

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA,  
Plaintiff,

v.

WESTINGHOUSE ELECTRIC CORPORATION,  
Defendant.

CIVIL ACTION NO. 72-507

FILED: June 23, 1972

COMPLAINT

The United States of America, plaintiff, by its attorneys, acting under the direction of the Attorney General of the United States, brings this civil action to obtain equitable relief against the above-named defendant, and complains and alleges as follows:

I

JURISDICTION AND VENUE

1. This complaint is filed under Section 4 of the Act of Congress of July 2, 1890 (15 U.S.C. § 4), as amended, commonly known as the Sherman Act, in order to prevent and restrain the continuing violation by the defendant, as hereinafter alleged, of Section 1 of said Act (15 U.S.C. § 1).

2. The defendant Westinghouse Electric Corporation maintains an office, transacts business and is found within the Western District of Pennsylvania.

II

THE DEFENDANT

3. The Westinghouse Electric Corporation, hereinafter referred to as Westinghouse, is made the defendant herein. Westinghouse is a corporation organized and existing under

the laws of the Commonwealth of Pennsylvania, with its principal place of business in Pittsburgh, Pennsylvania.

### III

#### TRADE AND COMMERCE

4. Westinghouse is the second largest manufacturer in the United States of equipment and appliances for the generation, transmission, utilization and control of electricity. Its products include electrical and related mechanical equipment required by electric power companies, railroads, city transit systems, and industrial plants, electrical and propulsion equipment for the Navy and marine industry, and electrical equipment for the aviation and aerospace industries. Westinghouse also manufactures nuclear reactors and a wide variety of household consumer appliances and products. In 1970, Westinghouse's total sales amounted to \$4,313,410,000, ranking it approximately thirteenth among industrial companies in the United States.

5. Westinghouse has major production plants in Pennsylvania, Maryland, Ohio, New York, California and New Jersey and has smaller production plants throughout the United States. It has numerous sales offices, distributors and dealers throughout the United States and in foreign countries.

6. Westinghouse purchases substantial quantities of materials and services from other companies for use in its operations. Many of these same companies make substantial purchases from Westinghouse.

7. Westinghouse's purchases of materials and services are made in interstate and foreign commerce. Products

produced by Westinghouse are shipped in interstate and foreign commerce to customers located throughout the United States and in foreign countries.

IV

OFFENSE CHARGED

8. Since at least as early as 1962, and continuing to the date of this complaint, the defendant has violated Section 1 of the Sherman Act (15 U.S.C. § 1) by entering into combinations involving reciprocal purchasing arrangements whereby the defendant purchased materials and services sold by various suppliers upon the understanding that said suppliers, or their suppliers, would purchase the products of the defendant, or the products of customers of the defendant, in unreasonable restraint of the aforesaid trade and commerce.

9. Pursuant to the aforesaid combinations the defendant has done, among other things, the following:

a. Utilized purchase and sales data in determining from which suppliers purchases would be made and the extent to which such suppliers should be permitted to participate in supplying defendant's requirements of materials and services;

b. Discussed with actual and potential suppliers and customers their sales and purchase positions relative to the defendant;

c. Purchased materials and services from particular suppliers on the understanding that such suppliers would reciprocate by purchasing products from the defendant.

V

EFFECTS

10. The aforesaid violations by the defendant have had the following effects, among others:

- a. Competitors of the defendant in the sale of various products have been foreclosed from selling substantial quantities thereof to firms that are supplier-customers of the defendant; and
- b. Actual and potential suppliers of various materials and services required by the defendant have been foreclosed from selling substantial quantities thereof to the defendant.

PRAYER

WHEREFORE, the plaintiff prays:

1. That the aforesaid combinations between the defendant and its suppliers involving reciprocal purchasing arrangements be adjudged and decreed to be in violation of Section 1 of the Sherman Act (15 U.S.C. § 1).

2. That the defendant Westinghouse and its officers, directors, agents and all other persons acting on behalf of defendant, be perpetually enjoined from:

- a. Entering into or adhering to any contract, agreement or understanding with any actual or potential customer or supplier involving reciprocal purchasing arrangements;
- b. Communicating to actual or potential customers or suppliers that it will place its purchases with or give preference to companies which purchase from the defendant;
- c. Communicating to actual or potential customers or suppliers statistics comparing

purchases of materials and services by the defendant from such companies with sales by the defendant to such companies;

d. Compiling statistics which compare Westinghouse's purchases of materials or services from companies with sales by the defendant to such companies; and

e. Transmitting to personnel with sales responsibilities information concerning purchases by the defendant from particular suppliers, transmitting to personnel with purchasing responsibilities information concerning sales by the defendant to particular companies, or otherwise implementing any program involving reciprocity.

3. That this Court order the defendant to abolish any functions or duties that are assigned to any of its officials or employees which relate to the conduct of a program to effectuate reciprocal purchasing arrangements.

4. That this Court order the defendant to advise each of its suppliers and customers, by written notice, that the defendant will not enter into reciprocal purchasing arrangements and that this Court order the defendant to furnish a copy of the Final Order of this Court to each such supplier and customer.

5. That Plaintiff have such other relief as the nature of the case may require and the Court may deem just and proper.

6. That the Plaintiff recover the costs of this  
action.

  
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