published price,

— a publisher may exclude all his books from the sale, except those books for which the price has been reduced in accordance with clause (ii) of the agreement (see (10) above).

F. The application and enforcement of the agreements, the implementing rules and other rules relating to the agreements

1. *The application*

(31) According to the information supplied by the Association, some 75 % of books sold by British publishers in the United Kingdom and of those exported by them to Ireland are net books.

Of the books imported into the United Kingdom from other Member States the percentage of those which are made net books is probably higher than 75 %.

(32) The major category of non-net books are school books. These are normally purchased by schools and local authorities or direct purchasing organizations constituted by them.

(33) Although a publisher of a net book is, under the agreement, free to remove the net price condition on a book at any time, the period during which a net book remains so corresponds in practice and at an average with its active sales life, i.e. for several years, according to the Association.

(34) As to the freedom of a publisher to sell net books directly to non-trading clients at less than the net price (see (12) above) or, alternatively, to apply the standard conditions of sale equally to such sales, recommendation 7 of the Joint Booksellers Association and Publishers Association Conference on market development in Oxford on 4 to 6 July 1982, expressed concern on the use publishers apparently made of the above freedom:

'The Publishers Association is asked to make public its strong disapproval of the discounting of net books to the consumer by publishers who also seek to apply the Net Book Agreement to retailers handling the same books'.

(35) As regards the possibility, given to publishers, in clause (i) of the agreements, to allow other discounts than those provided in the agreements (see (9) above), the Association informed the Commission that it had no records on the use of that possibility. The Commission does not have any information indicating that it is used otherwise than in an exceptional way.

2. *The enforcement*

(36) Only few breaches were said to be reported to the Association and established as such. In most cases the Association handles breaches itself and tries to bring them to an end. Usually a letter from the Association's solicitors turns out to be sufficient. Since 1973 the Association has not asked members to take action themselves in order to ensure the observance of their sales conditions.

(37) A special situation prevails in Ireland, where the ending of the parity between the Irish punt and the British pound following Ireland's joining the European Monetary System, had made the pricing of books and the enforcement of the standard conditions of sale more difficult, as was reported by the Association. These problems were discussed by the Association and the Irish book trade at meetings in

Dublin in 1981, as a result of which various measures were recommended to members. In particular, the Irish branch of the Booksellers Association of Great Britain and Ireland introduced a currency conversion schedule, which enables Irish booksellers to convert book prices expressed in British pounds easily into Irish punts.

(38) In relation to the enforcement of the agreements, the so-called directory of booksellers should also be mentioned. The directory is maintained by the Association and intended to constitute a list of booksellers who have confirmed that they are *bona fide* engaged in trading in books and that they:

(a) have adequate premises, commercially rated, from which to conduct a bookselling business;

(b) are investing a reasonable amount of capital in their stock of books;

(c) will be open for business during normal trading hours;

(d) have acknowledged receipt of the standard conditions of sale of net books, and have undertaken absolutely to observe those conditions.

Modifications to the directory are published by the Association every two months.

(39) According to the Association, the listing is merely a useful information service to publishers and booksellers. They are informed that listing or failure to list should not be considered as a recommendation by the Association to supply or not to supply a particular bookseller, nor to grant or withhold trade terms, nor as an indication of creditworthiness or a lack thereof.

The Association considers the directory as 'a valuable part of the administration of the Net Book Agreement in informing booksellers of the standard conditions and publishers of which booksellers have been so informed' (Annual Report 1982 to 1983, p. 7).

G. The book market: production, exports and imports

(40) The British publishing industry is amongst the most important in the world and within the Community. The number of new titles published in the United Kingdom each year amounted to about 40 000 in the past years. Members of the Association account for some 80 % of all new titles. Estimates of total value of United Kingdom publishers' production vary (on account of problems of interpretation of available statistics), amounting to, in the Association's own estimation, around £ 1 700 million in 1986 (Book Trade Year Book 1987, published by the Association).

(41) About 65 % of the United Kingdom book production is sold on the British market. The rest is exported.

Some 25 % of the exports go to other EEC Member States (6 % go to the Netherlands, 4,5 % to Ireland and some 11 % in total to the Federal Republic of Germany, France, Italy and Spain).

(42) British imports of books published outside the United Kingdom are estimated by the Association at around £ 180 million in 1986. Some 40 % of these imports came from other Member States.

As regards Ireland it is to be noted that some 80 % of its total book imports come from the United Kingdom. These imports represent slightly more than 50 % of total book sales in Ireland.

H. Proceedings in the national courts

(43) The agreements have been challenged under British law on two occasions. However, on the first occasion, in 1962, the Restrictive Practices Court found the agreements not to be contrary to the public interest and therefore refrained from striking down the restrictions. In 1968 the court, following the same reasoning, ordered that the relevant kinds of books and maps should be exempt from the general prohibition on resale price maintenance under the Resale Prices Act 1964.

II. LEGAL ASSESSMENT

A. Article 85 (1) of the EEC Treaty

(44) Article 85 (1) prohibits as incompatible with the common market all agreements between undertakings, decisions by associations of undertakings and concerted practices which may affect trade between Member States and which have as their object or effect the prevention, restriction or distortion of competition within the common market.

Article 85 (1) mentions in particular those agreements which directly or indirectly fix purchase or selling prices or any other trading conditions.

1. *Undertakings and associations of undertakings*

(45) All parties to the agreements are publishers, which are undertakings within the meaning of Article 85.

The Publishers Association is an association of undertakings within the meaning of the same provision.

2. *Agreements and decisions by associations of undertakings*

(46) The Net Book Agreements are agreements between undertakings within the meaning of Article 85.

(47) The rules implementing clause (iv) of the agreements are established by the Association by virtue of the agreements and are binding upon the parties to the agreements. They therefore constitute a decision of an association of undertakings within the meaning of Article 85.

(48) As to the other rules relating to the agreements, these are equally to be considered as decisions of an association of undertakings:

— The publication of the code of allowances, although made by the Association as a memorandum reflecting established general trade practice with respect to allowances on net books, has, contrary to what the Association considers, the character of a recommendation to the parties to the agreements and to booksellers selling net books as to their conduct in the situations described in the code. As confirmed by the Association, the code sets out practices which are generally regarded as fair in the circumstances of the book trade. The publication of the code can only be explained as the expression of the wish of the Association to maintain such a situation and, through its publication, to contribute to that in a substantial way. In this connection it is relevant to note that the Association is required by one of its main objects to administer and enforce the agreements and is regarded as the central authority in the market in respect of the good functioning of the net price system. The effect of a written publication by such an association on the trade practices concerned is not to be neglected and may be considered as being confirmed by the fact that, according to the Association, the practices are likely still to be followed by most publishers of net books. Equally this fact confirms that the Association could be confident that no binding decision or regulation was needed to guarantee that most publishers would continue to behave in conformity with the practices described in the code and that the publication of the non-binding code would have the same effect. While the code is of a non-binding character, its publication, having regard to the preceding elements and seen within the context of the application of the agreements, is to be considered as having a comparable effect to that of a binding decision. It is therefore to be considered as a decision of an association of undertakings within the meaning of Article 85.

