

# Insights



## Benjamin Sirota on DOJ's Broad Antitrust Stance Against Penguin and Simon & Schuster Deal

November 9, 2021

Publication: ***Bloomberg Law***

The U.S. Department of Justice's (DOJ) attempt to stop publisher Penguin Random House's acquisition of its competitor, Simon & Schuster, advances a legal theory beyond the traditional antitrust standard. Kobre & Kim's Benjamin Sirota, a former federal antitrust prosecutor, analyzed the lawsuit when he spoke with *Bloomberg Law*.

U.S. antitrust regulators usually look at how mergers would directly harm consumers by increasing prices or reducing choice. However, the DOJ argues that Penguin's deal with Simon & Schuster would harm workers – namely authors – through monopsony. “It's flipping on its head the traditional view that looks at how sellers adversely affect buyers of goods and services and instead looks at how companies are using their buying power to somehow penalize the sellers,” Mr. Sirota observed.

The lawsuit signals that the Biden administration is looking beyond consumer welfare to scrutinize anticompetitive behavior, focusing on broader dynamics between and among producers, suppliers and workers. “This case is part of a larger trend of focusing on perceived problems in the labor market,” Mr. Sirota explained. “This is a labor market case.”

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