

Merger to Yield Legal-Publishing Giant

Observers divided over whether Thomson-West deal will benefit attorneys

BY RICHARD C. REUBEN

In a move that could alter the way lawyers get and use legal information, two of the country's largest legal publishers have announced they intend to join forces.

Thomson Corp., a Canadian company, plans to acquire the venerable West Publishing Co. of Eagan, Minn., for about \$3.43 billion.

West is the country's largest publisher of primary legal documents, such as cases and statutes. It also owns the online data base Westlaw. Thomson is the nation's largest publisher of secondary source materials, such as treatises and other analytical products.

Thomson officials predict the merger will yield products that go "far beyond what either of us could have developed separately."

For example, Thomson general counsel Michael Harris says the combined company will be able to create "hypertext links" between West and Thomson materials in its electronic products. That means attorneys can click on an opinion and jump to a secondary cited material, such as American Law Reports.

Most industry experts see the merger as a good fit. As one put it, "They're both quality companies that put out quality products."

Yet reaction to the proposed sale among law librarians has been cautious. Robert L. Oakley, Washington affairs representative for the American Association of Law Libraries, says the group will not oppose the merger, although it has some concerns about its effects.

Among other things, the deal could stifle product competition, raise prices and lead to fewer products, Oakley says.

Rhode Island's state law librarian, Kendall F. Svengalis, calls the move "very troubling because it eliminates options for the consumer." He fears the merged company may drop titles that are duplicative and may refuse to renew licenses

for its products with online competitor Lexis-Nexis.

Ruth Stanoch, West's manager of government, media and association relations, shrugs off such concerns. "There is little overlap, if any, of our products," she says.

But Svengalis points out that the only commercial competitors publishing U.S. Supreme Court opinions are West and the Thomson

materials," he says.

Thomson general counsel Harris says the merged companies have no plans to discontinue products or raise prices.

Alan Sugerman, president of CD-ROM legal publisher HyperLaw, predicts the buy out will put the squeeze on smaller publishers.

Currently, he says, competition among West, Thomson and Reed-Elsevier PLC, which owns Lexis-Nexis, creates a healthy tension. "After the sale, it may be 'easier for them to get away with sweetheart deals,'" he charges.

Merger at a Glance

West Publishing	Thomson Corp.
<ul style="list-style-type: none">● Founded: 1876● Headquarters: Eagan, Minn.● Employees: 7,000● 1995 sales: \$827 million● 1995 earnings: \$206 million● Publications include: Corpus Juris Secundum, U. S. Code Annotated, Supreme Court Reporter, online data base Westlaw. <p><small>Sources: Company reports and industry estimates; product comparison by Kendall Svengalis</small></p>	<ul style="list-style-type: none">● Founded: 1934● Headquarters: Toronto● Employees: 48,000● 1995 sales: \$7 billion● 1995 earnings:● Companies include: Lawyers Cooperative Publishing, Clark Boardman Callaghan, Shepard's/McGraw Hill● Publications include: American Jurisprudence; United States Code Service; United States Supreme Court Digest, Lawyers' Edition.

subsidiary, Lawyer's Cooperative. They respectively publish Supreme Court Reports and U.S. Supreme Court Reports, Lawyer's Edition

Similarly, the new Thomson would own all major national legal encyclopedias and all annotated U.S. Codes, says Svengalis, author of the *Legal Information Buyer's Guide and Reference Manual 1996*. In some states, such as New York and California, the company would publish virtually all primary and secondary law materials.

Svengalis also worries that Thomson will increase prices. In 1987, Lawyer's Co-op marketed its American Jurisprudence legal encyclopedia for \$584. Thomson bought that company in 1989, and by 1994 the price was \$1,450. "There are lots of similar kinds of price increases that run throughout their secondary

Sleeping Giants?

Taking a more optimistic view, legal information analyst Donna Tuke Heroy says the merger ultimately may lead to more competition and options for lawyers.

Publishing giants like Thomson and Reed Elsevier may be too big to react quickly to changes in the marketplace, says Heroy, who edits the Chicago-based newsletter, *Legal Information Alert*. It may leave a gap that smaller companies can fill.

Harris says he "feels confident" the deal will get antitrust clearance from the U.S. Justice Department.

Currently, the department also is investigating the computer-assisted legal research industry, says spokesperson Gina Talamona. But Justice dropped another probe into whether West's copyright claims to the interior page numbers of its opinions are anticompetitive.

That earlier inquiry was undertaken partly at the urging of a Ralph interest group affiliated with Nader called Taxpayer Assets Project. Its director, Jamie Love, says the organization register its objections to the West-Thomson deal, but it will not lead a fight to stop it.