— The book club regulations are rules established by the Association and are binding upon its members as to their conduct and as to the agreements they may conclude with book clubs concerning the publication and sale of book club editions of net books. The book club regulations therefore constitute a decision of an association of undertakings.

— The conditions applicable to the national annual book sale which has been expressly permitted by the Association since 1955, are fixed by the Association and are 'to be observed by all participating publishers, wholesalers and retail booksellers'. The Association's decision in which the conditions have been defined is therefore to be considered as a decision of an association of undertakings.

(49) Finally, the conditions for being mentioned in the directory of booksellers are also fixed by the Association, which maintains and publishes the directory, and are binding upon the booksellers who wish to be mentioned in the directory. The Association's decision in which the conditions have been defined is therefore a decision of an association of undertakings.

3. *Restriction of competition*

(50) The net book agreements, the implementing rules, the other rules relating to the agreements and the conditions imposed in order to be mentioned in the directory of booksellers have as their object and effect the restriction of competition within the common market.

(51) The agreements and the rules implementing clause (iv) of the agreements restrict competition between publishers, for once they decide to impose a fixed resale price, they are almost totally prevented from adapting the conditions governing the application of such fixed resale price (in particular the exceptions thereto) to the commercial potential of the books concerned on the market and from offering more freedom than the agreements provide to resellers as to the exceptions they may apply to such fixed resale prices.

(52) Neither the freedom for publishers to decide whether to make a book a net book or not or to end the net character of a book or not, nor their freedom to determine the level of the net price prevent the agreements and implementing rules from being restrictive. The fact that, if a publisher decides to impose a fixed price for a book, he is then bound to impose almost (see (35) above) wholly uniform conditions — i.e. the same conditions as other parties to the agreements are bound to impose — upon resellers as to the discounts they may give to their customers, is sufficient to make the agreements and implementing rules restrictive.

(53) The fact that the agreements oblige the publishers, who decide to make a book a net book, to impose on their resellers the standard conditions of sale, specified in the agreements and the implementing rules, implies that these agreements and rules also have a restrictive effect on price competition between booksellers as far as net books are concerned. This restriction results from the fact that the standard conditions of sale curtail the freedom of resellers to depart from the fixed resale price by applying an individual discount policy in order to increase their sales. Thus resellers have less freedom than they might otherwise have obtained from the individual publishers. The standard conditions of sale replace that freedom by imposing almost wholly uniform rules on discounts.

(54) As to the other rules relating to the agreements, the code of allowances provides an instrument to limit the negative effects on the maintenance of the net price system which under certain circumstances may result from reductions of the net price and from the publication of new (including revised) and cheap editions and from the removal of the net price by the publisher. Although the agreements themselves leave the publishers free to do so, these acts may, nevertheless, to a certain extent, have effects comparable to those of discounts, prohibited by the agreements, i.e. booksellers will find their copies of the books concerned more difficult to sell at net prices, as they are faced with the sale of other possibly more attractive editions or copies : more attractive on account of the revised presentation or contents of the book or on account of a lower net price or removal of the net price.

The application of the code gives a certain protection against the risks which result from those situations to booksellers who purchased the books concerned on the hypothesis of being protected, through fixed book prices, against competition of more attractive offers by other booksellers. The object of the publication and application of the code is therefore to reduce the full exploitation by booksellers (or publishers) of the competitive possibilities otherwise available in the situations mentioned and, therewith, to contribute to maintaining the net price system as effectively as possible and to reinforce it.

(55) The book club regulations have as their object and effect the limitation of the negative effects on the maintenance of the net price system which may result from the factual circumvention of the agreements, in relation to books which have been made net books through book clubs.

The regulations restrict the possibilities for price competition between book clubs and booksellers by imposing time limits to be respected by book clubs before announcing offers and in making the remaindering of book club editions dependent upon the consent of the publisher.

Members of the Association may in principle only grant book club rights to book clubs registered with the Association as having signed and agreed to the regulations, thus making it commercially almost impossible to operate a book club without respecting the regulations. It follows that, as confirmed by the Association, the regulations are an instrument of the agreements and reinforce the objectives thereof.

(56) As to the conditions governing the annual national book sale the Commission considers that — although the sale may be considered as an opportunity to deviate from the net price in a way partly comparable with that provided in clause (ii) of the agreements (see (10) above) and apparently has been permitted by the Association in order to limit negative effects resulting from a full application of the agreements ('The sale provides booksellers and publishers with an annual opportunity of clearing their shelves of slow-moving titles and with finance for restocking, as well as giving the public a regular chance of obtaining book bargains for one fortnight of the year' ; the Association's Annual Report 1980 to 1981, p. 64) — these conditions, to be observed during the sale by the participating publishers, wholesalers and resellers, have as their object and effect the canalization of the ways in which publishers and especially booksellers might want to eliminate those negative effects. Thus the conditions contribute to maintaining the net price system and its restrictive effects as effectively as possible.

(57) The conditions for being mentioned in the directory of booksellers have equally restrictive effects. The directory is intended and considered to constitute a guide of *bona fide* booksellers and for a bookseller the fact of not being mentioned constitutes a competitive disadvantage for him in comparison to one being mentioned, whose existence and identity becomes known to all publishers through one publication which is specifically designed to constitute a guide for publishers and to be consulted by them.

Such disadvantage applies in particular to booksellers who do not want to subscribe to the obligation to respect net prices and only sell non-net books.

(58) The restrictive effects of the agreements and the implementing and related rules are reinforced by the enforcement mechanism provided for in the agreements. This mechanism, which provides for a central role to be played by the Association, ensures a more efficient surveillance of compliance with the agreements and rules.

(59) A more efficient surveillance of compliance with the standard conditions of sale is also facilitated by the directory of booksellers, which only mentions booksellers who have acknowledged receipt of the conditions and have undertaken absolutely to observe these conditions. It facilitates such surveillance by the Association, the publishers and the booksellers.

4. *Appreciable effect on competition*

(60) The agreements and the implementing and related rules restrict competition to an appreciable extent. Members of the Association constitute the large majority of the United Kingdom publishing industry. They and an important number of non-members have committed themselves to apply and enforce the standard conditions of sale contained in the agreements and the rules implementing the agreements, in particular in using their rights under national law.

The assessment of the size of the impact of the other rules relating to the agreement cannot be detached from that concerning the agreements.

