



Department of Justice

FOR IMMEDIATE RELEASE
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The Department of Justice filed today an antitrust suit charging Westinghouse Electric Corporation and two Japanese companies with conspiring to restrain trade between the United States and Japan through restrictive patent and technology licensing agreements.

The Japanese concerns are Mitsubishi Electric Corporation and Mitsubishi Heavy Industries, Ltd., both of Tokyo.

Attorney General John N. Mitchell said the civil action, charging violation of Section 1 of the Sherman Act, was filed in the United States District Court in San Francisco, California.

The complaint alleged that Westinghouse, which is headquartered in Pittsburgh, Pennsylvania, maintains agreements with each of the Japanese companies for the exchange of patent and technology licenses relating to a large number of electrical and other products.

Richard W. McLaren, Assistant Attorney General in charge of the Antitrust Division, said the agreements have had the effect of preventing sales by the Mitsubishi companies of licensed products in the United States and

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sales by Westinghouse in Japan.

The products that are the subject of the agreements include power transformers, switch gear and distribution apparatus, industrial control equipment, refrigerators, television sets, air conditioning equipment, and elevators.

The Japanese sell approximately \$225 million of the licensed products in countries other than the United States each year.

The suit charged that:

-- Westinghouse and Mitsubishi have agreed not to sell the licensed products in each other's home country, regardless of whether such products are patented or not.

-- Westinghouse required the Japanese companies to accept a broader license than they desired, thus extending the territorial restrictions to additional products.

-- Westinghouse and the Japanese companies agreed to make royalty payments to each other, irrespective of whether the products on which royalties were payable were patented or were produced by using the licensed technology.

The complaint said the defendants entered into "side letters," whose purpose was to retain in effect the original provisions of the agreements which themselves were formally amended because of the Japanese Government's objections.

The suit alleged that the agreements prevented Mitsubishi Electric from bidding on the sale of electrical equipment on projects for the Sacramento Municipal Utility District, the California Department of Water Resources, and the United States Bureau of Reclamation.

The suit asked the court to terminate the agreements between Westinghouse and the Japanese companies. In addition, it asked that the defendants be ordered to grant reasonable royalty licenses under their respective U. S. and Japanese patents in order to permit Westinghouse to sell the licensed products in Japan and to permit the Japanese companies to sell the licensed products in the United States.

The complaint also asked for an injunction against Westinghouse maintaining any similar licensing agreements which prevent foreign parties from selling in the United States or which prevent Westinghouse from selling in foreign countries.

McLaren said the Government of Japan had been consulted prior to the filing of the suit.

Westinghouse is the 17th ranking industrial corporation in the United States in sales. In 1968, its net sales amounted to approximately \$3.3 billion.

Mitsubishi Electric is one of the largest manufacturers of heavy and light electric machinery in Japan and ranks approximately 80th in sales among the 200 largest industrial corporations outside the United States. Its total annual sales are approximately \$675 million.

Mitsubishi Heavy Industries is the largest heavy industry company in Japan, with total annual sales of approximately \$1.6 billion. It ranks approximately 13th in sales among the 200 largest industrial corporations outside the United States.