U. S. Department of Justice



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RESTONIC CORPORATION CHARGED WITH CRIMINAL CONTEMPT FOR VIOLATION OF 1960 CONSENT DECREE

WASHINGTON, D.C. -- The Department of Justice's Antitrust Division has brought criminal contempt charges against a Chicago bedding company for allegedly violating an agreement it made more than 30 years ago to stop assigning geographic territories to its licensees for the distribution of its products.

The case, filed November 21, against the company, known as Restonic Corporation, is the Justice Department's first antitrust enforcement effort using the criminal contempt laws since 1990.

In May, 1960, the Department brought suit against Restonic and three other companies who licensed trademarks for the sale of mattresses, alleging that each had violated Section One of the Sherman Act, by conspiring with its licensee owners to allocate territories and fix resale prices. At the same time, Restonic entered into a consent decree resolving those charges.

Restonic owns the Restonic and associated trademarks as well as various patents for the manufacture of mattresses and licenses its trademarks to manufacturers who sell Restonic brand mattresses across the United States. These licensees in turn own all the

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stock of Restonic.

Assistant Attorney General Anne K. Bingaman said that the charges arose from a federal grand jury investigation in Chicago, Illinois. Bingaman said, "This investigation demonstrates that the Antitrust Division expects all parties bound by court-ordered decrees to obey those decrees. We will act swiftly and surely to see that any violations of existing decrees are punished."

The investigation was conducted by the Division's Chicago Field Office with assistance from the U.S. Attorney's office in Chicago.

The criminal statute under which Restonic was charged does not establish a maximum penalty.

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