In addition, it is to be noted that, as confirmed by the Association, the code of allowances is likely to be followed by most publishers of net books. The book club regulations are binding upon the members of the Association and have to be respected and applied by them. The national book sale conditions are to be observed by all participating publishers, wholesalers and booksellers. The directory of booksellers may be assumed to be a reference which is actively used, as the Association publishes modifications to it every two months.

(61) A very large proportion of books sold in the United Kingdom and in Ireland are made net books and, as they are put on the market by the parties to the agreements, are subject to the provisions of these agreements and the implementing rules and, for most of the net books, subject to the rules relating to the agreements.

(62) Finally, the Commission considers that the agreements and the implementing and related rules as well as the directory of booksellers have enhanced (and still do) the transparency and certainty for a publisher as to the market behaviour of other publishers and of booksellers as to the discounts which may be offered as an exception to the rule of the fixed price and as to the moment from which other editions of net books may be offered on the market or from which the net price will be reduced or removed.

Thus, the agreements and rules have facilitated and contributed to the maintenance or introduction of fixed book prices by a large number of publishers and continue to do so.

5. *Effect on trade between Member States*

(63) The agreements and the implementing rules apply to all sales of net books in the United Kingdom and in Ireland, whereas the rules related to the agreements apply to most of those sales. Thus, practically all exports of net books from the United Kingdom to Ireland — which represent the great majority of total book exports from the United Kingdom to Ireland as well as of Irish book imports — are governed by them. The same applies to all re-imports of net books from Ireland into the United Kingdom.

(64) The agreements and therefore the obligation to charge the net price also apply to all exports of net books by booksellers in the United Kingdom and Ireland in case sales are made to purchasers outside the United Kingdom and Ireland who are not booksellers.

(65) Furthermore, the agreements apply to all sales by booksellers within the United Kingdom and Ireland of books re-imported from other Member States and the net price is to be charged for those books, if the book has been :

— made a net book for sale within the United Kingdom and Ireland, and

— exported by any wholesaler or retailer in the United Kingdom or Ireland to those Member States.

(66) Finally, the great majority of books imported into the United Kingdom and Ireland from other Member States, where those books were published, are also made net books within the meaning of the agreements.

(67) In all those cases publishers, booksellers and book clubs are no longer free to determine their sales conditions for trade and book club editions of net books. The agreements and the implementing and related rules therefore actually and potentially affect trade between Member States to an appreciable extent.

6. *Conclusion*

(68) In view of the effect set out above the agreements and the implementing and related rules come under the prohibition of Article 85 (1) to the extent to which they cover the book trade between Member States.

B. Article 85 (3) of the Treaty

(69) Pursuant to Article 85 (3), the provisions of Article 85 (1) may be declared inapplicable in the case of any agreement between undertakings which contributes to improving the production or distribution of goods or to promoting technical or economic progress, while allowing consumers a fair share of the resulting benefit, and which does not:

(a) impose on the undertakings concerned restrictions which are not indispensable to the attainment of these objectives;

(b) afford such undertakings the possibility of eliminating competition in respect of a substantial part of the products in question.

(70) As will be set out below, the Commission considers that at least one of the conditions of Article 85 (3) is not satisfied, i.e. the condition that the agreements may not impose restrictions which are not indispensable to the attainment of the objectives of the agreements.

1. *Indispensability of the restrictions*

(71) The Association has, in its notification of the agreements, set out that without a common application of the standard conditions by publishers there could be no guarantee that booksellers would be protected, as they are in the case of net books. The arguments put forward to that effect (which were those put forward within the context of the national proceedings refered to in (43) above) however concerned not so much the necessity of a common application of standard conditions in case of fixed book prices but much more the question whether fixed book prices as such are indispensable in order to attain their alleged objectives.

The Commission is of the opinion that both aspects can and should be considered separately.

(72) At the hearing, the Association specified its position in stating that, for the following reasons, the benefits it considered to result from the agreements could not and would not be achieved merely by leaving publishers individually with a legal right to fix the retail prices of the books they publish:

(i) It would not be practicable for publishers individually to give notice to every bookseller of the publishers' individual conditions of sale; according to United Kingdom law, only by so doing can a resale price maintenance condition be enforced in the United Kingdom against not only direct but also indirect purchasers;

(ii) It would not be practicable for booksellers to comply with differing resale price maintenance conditions imposed by hundreds of different publishers; in order to be reasonable and practicable such conditions, when applied to books, must allow for exceptions; booksellers would find it impossible to comply on a basis that varied from book to book according to its publisher, with different conditions providing for different exceptions; the conditions therefore need to be standard conditions;

(iii) In order that the system may confer the benefits that the Association considers it does, each bookseller must be confident that if he buys a book as a net book, his competitors will be subject to the same terms as he is, in relation to that book, so that no-one will enjoy an unfair advantage over the others. The agreements provide booksellers with that confidence;

(iv) The monitoring of compliance with the standard conditions, and their enforcement — in the last resort, through the courts — can in practice be carried out only by the Association acting for all publishers.

(73) In order to assess whether restrictions in agreements are indispensable to the attainment of the objectives of the agreements, it is relevant first to recall the objectives of the present agreements.

The Association argues that to impede the proper functioning of the agreements would cause stockholding booksellers to order fewer copies of the same title and fewer titles on account of the risk that lower prices elsewhere might leave them with stock which they could not sell. Such conduct would cause the number of stockholding booksellers to decrease. As stocks and display are to be considered essential for sales, sales would therefore fall, publishers would print smaller runs and costs would rise. As a result, and taking into account the higher discounts which would be requested by the trade from the publishers, book prices would therefore rise. At the same time titles with small print runs would possibly not be published at all.

In order to avoid those consequences the Association considers it essential that the retail price of a book is the same in all shops and that no price competition takes place as to the same title.

(74) As may be concluded from the position of the Association as mentioned in (72) above, the Association invokes the arguments mentioned in (72) to show that in order to achieve the objectives of the agreements a collective agreement is necessary and that individual vertical resale price maintenance agreements for books would not suffice.

(75) It is not the subject of this case to decide which kind of distribution system on a particular national market is best suited to achieve the objectives invoked by the Association. The Commission has to deal here with a price fixing system extending to exports to other Member States, in particular to Ireland, as well as to imports and re-imports from other Member States, including Ireland. The system as currently applied precludes price competition resulting from trade between Member States at the level of distribution. The Commission has already stated in Decision 82/123/EEC in case No IV/428 — VBBB/VBVB [1] that in order to achieve an improvement in the publication and distribution of the books in question, a collective resale price maintenance scheme entailing the imposition of restrictions on competition in trade between Member States, such as contained in the agreements in question, is not indispensable.

The Commission continues to recognize the important cultural role which books play among other cultural media. However, it is convinced that the parties could use less restrictive means to improve the publication and distribution of books.

