FACT SHEET: WGA Files Lawsuit to Block Paramount-Warner Bros. Discovery Merger

Filed: July 14, 2026

Court: United States District Court for the Northern District of California

Plaintiffs: WRITERS GUILD OF AMERICA, WEST, INC., and WRITERS GUILD OF AMERICA, EAST, INC.

Defendants: PARAMOUNT SKYDANCE CORPORATION, and WARNER BROS. DISCOVERY, INC.

WGA Complaint

Overview

- Paramount Skydance and Warner Bros. Discovery are two of the largest vertically integrated film and television studios. If Paramount succeeds in buying Warner Bros., the merged firm will be the largest buyer of original film and television programming in the United States, eliminating vigorous competition from a major film and television studio that has operated for more than a century.
- The proposed Paramount-Warner Bros. merger ("Merger") threatens the economic and creative health of the American entertainment industry, and, if permitted, film and television writers will be harmed.

Increased Market Concentration from Proposed Merger

In the named markets, a small group of powerful companies including Warner and Paramount compete for access to writing work. Each of these markets currently features high levels of concentration that will be significantly increased if Paramount and Warner are combined, enabling the merged firm to reduce output—resulting in fewer films and series and fewer writers employed—and to put downward pressure on writer compensation and other deal terms.

Market	Major Competitors	Paramount-Warner Bros. Market share
Writing for Big Budget Theatrical Films Writing services for anticipated top grossing theatrical films are a distinct category of creative labor that differs from writing services for limited release, independent or direct-to-streaming films due to cultural impact and commercial demands of the work.	Disney, NBCUniversal, Paramount, Warner Bros., Sony	35%
Writing for Episodic Series Episodic series writers are a distinct labor market where the work is structured around the need for creating years-long stories beyond a single season or episode. Competitors in this space are vertically integrated companies that produce	Disney, NBCUniversal, Paramount, Warner Bros., Netflix Studios, Apple	36%

series primarily for their own affiliated streaming services, making it difficult for independent players to compete.	Studios, Amazon MGM	
Writing Services on Overall Deals Writers on overall deals are the most highly sought after and compensated writers in television, able to command a premium for their exclusivity to a given studio for a defined term to create or develop television series for that studio as well as provide services on existing series. There has been a decline in the number of writers on overall deals, in part because a lack of competition creates de facto exclusivity without the studios having to pay for it.	Disney, NBCUniversal, Paramount, Warner Bros., Netflix Studios, Apple Studios, Amazon MGM	38%

Merger Review Standards

Under the U.S. Department of Justice and Federal Trade Commission 2023 Merger Guidelines, a merger that results in a market concentration **in excess of 30%** and increases concentration by **more than 100 points on the Herfindahl-Hirschman Index** ("HHI") is **presumptively anticompetitive**.

As detailed in the table above, the Paramount-Warner Bros. combined entity would command a market share in excess of 30% across several relevant markets for film and television writers' services. Additionally, the merged firm would increase HHI concentration levels by more than 400 points and up to over 700 points in these markets, in excess of the thresholds set by the merger guidelines.

Witness Quotes from Complaint

David Koepp
Screenwriter
Spider-Man, *Jurassic Park*, *Mission: Impossible*

> "The practical consequence [of the Disney-Fox merger] for screenwriters was immediate and categorical. Writers stopped submitting projects to Fox as had been our practice. Not because anyone issued a directive, but because the creative identity that made Fox a meaningful buyer had been absorbed into Disney's priorities. Disney's identity is clear: Lucasfilm, Marvel, Pixar, live-action remakes of animated films, and a small number of Fox legacy projects. An original adult thriller, a political drama, a mid-budget character study, none of those belong in Disney's creative program, and every working writer understands that. The buyer that Fox represented did not migrate to Disney. It disappeared."

Shawn Ryan
Television showrunner, writer, and producer
The Shield, *The Unit*, *Timeless*, *S.W.A.T.*, *The Night Agent*

> "My experience at Sony Pictures Television shows the effects of this harmful trend toward vertical integration. Toward the end of my time at Sony, it was increasingly difficult to get the

shows I was pitching sold and produced, especially at the main four broadcast networks. This is because Sony does not have vertically integrated television or major streaming distribution channels that it can use to deliver its series to audiences. Instead, Sony licenses its projects to third-party platforms and networks that distribute its programs in exchange for a fee. Other distributors would previously purchase programs from Sony, such as *S.W.A.T.,* by paying a licensing fee to defray costs of producing the show. But because the remaining major studios had vertically integrated, combining production with distribution, it became comparatively much more expensive to license a show from Sony than for the studio-distributor to produce it in-house. This had the effect of disadvantaging Sony's writers by making their shows harder to sell, causing fewer to be produced, and leading to earlier cancellations of their shows on the air. By the end of my overall deal at Sony Pictures Television we had been instructed that Sony wouldn't even try to sell dramas to the four broadcast networks, except under very special low-cost circumstances."

Mike Schur
Television showrunner, writer, and producer
Saturday Night Live, The Office, Parks & Recreation, The Good Place

"Overall deals are, at their core, a competitive instrument. Previously, if a studio did not secure a writer with an overall deal, the writer, actively employed by one studio as a writer on staff, could walk across the street and develop a new show for a competitor. As consolidation has reduced the number of independent buyers and vertical integration has made cross-company sales increasingly rare, that competitive threat has materially weakened. The result is a market in which overall deals are offered less frequently, to fewer writers, on shorter terms, and at lower guaranteed compensation. This is at least in part because the competitive pressure that once incentivized studios to pay for exclusivity has been replaced by a market in which exclusivity is in effect already guaranteed by the consolidation itself, not because the work writers provide has become less valuable."

"What I came to understand is that the studios had become so horizontally consolidated (through corporate mergers) and vertically siloed (the buyers incentivized to purchase shows only from their "hometown" studios) that the deal terms at which a seller was willing to sell, and at which an outside buyer was willing to buy, no longer overlapped. Even when both sides had an interest in making a show together and wanted to close the deal based on the creative package, no deal could be reached. I had never experienced this before and it signaled to me that something fundamental had broken in the market."

Adam McKay
Screenwriter
Don't Look Up, *Anchorman: The Legend of Ron Burgundy*, *Step Brothers*, *The Big Short*

"The remaining studios today are no longer independent creative entities. They are divisions of massive conglomerates with political exposure and financial relationships extending far beyond the entertainment industry. Those pressures shape what gets made. In my more than thirty years in this industry, the creative mandate has never been as subordinate to the corporate mandate as it is today.”