



# Department of Justice

FOR IMMEDIATE RELEASE  
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The Department of Justice filed a civil antitrust suit in New York today charging the nation's major manufacturers of airplanes and airplane parts and accessories with eliminating competition in research and development of patentable inventions relating to airplane production.

Acting Attorney General Richard G. Kleindienst said the complaint, which named the Manufacturers Aircraft Association, Inc. and 20 of its present and former stockholder-members as defendants, was filed in the U.S. District Court in Manhattan.

The suit charged that, as a result of a patent pooling and cross licensing agreement first entered into by the association and its members in 1928, the group has engaged in a contract and combination to eliminate competition in research and development of airplane patents and patentable inventions, in the manufacture of such inventions, and in the purchase of airplane patents from other parties, in violation of Section 1 of the Sherman Act.

In addition to the association, the complaint named the following firms as defendants:

-- Aeronca, Inc., Middletown, Ohio

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-- Beech Aircraft Corporation, Wichita, Kansas

-- Bell Aerospace Corp., Buffalo, New York

-- Boeing Company, Seattle, Washington

-- Cessna Aircraft Company, Wichita, Kansas

-- Curtiss-Wright Corporation, Wood Ridge, New

Jersey

-- Fairchild Hiller Corporation, Germantown,

Maryland

-- General Dynamics Corporation, New York, New York

-- Goodyear Aerospace Corporation, Akron, Ohio

-- Grumman Aircraft Engineering Corp., Bethpage,

New York

-- Kaman Corp., Bloomfield, Connecticut

-- Ling-Temco-Vought, Inc., Dallas, Texas

-- Lockheed Aircraft Corporation, Burbank,

California

-- Martin-Marietta Corporation, New York, New York

-- McDonnell Douglas Corporation, St. Louis,

Missouri

-- North American Rockwell Corporation, El Segundo,

California

-- Northrop Corporation, Beverly Hills, California

-- Piper Aircraft Corporation, Lock Haven,

Pennsylvania

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-- Ryan Aeronautical Co., San Diego, California  
-- United Aircraft Corporation, East Hartford,  
Connecticut

Acting Assistant Attorney General Walker B. Comegys, head of the Antitrust Division, stated that most of the airplanes manufactured in the United States are made by members of MAA.

According to the complaint, the 1928 patent agreement between MAA and its members continues in force at the present time and provides for the pooling and cross licensing of all airplane patents among MAA members, the refusal of any party to obtain rights under any airplane patent in a manner which would prevent other MAA members from obtaining similar rights on the same terms, and the compulsory arbitration of disputes among MAA members over compensation for the use of airplane patents.

As a result of the patent agreement, the suit charged that competition among the defendants in the research, development, manufacture, and sale of airplanes has been restricted and eliminated; competition in the purchase of airplane patents and patentable inventions has been restricted and suppressed; and the research and development of patentable inventions for airplanes has been hindered and delayed.

Airplane patents are defined in the complaint as meaning any patent covering inventions for or capable of use in or in connection with an airplane.

The suit asked that MAA be dissolved, that the patent pooling agreement be cancelled, and that the defendants be enjoined from entering into any similar agreement in the future.