(76) As to the first argument of the Association as to the indispensability of a common application of standard conditions, i.e. the impracticability for publishers individually to give notice of the standard conditions to every bookseller, the Commission notes that the condition to give such notice to booksellers in order to enable a publisher to enforce the respect for the standard conditions before the national courts as against indirect purchasers with whom the publisher did not contract directly, is a condition provided for in national law the application of which is confined to the United Kingdom territory. Alleged practical difficulties complying with such a condition, imposed by the law of a Member State and having the effect of rendering the enforcement of individual resale price maintenance agreements within that Member State more difficult, cannot be invoked to argue for the acceptance, under Community law, of more far-reaching restrictions within a collective resale price maintenance agreement covering trade with other Member States.

(77) In this connection, it must be emphasized that the condition to give notice only applies in relation to the enforcement of the agreements within the United Kingdom and not in relation to Ireland, where the law does not provide for such a condition. In this respect the argument relating to the giving of notice is of no relevance.

(78) In any event, the Commission does not see how an alleged practical need for putting together the individual notices into a common system of giving notice could constitute a justification for much more far-reaching agreements on uniform conditions of sale, which are considered by the Association as the essential means to attain the objectives of the agreements.

Thus, the Commission does not consider the argument to be relevant to the question whether a collective resale price maintenance agreement is indispensable.

(79) As to the second argument of the Association, i.e. the impracticability for booksellers to comply with a large number of different fixed book price conditions, the Commission considers that it comes down to the question of the quantity of administration to be handled by individual booksellers.

[1] OJ No L 54, 25. 2. 1982, p. 36.

(80) In this respect it is to be noted that an important share of total book sales is constituted by books published by a relatively small number of publishers.

Moreover, the large majority of booksellers, in particular tobacconists, newsagents and supermarkets, and even smaller specialist bookshops, only have a limited range of titles.

On account of these factors it may be considered that a majority of booksellers have to deal only with a limited number of publishers and conditions of sale.

The situation may be different for stockholding bookshops but it is difficult to see why those bookshops would not be able to cope with this additional administration.

(81) In this connection, the Commission notes that in Ireland, under the present system of resale price maintenance, booksellers, in order to establish their resale prices for net books, representing a substantial share of total book sales, have to do so by proceeding on a title by title basis, since they have to convert the price fixed in British pounds into Irish punts.

(82) Furthermore, booksellers may not want to sell all books at a lower price than the present net price at the same time, but instead may want to reduce prices only for a certain number of titles at the same time. It is then only in relation to such a limited number of titles that a bookseller would have to take into account the differences which, in case of individual resale price maintenance agreements, may exist as between the conditions of sale of different publishers.

(83) On these grounds the second argument of the Association does not appear convincing to the Commission.

(84) The third argument of the Association, i.e. the agreements provide booksellers with the confidence that, if they buy a book as a net book, their competitors will be subject to the same terms as they are in relation to the book concerned, does not appear convincing to the Commission either.

This argument comes down to the statement that the Association considers that booksellers cannot have the same confidence *vis-à-vis* its individual members when they operate through individual resale price maintenance agreements as when they operate through a collective agreement. The Commission does not in any way understand on what basis the Association so distrusts the individual publishers' behaviour *vis-à-vis* booksellers. This is even more so now that most publishers are members of the Association. The Association's argument becomes even more questionable now that the agreement does not exlude in certain cases that publishers allow booksellers to grant discounts other than the uniform discounts provided for in the agreement.

(85) The fourth argument of the Association, i.e. the monitoring of compliance with the standard conditions and their enforcement can, in practice, be carried out only by the Association, does not explain, in the opinion of the Commission, why a collective agreement on standard conditions of sale is indispensable. Thus, the argument is not relevant in this respect.

2. Conclusion

(86) The Commission concludes from the foregoing that the agreements are not indispensable to the attainment of their objectives. Since an agreement, in order to be exempted from the prohibition contained in Article 85 (1), has to fulfil all conditions of Article 85 (3), the agreements cannot be exempted. It is therefore not necessary to examine whether the agreements meet the other conditions of Article 85 (3).

C. Article 3 of Regulation No 17

(87) Article 3 (1) of Regulation No 17 states that where the Commission, upon application or upon its own initiative, finds that there is infringement of Article 85 of the EEC Treaty, it may, by decision, require the undertakings or associations of undertakings concerned to bring such infringement to an end.

(88) As has been set out above, the notified agreements and implementing and related rules constitute an infringement of Article 85. The Association must therefore be required to take all steps necessary for bringing the infringement to an end forthwith.

(89) In order to ensure that it is clear to all undertakings concerned operating in the book trade that the restrictions on competition in relation to net books have in fact been brought to an end, the Association must be required in particular to inform all the undertakings concerned in writing, i.e. the undertakings mentioned in annexes I and II to this Decision, the book clubs in the United Kingdom and the booksellers mentioned in the directory of booksellers, of the termination of the restrictions, setting out the practical effects which this will have on the terms under which trade in books is carried on as between the United Kingdom and other Member States. A proposal for a notice to this effect should be submitted for approval by the Commission within two months of receipt of this Decision,

HAS ADOPTED THIS DECISION:

Article 1

The following constitute an infringement of Article 85 (1) of the EEC Treaty to the extent that they cover the book trade between Member States:

(a) the Net Book Agreements, 1957, concluded within the framework of the Publishers Association between the undertakings listed in Annexes I and II to this Decision, together with:

(b) the decisions of the Publishers Association concerning discounts to libraries and book agents and quantity discounts;

(c) the so-called code of allowances established and published by the Publishers Association;

(d) the book club regulations of the Publishers Association;

(e) the decisions of the Publishers Association concerning the conditions governing the annual national book sale;

(f) the decision of the Publishers Association concerning the conditions for mentioning booksellers in the directory of booksellers.

Article 2

An exemption under Article 85 (3) of the EEC Treaty for the agreements and implementing and related rules as mentioned in Article 1 is hereby refused.

Article 3

The Publishers Association shall take all steps necessary for bringing the infringement as mentioned in Article 1 to an end forthwith.

Article 4

1. The Publishers Association shall inform the undertakings listed in Annexes I and II to this Decision, the book clubs established in the United Kingdom and the booksellers mentioned in the directory of booksellers, in writing of this Decision and of the fact that the infringement has been brought to an end, stating the practical effects which this will have on the terms under which trade in books is carried on between the United Kingdom and the other Member States.

2. The Publishers Association shall submit for approval by the Commission a proposal for a notice to that effect within two months of receipt of this Decision.

Article 5

This Decision is addressed to the Publishers Association, 19 Bedford Square, UK-London WC1B 3HJ.

Done at Brussels, 12 December 1988.

