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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,)
)
Plaintiff,) Civil Action No. 73-1472-WPG
)
v.) FILED: June 27, 1973
)
INDUSTRIAL ELECTRONIC) COMPLAINT INVOLVING 15 U.S.C.
ENGINEERS, INCORPORATED,) § 2; MONOPOLIZATION
)
Defendant.)

COMPLAINT

The United States of America, plaintiff, by its attorneys, acting under the direction of the Attorney General of the United States, brings this action against the defendant named herein and complains and alleges as follows:

I

JURISDICTION AND VENUE

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

2. The defendant transacts business and is found within the Central District of California.

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II

THE DEFENDANT

3. Industrial Electronic Engineers, Incorporated (hereinafter referred to as IEE) is made the defendant herein. IEE is a corporation organized and existing under the laws of the State of California, with its principal place of business in Van Nuys, California. During the period of time covered by this complaint, IEE has engaged in the business of manufacturing and marketing electronic display devices, principally rear projection readouts. IEE's sales of rear projection readout devices and accessory equipment for the fiscal year ending April 1971 amounted to approximately \$5,500,000.

III

TRADE AND COMMERCE

4. Rear projection readout devices consist of one or more optical systems which project various images on the rear of a translucent screen for front viewing. These devices utilize miniature illuminating lamps, film containing the images to be projected, lenses or equivalent optical components to condense, focus, and aim the illuminated images, a translucent viewing screen on which images are rear projected for front viewing, a housing containing the aforesaid parts, and electrical circuitry for activating the desired image. These devices are used to display a message (e.g., numbers, letters, words, phrases, symbols, or colors) in selected display positions on instrument panels of many types, such as those for aircraft equipment, computers, sophisticated medical equipment, automatic control consoles, stock quotation devices, and information and display boards.

5. The defendant IEE is the largest manufacturer of rear projection readouts in the United States, having manufactured and sold in excess of 85 percent of all rear projection readouts

1 domestically manufactured and sold annually since 1958. IEE has
2 its principal manufacturing plant located in Southern California
3 and markets rear projection readouts throughout the United States.
4 Substantial quantities of materials used in the manufacture of
5 rear projection readouts have been purchased by IEE from sources
6 located outside the State of California and have been shipped in
7 interstate commerce to IEE's plants located in California.
8 Substantial quantities of rear projection readouts have been
9 manufactured and distributed by IEE in interstate commerce to
10 purchasers located in states other than California.

11 6. The design, manufacture, and sale of rear projection
12 readouts require highly specialized knowledge in optics, mechanical
13 design, quality control, and technical skill in adapting these
14 devices to customer requirements. The design and performance
15 capabilities of rear projection readouts are unique; rear
16 projection readouts have been recognized as a separate line of
17 commerce by the defendant and the industry by the manner in which
18 they manufacture and market these devices. Moreover, for a
19 substantial class of customers, the design and performance of
20 rear projection readouts are unduplicated by any other type of
21 readout or electronic display device.

22
23 IV

24 VIOLATION ALLEGED

25 7. Beginning sometime prior to January 1964, the exact date
26 being unknown to the plaintiff, and continuing thereafter up to
27 and including the date of the filing of this complaint, the
28 defendant has monopolized the aforesaid interstate trade and
29 commerce in rear projection readout devices, in violation of
30 Section 2 of the Sherman Act. Said violation is continuing and
31 will continue unless the relief hereinafter prayed for is granted.
32

1 (c) Potential producers have been discouraged or
2 prevented from entering into the business of
3 manufacturing and selling rear projection
4 readout devices;

5 (d) Defendant can and does fix and control prices
6 of rear projection readout devices at artificial
7 and noncompetitive levels; and

8 (e) Rear projection readout customers have been
9 deprived of the opportunity to purchase said
10 devices in an open and competitive market.

11
12 PRAYER

13 WHEREFORE, the plaintiff prays:

14 1. That the aforesaid conduct and acts be adjudged and
15 decreed to be unlawful and in violation of Section 2 of the
16 Sherman Act (15 U.S.C. § 2).

17 2. That IEE, its successors, assigns and transferees, and
18 the respective officers, directors, agents, employees, and all
19 persons acting or claiming to act on behalf thereof, be perpetually
20 enjoined and restrained from continuing to carry out, directly or
21 indirectly, the acts and conduct hereinbefore alleged, or from
22 engaging in any other acts, practices, program, plan, or device
23 having a similar purpose or effect.

24 3. That the Court order the defendant to take such action
25 with respect to its existing patents on or concerning rear
26 projection readout devices as is necessary to restore competitive
27 conditions among existing and potential producers of rear
28 projection readout devices.

29 4. That defendant be enjoined for a period of years from
30 acquiring any patents, trademarks, trade names, designs, or know-
31 how relating to rear projection readouts from any person or
32 company, except from a person in defendant's employment at the

1 time such patents, trademarks, trade names, designs or know-how
2 were developed.

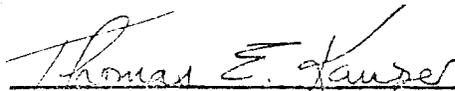
3 5. That defendant be enjoined for a period of years from
4 acquiring any stocks, bonds, notes or capital assets of any rear
5 projection readout competitor or potential competitor.

6 6. That plaintiff have such other and different relief as
7 the nature of the case and the Court may deem just and proper.

8 7. That plaintiff recover the costs of this action.

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