For the Commission

Peter SUTHERLAND

Member of the Commission

ANNEX I

List of signatories to the Net Book Agreement of the publishers, which are the subscribing members of the Publishers Association

Abacus Press,
Abacus House,
Speldhurst Road,
Tunbridge Wells,
Kent TN4 OHU;

Abson Books,
Abson, Wick,
Bristol BS15 5TT;

Academy Editions,
7 Holland Street,
London W8;

Addison-Wesley Publishers Ltd,
Finchampstead Road,
Wokingham,
Berkshire, RG11 2NZ;

Advisory Unit for Microtechnology in Education,
Endymion Road,
Hatfield,
Hertfordshire AL10 8AU;

Agricultural Training Board,
Bourne House,
32-34 Beckenham Road,
Kent BR3 4PB;

Aldwych Press Ltd,
3 Henrietta Street,
London WC2E 8LU;

Philip Allan Publishers Ltd,
Market Place,
Deddington,
Oxford OX5 4SE;

Allen (J.A.) & Co. Ltd,
1 Lower Grosvenor Place,
Buckingham Palace Road,
London SW1W OEL;

Alpine Fine Art Collection (UK) Ltd,
5 Grosvenor Cottages,
Eaton Terrace,
London SW1;

Angel Press,
PO Box 60,
East Wittering,
Chichester,
West Sussex PO20 8NJ;

Apollo Publishing,
Realtex House,
Leeds Road,
Rawdon,
Leeds LS19 6AX;

Architectural Press Ltd,
9 Queen Anne's Gate,
London SW1H 9BY;

Alan Armstrong & Associates Ltd,
76 Park Road,
London NW1 4SH;

Association of County Councils,
Eaton House,
66a Eaton Square,
London SW1W 9BH;

Athlone Press
44 Bedford Row,
London WC1R 4LY;

Automobile Association
Publishing Division,
Fanum House,
Basingstoke,
Hampshire RG21 2EA;

Bailey Bros & Swinfen Ltd,
Warner House,
Folkestone,
Kent CT19 6PH;

Batsford (B.T.) Ltd,
4 Fitzhardinge Street,
London W1H OHA;

BBC Enterprises (Publications Division),
Woodlands, 80 Wood Lane,
London W12 OTT;

Beaconsfield Publishers Ltd,
20 Chiltern Hills Road,
Beaconsfield,
Buckinghamshire HP9 1PL;

Bedford Square Press,
26 Bedford Square,
London WC1B 3HU;

Better Books,
15a Chelsea Road,
Lower Weston,
Bath BA1 3DU;

BFI Publishing,
British Film Institute,
21 Stephen Street,
London W1P 1PL;

Bibliagora,
PO Box 77,
Feltham,
Middlesex TW14 8JF;

Black (A. & C.) (Publishers) Ltd,
35 Bedford Row,
London WC1R 4JH;

Blackie & Son Ltd,
7 Leicester Place,
London WC2H 7BP;

Blackwell (Basil) Ltd,
108 Cowley Road,
Oxford OX4 1JF;

Blackwell Scientific Publications Ltd,
Osney Mead,
Oxford OX2 OEL;

Book Data Limited,
Northumberland House,
2 King Street,
Twickenham,
Middlesex TW1 3RZ;

Book Guild Ltd,
Temple House,
25 High Street,
Lewes,
East Sussex BN7 2LU;

Books from India (UK) Ltd,
45 Museum Street,
London WC1A 1LR;

Boyars (Marion) Publishers Ltd,
24 Lacy Road,
London SW15 1NL;

British Library,
Bibliographic Services,
2 Sheraton Street,
London W1V 4BH;

British Museum (Natural History),
Cromwell Road,
London SW7 5BD;

British Museum Publications Ltd,
46 Bloomsbury Street,
London WC1B 3QQ;

Burke Publishing Co. Ltd,
Pegasus House,
116-120 Golden Lane,
London EC1Y OTL;

Calder (John) (Publishers) Ltd,
18 Brewer Street,
London W1R 4AS;

Cambridge University Press,
Publishing Division,
The Edinburgh Building,
Shaftesbury Road,
Cambridge CB2 2RU;

Cassell plc,
Artillery House,
Artillery Row,
London SW1;

Castle House Publications Ltd,
28-30 Church Road,
Tunbridge Wells,
Kent TN1 1JP;

Cave (Paul) Publications Ltd,
74 Bedford Place, Southampton,
Hampshire S01 2DF;

CSP Economic Publications Ltd,
Cotswold,
Heol-y-Parc,
Pentyrch,
Nr Cardiff CF4 8ND;

The Central Bureau,
Seymour Mews House,
Seymour Mews,
London W1H 9PE;

Century Hutchinson Ltd,
Brookmount House,
62-65 Chandos Place,
London WC2N 4NW;

Chambers (W. & R.) Ltd,
43-45 Annandale Street,
Edinburgh EH7 4AZ;

Church House Publishing,
Church House,
Great Smith Street,
London SW1P 3NZ;

Clarke (James) and Co. Ltd,
PO Box 60,
50/52 Kingston Street,
Cambridge CB1 2NT;

Collet's (Publishers) Ltd,
Denington Estate,
Wellingborough,
Northamptonshire NN8 2QT;

Collins (William) plc,
Glasgow G4 ONB;

Constable & Co. Ltd,
10 Orange Street,
London WC2H 7EG;

Consumers' Association
2 Marylebone Road,
London NW1 4;

Costello,
43 The High Street,
Tunbridge Wells,
Kent TN1 1XL;

Covenant Publishing Co. Ltd,
6 Buckingham Gate,
London SW1E 6JP;

Curzon Press Ltd,
42 Gray's Inn Road,
London WC1;

Darton, Longman & Todd Ltd,
89 Lillie Road,
London SW6 1UD;

David & Charles Publishers plc,
Brunel House,
Forde Road,
Newton Abbot,
Devon TQ12 4PU;

Dawson (Wm) & Son Ltd,
Cannon House,
Folkestone,
Kent CT19 5EE;

Dent (JM) & Sons Ltd,
33 Welbeck Street,
London W1M 8LX;

Andre Deutsch Ltd,
105-106 Great Russell Street,
London WC1B 3LJ;

Drake Educational Associates,
St Fagan's Road,
Fairwater,
Cardiff CF5 3AE;

East Anglia Resource Organisation,
The Resource Centre,
Back Hill,
Ely,
Cambridgeshire CB7 4DA;

East-West Publications (UK) Ltd,
Newton Works,
27-29 Macklin Street,
London WC2B 5LX;

Edinburgh University Press,
22 George Square,
Edinburgh EH8 9LF;

Educational Evaluation Enterprises,
Awre,
Newnam,
Gloucestershire GL14 1ET;

Educational Data Information Ltd,
Westlands Cottage,
Green Lane,
Shipleybridge,
Horley,
Surrey RH6 9TG;

EITB Publications,
54 Clarendon Road,
Watford WD1 1LB;

Elsevier Applied Science Publishers Ltd,
Crown Road,
Linton Road,
Barking,
Essex IG11 8JU;

Elvendon Press,
The Old Surgery,
High Street,
Goring-on-Thames,
Reading,
Berks RG8 9AW;

Encyclopaedia Britannica International Ltd,
Carew House,
Station Approach,
Wallington,
Surrey SM6 ODA;

European Schoolbooks (Publishing) Ltd,
Croft Street,
Cheltenham,
Gloucestershire GL53 OHX;

Evans Brothers Ltd,
2a Portman Mansions,
Chiltern Street,
London W1M 1LE;

Faber & Faber Ltd,
3 Queen Square,
London WC1N 3AU;

Floris Books,
21 Napier Road,
Edinburgh EH10 5AZ;

Foulsham (W.) & Co. Ltd,
Yeovil Road,
Slough,
Berkshire SL1 4JH;

Foundational Book Co. Ltd,
PO Box 659,
London SW3 6SJ;

Freeman (W.H.) & Co. Ltd,
20 Beaumont Street,
Oxford OX1 2NQ;

French (Samuel) Ltd,
52 Fitzroy Street,
London W1P 6JR;

Gibbons (Stanley) Publications Ltd,
5 Parkside,
Christchurch Road,
Ringwood,
Hampshire BH24 3SH;

Mary Glasgow Publications Ltd,
Avenue House,
131-133 Holland Park Avenue,
London W11 4UT;

Gollancz (Victor) Ltd,
14 Henrietta Street,
London WC2E 8QJ;

Gower Publishing Group Ltd,
Gower House,
Croft Road,
Aldershot, Hampshire GU11 3HR;

Grosvenor Books,
54 Lyford Road,
London SW18 3JJ;

Guiness Superlatives Ltd,
33 London Road,
Enfield,
Middlesex EN2 6DJ;

Haigh & Hochland Ltd,
The Precinct Centre,
Oxford Road,
Manchester M13 9QA;

Harcourt Brace Jovanovich Ltd,
24-28 Oval Road,
London NW1 7DX;

Harper & Row Ltd,
Middlesex House,
34-42 Cleveland Street,
London W1P 5FB;

Harveys Bookshop Ltd,
Magna Road,
Weston,
Leicester LE8 22H;

Headquarters Publishing Co. Ltd,
5 Alexandria Avenue,
West Ealing,
London W13 ONP;

Health Education Authority,
78 New Oxford Street,
London WC1A 1AH;

Christopher Helm Publishers Ltd,
Imperial House,
21-25 North Street,
Bromley,
Kent BR1 1SD;

Herbert Press,
46 Northchurch Road,
London N1 4EJ

Her Majesty's Stationery Office,
St Crispins,
Duke Street,
Norwich NR3 1PD;

Hodder & Stoughton Ltd,
Mill Road,
Dunton Green,
Sevenoaks,
Kent TN13 2YA;

Holmes-McDougall Ltd,
Allander House,
137-141 Leith Walk,
Edinburgh EH6 8NS;

Home Health Education Service,
Alma Park,
Grantham,
Lincolnshire NG31 9SL;

Hotel and Catering Training Board,
International House,
High Street,
Ealing,
London W5 5DB;

Hurst (C.) & Co. (Publishers) Ltd,
38 King Street,
London WC2E 8JT;

Immel Publishing Ltd,
Ely House,
37 Dover Street,
London W1X 3RB;

Ingham Jennie Associates/Ingham Yates,
64-68 Camden High Street,
London NW1 OLT;

Intercept Ltd,
PO Box 402,
Wimborne,
Dorset BH22 9TZ;

International Defence and Aid Fund for Southern Africa,
Canon Collins House,
64 Essex Road,
London N1 8LR;

International Thomson Organisation,
1st Floor, Quandrangle,
180 Wardour Street,
London W1A 4YG;

Inter-Varsity Press,
38 de Montfort Street,
Leicester LE1 7GP;

IOP Publishing Ltd,
Techno House,
Redcliffe Way,
Bristol BS1 6NX;

IRL Press,
PO Box 1,
Eynsham,
Oxford OX8 1JJ;

Islamic Texts Society,
5 Gren Street,
Cambridge CB2 3JU;

James & James,
75 Carleton Road,
London N7 OET;

Johnson Publications Ltd,
130 Wigmore Street,
London W1H OAT;

Jonquil Publishing,
Unit One,
Parsons Green Estate,
Bolton Road,
Stevenage,
Hertfordshire SG1 4OQ;

Kershaw Publishing Co. Ltd,
7 Bury Place,
London WC1A 2LA;

Kimber (William) & Co. Ltd,
100 Jermyn Street,
London SW1Y 6EE;

Kingsway Publications Ltd,
Lottbridge Drove,
Eastbourne,
East Sussex BN23 6NT;

Kluwer UK Ltd,
Africa House,
64-68 Kingsway,
London WC2B 6BD;

Kogan Page Ltd,
120 Pentonville Road,
London N1 9JN;

Language Teaching Publications,
35 Church Road,
Hove,
East Sussex BN3 2BE;

Leicester University Press,
Fielding Johnson Building,
University of Leicester,
University Road,
Leicester LE1 7RH;

Leisure Circle Ltd,
York House,
Empire Way,
Wembley,
Middlesex HA9 OPF;

Letterland Ltd,
33 New Road,
Barton,
Cambridge CB3 7AY;

Charles Letts & Co. Ltd,
Diary House,
77 Borough Road,
London SE1 1DW;

H.K. Lewis & Co. Ltd,
136 Gower Street,
London WC1E 6BS;

Lexis Publishing,
49 Whitechapel Street,
Didsbury,
Manchester M20 OTX;

Library Association Publishing Ltd,
7 Ridgmount Street,
London WC1E 7AE;

Lion Publishing plc,
Icknield Way,
Tring,
Hertfordshire HP23 4LE;

Liverpool University Press,
P.O. Box 147,
Liverpool L69 3BX;

London Chamber of Commerce & Industry,
69 Cannon Street,
London EC4N 5AB;

Longman Group UK Ltd,
Longman House,
Burnt Mill,
Harlow,
Essex CM20 2JE;

Lucis Press Ltd,
Suite 54,
3 Whitehall Court,
London SW1A 2EF;

Manchester University Press,
Oxford Road,
Manchester M13 9PL;

Mansk-Svenska Publishing Co. Ltd,
17 North View,
Peel,
Isle of Man;

Mantra Publishing Ltd,
36 Woodlands Avenue,
London N3 2NR;

Mason (Kenneth) Publications Ltd,
The Old Harbourmaster's,
8 North Street,
Emsworth,
Hampshire P010 7DD;

Maxwell Communication Corp.,
3rd Floor,
Greater London House,
Hampstead Road,
London NW1 7QW;

McGraw-Hill Book Co. (UK) Ltd,
McGraw-Hill House,
Shoppenhangers Road,
Maidenhead,
Berkshire SL6 2QL;

Megiddo Press Ltd,
Grosvenor House,
20 St Andrews Crescent,
Cardiff,
South Glamorgan CF1 3DD;

Methodist Publishing House,
20 Ivatt Way,
Westwood,
Peterborough PE3 7PG;

Miller (Harvey) Ltd,
20 Marryat Road,
London SW19 5BD;

Mills & Boon Ltd,
Eaton House,
18-24 Paradise Road,
Richmond,
Surrey TW9 1SR;

Montrose Music & Book Publishers,
44 Princes Drive,
Sale Moor,
Sale,
Cheshire M33 3JB;

Mowbray (A.R.) & Co. Ltd,
28 Margaret Street,
London W1N 7LB;

Murray (John) (Publishers) Ltd,
50 Albemarle Street,
London W1X 4BD;

National Christian Education Council
Robert Denholm House,
Nutfield,
Redhill,
Surrey;

National Magazine Co. Ltd,
National Magazine House,
72 Broadwick Street,
London W1V 2BP;

National Portrait Gallery,
2 St Martins Place,
London WC2 OHE;

Newpoint Publishing Co. Ltd,
Newpoint House St James' Lane,
London N10 3DF;

Nisbet (James) & Co. Ltd,
78 Tilehouse Street,
Hitchin,
Hertfordshire SG5 2DY;

Old Vicarage Publications,
The Old Vicarage,
Reades Lane,
Dane in Shaw,
Congleton,
Cheshire CW12 3LL;

Omnibus Press,
8/9 Frith Street,
London W1V 5TZ;

Oneworld Publications,
1c Standbrook House,
Old Bond Street,
London W1X 3TD;

Open University,
Publishing Division,
Walton Hall,
Milton Keynes MK7 6AA;

Ordnance Survey,
Romsey Road,
Maybush,
Southampton S09 4HD;

Osmosis Publications,
8 Holyrood Street,
London SE1 2EL;

Owen (Peter) Ltd,
73 Kenway Road,
London SW5 ORE;

Oxford University Press,
Walton Street,
Oxford OX2 6DP;

Paternoster Press Ltd,
3 Mount Radford Crescent,
Exter EX2 4JW;

Pavilion Books Ltd,
196 Shaftesbury Avenue,
London WC2H 8JL;

Peterloo Poets,
2 Kelly Gardens,
Calstock,
Cornwall PL18 9SA;

Phaidon Press Ltd,
Littlegate House,
St Ebbe's Street,
Oxford OX1 1SQ;

Philograph Publications Ltd,
Riverside Road,
Pottington Industrial Estate,
Barnstaple,
North Devon EX31 1LR;

Pinter (Frances) Ltd,
25 Floral Street,
London WC2E 9DS;

Plenum Publishing Co. Ltd,
88-90 Middlesex Street,
London E1 7EZ;

Policy Studies Institute,
100 Park Village East,
London NW1 3SR;

Random House UK Ltd,
9 Bow Street,
London WC2E 7AL;

Reader's Digest Association Ltd,
25 Berkeley Square,
London W1X 6AB;

Reed Publishing Ltd,
Butterworth & Co (Publishers) Ltd,
88 Kingsway,
London WC2B 6AB;

Riad El-Rayyes Books Ltd,
4 Sloane Street,
London SW1X 9LA;

Riversdown Publications Ltd,
Riversdown House,
Warnford,
Southampton,
Hampshire S03 1LH;

Robertson Research Int. Ltd,
Llandudno
Gwynedd LL30 15A;

Robson Books Ltd,
Bolsover House,
5-5 Clipstone Street,
London W1P 7EB;

Ruskin Book Services Ltd,
15 Comberton Hill,
Kidderminster,
Worcestershire DY10 1QG;

Sage Publications Ltd,
28 Banner Street,
London EC1Y 8QE;

Sangam Books Ltd,
57 London Fruit Exchange,
Brushfield Street,
London E1 6EP;

Saqi Books,
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London W2 5RH;

SCDC Publications,
Newcombe House,
45 Notting Hill Gate,
London W11 3JB;

Schofield & Sims Ltd,
Dogley Mill,
Fenay Bridge,
Huddersfield HD8 ONQ;

Scholarstown Educational Publishers,
London House,
26-40 Kensington High Street,
London W8 4PF;

Scholastic Publications Ltd,
Marlborough House,
Holly Walk,
Leamington Spa,
Warwickshire CV32 4LS;

SCM Press Ltd,
26-30 Tottenham Road,
London N1 4BZ;

Scripture Union Publishing,
130 City Road,
London EC1V 2NJ;

Shaw & Sons Ltd,
Shaway House,
Bell Green Lane,
Lower Sydenham,
London SE26 5AE;

Shepheard-Walwyn (Publishers) Ltd,
Suite 34,
26 Charing Cross Road,
London WC2H ODH;

Simon & Schuster International Group,
West Garden Place,
Kendal Street,
London W2 2AQ;

Society for Promoting Christian Knowledge,
Holy Trinity Church,
Marylebone Road,
London NW1 4DU;

Sourakia Publishing House,
S House,
Lantern's Court,
Mill Harbour,
Isle of Dogs,
London E14 9TN;

Souvenir Press Ltd,
43 Great Russell Street,
London WC1B 3PA;

Spindlewood,
70 Lynhurst Avenue,
Barnstaple,
Devon EX31 2HY;

Springer-Verlag London Ltd,
37A & 43 Church Road,
Wimbledon,
London SW19 5DQ;

Michael Standfield Ltd,
Murdock Road,
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Tadpole Books Ltd,
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London W6 9LZ;

Taylor & Francis Ltd,
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London WC1B 3QP;

Thorsons Publishing Group Ltd,
Denington Estate,
Wellingborough,
Northamptonshire NN8 2RQ;

Times Books Ltd,
16 Golden Square,
London W1R 4BN;

Transworld Publishers Ltd,
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London W5 5SA;

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Ulverscroft Large Print Books,
The Green,
Bradgate Road,
Anstey,
Leicester LE7 7FU;

Unwin Hyman Ltd,
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London W1V 1FP;

Vine Publishing Ltd,
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Aberdeen AB2 4YF;

Virago Press,
41 William IV Street,
London WC2N 4DB;

Ward Lock Educational Co. Ltd,
47 Marylebone Lane,
London W1M 6AX;

Ward's Publishing Services,
Swains Mill,
4a Crane Mead,
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Carlisle,
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Watts (Franklin) Ltd,
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London W1R 4BA;

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Hove,
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Westmorland Gazette (Westminster Press Ltd),
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Hampshire GU33 7HY;

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Baffins Lane,
Chichester,
Sussex PO19 1UD;

Wilson (Philip) Publishers Ltd,
26 Litchfield Street,
London WC2H 9NJ;

Wolfe Medical Publications Ltd,
Brook House,
2-16 Torrington Place,
London WC1E 7LT;

World Publishing,
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Bletchley,
Buckinghamshire MK1 1QU;

World of Information,
21 Gold Street,
Saffron Walden,
Essex CB10 1EJ;

Yale University Press London,
13 Bedford Square,
London WC1B 2JF;

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London N1 9BU.

ANNEX II

List of signatories to the Net Book Agreement between publishers who are not members of the Publishers Association

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Addlestone,
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London W1X 8LB;

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4 Charlecot Road,
Droitwich,
Worcestershire WR9 7RP;

Anglo-German Foundation for the Study of Industrial Society,
17 Bloomsbury Square,
London WC1A 2LP;

Artemis Press Ltd,
c/o Vision Press Ltd,
Fulham Wharf,
Townmead Road,
London SW6 2SB;

Art Guide Publications Ltd,
15 Needham Road,
London W11 2RP;

Artworks Publicity & Publishing Ltd,
PO Box 333,
Maldon,
Essex CM9 6EY;

Aurum Press,
33 Museum Street,
London WC1A 1LD;

Bachman & Turner,
9 Cork Street,
Mayfair,
London W1X 1PD;

Blandford Publishing Ltd,
Artillery House,
Artillery Row,
London SW1P 1RT;

Book Club Associates,
Smith/Doubleday House,
87 Newman Street,
London W1P 4EN;

Carcanet Press,
208-212 Corn Exchange,
Manchester M4 3BQ;

Frank Cass & Co. Ltd,
Gainsborough House,
11 Gainsborough Road,
London E11 1RS;

Catholic Truth Society Inc.,
38-40 Eccleston Square,
London SW1V 1DP;

University of Chicago Press,
126 Buckingham Palace Road,
London SW1W 9SD;

Child's Play (International) Ltd,
Ashworth Road,
Bridgemead,
Swindon,
Wiltshire SN5 7YD;

Clio Press Ltd,
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Oxford OX1 1JG;

William Clowes & Sons Ltd,
c/o Hymns Ancient and Modern Ltd,
St Mary's Works,
St Mary's Plain,
Norwich,
Norfolk NR3 3SH;

Clyde Services Ltd,
Clyde House,
Reform Road,
Maidenhead,
Berkshire SL6 8BU;

Conservative Political Centre,
32 Smith Square,
Westminster,
London SW1P 3HH;

Cranfield Press,
Cranfield Institute of Technology,
Cranfield,
Bedfordshire MK43 0AL;

Darwen Finlayson Ltd,
Shopwyke Hall,
Chichester,
West Sussex PO20 6BQ;

Dorling Kindersley Ltd,
9 Henrietta Street,
London WC2E 8PS;

DP Publications Ltd,
12 Romsey Road,
Eastleigh,
Hampshire SO5 4AL;

Drake Education Associates,
St Fagans Road,
Fairwater,
Cardiff CF5 3AE;

Educational Evaluation Enterprises,
Awre,
Newnam,
Gloucestershire GL14 1ET;

Eland,
53 Eland Road,
London SW11 5JX;

Aidan Ellis Publishing Ltd,
Cobb House,
Nuffield,
Henley-on-Thames,
Oxon RG9 5RT;

Eurofi (UK) Ltd,
Guildgate House,
Pelican Lane,
Newbury,
Berkshire RG13 1NX;

Europa Publications Ltd,
18 Bedford Square,
London WC1B 3JN;

Facts on File Publications,
Collins Street,
Oxford OX4 1XJ;

Filmscan/Lingual House,
Linguaphone Institute Ltd,
Beavor Lane,
London W6 9AR;

Folio Society,
202 Great Suffolk Street,
London SE1 1PR;

Forbes Publications Ltd,
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London W2 3JH;

G. T. Foulis & Co. Ltd,
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Gordon Fraser Book Publishers,
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Sevenoaks,
Kent TN14 5EP;

Graham & Trotman Ltd,
Sterling House,
66 Wilton Road,
London SW1V 1DE;

Charles Griffin & Co. Ltd,
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London W11 3HL;

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Stamford Street,
Ashton-under-Lyme,
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London NW3 4ER;

Robert Hale Ltd,
Clerkenwell House,
Clerkenwell Green,
London EC1R 0HT;

The Hamlyn Publishing Group Ltd,
Bridge House,
69 London Road,
Twickenham,
Middlesex TW1 3SB;

The Harvester Press Ltd,
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Sparkford,
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Somerset BA22 7JJ;

Headline Book Publishing PLC,
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79 Great Titchfield Street,
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Ormskirk,
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Ellis Horwood Ltd,
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Institute of Development Studies,
University of Sussex,
Brighton,
East Sussex BN1 9RE;

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International Music Publications,
Woodford Trading Estate,
Southend Road,
Woodford Green,
Essex IG8 0JA;

Interscience Publishers Ltd,
Baffins Lane,
Chicester,
West Sussex PO19 1UD;

Kelly's Directories Ltd,
c/o Dial Industry Publications,
Windsor Court,
East Grinstead House,
East Grinstead,
West Sussex RH19 1XA;

G. H. Lake & Co. Ltd,
33 Station Road,
Bexhill-on-Sea,
Sussex;

Learning Development Aids,
Duke Street,
Wisbech,
Cambridgeshire PE13 2AE;

Level Ltd,
4 Highview,
Holford Road,
London NW3 1AG;

A. Lewis (Masonic Publishers) Ltd,
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Coombelands House,
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Weybridge KT15 1HY;

The Linguaphone Institute Ltd,
Linguaphone House,
Beavor Lane,
London W6 9AR;

Lund Humphries Publishers Ltd,
16 Pembridge Road,
London W11 3HL;

Macmillan Ltd,
4 Little Essex Street,
London WC2R 3LF;

J. Garnet Miller Ltd,
311 Worcester Road,
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Worcestershire WR14 1AN;

Modern English Publications,
PO Box 129,
Oxford OX2 8JU;

Motor Racing Publications Ltd,
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46 Pitlake,
Croydon,
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NCLC Publishing Society Ltd,
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New Left Books,
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London W1V 5LF;

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Edinburgh EH2 4YN;

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Stylite Publishing Ltd,
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The Swedenborg Society,
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London WC1A 2TH;

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