

UNITED STATES DISTRICT COURT

DISTRICT OF CONNECTICUT

UNITED STATES OF AMERICA,

Plaintiff,

vs.

THE TORRINGTON COMPANY,

Defendant.

Civil Action No. 4840

FINAL JUDGMENT

Plaintiff, United States of America, having filed its complaint herein on March 30, 1954; defendant, having appeared and filed its answer to such complaint, denying the substantive allegations thereof; and plaintiff and defendant by their attorneys herein, having severally consented to the entry of this Final Judgment without trial or adjudication of any issue of fact or laws herein, and without admission by any party in respect of any such issue;

NOW, THEREFORE, before any testimony has been taken herein, and without trial or adjudication of any issue of fact or law herein, and upon the consent of the parties hereto, it is hereby

ORDERED, ADJUDGED AND DECREED as follows:

I

This Court has jurisdiction of the subject matter herein and of the parties hereto. The complaint states a cause of action against defendant under Sections 1 and 2 of the Act of Congress of July 2, 1890, entitled "An Act to protect trade and commerce against unlawful restraints and monopolies", commonly known as the Sherman Act, as amended.

II

As used in this Final Judgment:

(A) "Sewing machine needles" means all needles used in any type of sewing machine;

(B) "Shoe machine needles" means all needles and awls used in any type of shoe manufacturing or repairing machine;

(C) "Knitting machine needles" means all needles used in any type of knitting machine;

(D) "Subsidiary" means a corporation owned or controlled by the defendant and engaged in the production or marketing of sewing machine needles, shoe machine needles or knitting machine needles in the United States;

(E) "Person" means an individual, partnership, firm, association, corporation, other than a subsidiary, or any other business or legal entity.

III

The provisions of this Final Judgment shall apply to the defendant and its subsidiaries, successors, assigns, officers, agents, servants, employees, and attorneys, and to those persons in active concert or participation with the defendant who receive actual notice of this Final Judgment by personal service or otherwise.

IV

Defendant is enjoined and restrained:

(A) From engaging in, participating in, maintaining or carrying out any contract, agreement, arrangement or understanding with any sewing machine manufacturer or seller or shoe machine manufacturer or seller or any other person to refrain from selling or otherwise supplying sewing machine needles or shoe machine needles to any person;

(B) From suggesting or recommending to any person or attempting to enforce the price or prices, discounts or terms or conditions for the resale of shoe machine and sewing machine needles.

V

Defendant is ordered and directed:

(A) To sell to all prospective purchasers in the United States all of the types, sizes and kinds of sewing machine and shoe machine needles manufactured by it, without discrimination as to availability,

price or terms and conditions of sale and payment as it may from time to time lawfully establish, provided that with respect to sewing machine needles now made by defendant pursuant to plans or specifications furnished to it by others, it may provide in lieu thereof, equivalent needles which are in all respects interchangeable therewith and of equivalent dimensions, characteristics, purpose and quality.

With respect to such equivalent needles, it shall, within ninety days after the entry of this Final Judgment, establish a stock on hand of those types and sizes of needles corresponding to 70% of the volume customarily supplied each sewing machine builder. This stock shall be established in quantities of types and sizes equal to a minimum of 10% of those of the corresponding needles supplied each machine builder and shall be maintained in quantities sufficient to meet orders which it might reasonably anticipate on the basis of experience;

(B) To manufacture sewing machine needles, or equivalents thereof as defined in (A) above, and shoe machine needles, customarily manufactured by it but which are not in stock at any particular time, for all prospective purchasers without discrimination as to availability, price or terms and conditions of sale and payment as it may from time to time lawfully establish;

(C) To manufacture sewing machine needles or shoe machine needles, which are of a special design, i.e., not already manufactured by defendant, which it is equipped to make, when ordered in quantities sufficient to permit profitable production, without discrimination as to availability, price or terms and conditions of sale and payment as it may from time to time lawfully establish. Provided, however, that during any period of time defendant may refuse all orders for needles of a special design.

VI

Nothing contained in paragraphs V (A) and (B) above, shall be interpreted to prevent the defendant from giving to any person purchasing needles for resale, functional discounts otherwise lawful or from requiring that such persons, in order to qualify as jobbers or dealers,

perform the regular functions of jobbers and dealers such as purchasing a specified number of needles per month, carrying adequate stocks to serve their customers, and, in the case of jobbers, employing a sales force and extending credit to customers.

VII

Nothing contained in Section V of this Final Judgment shall be deemed to require defendant:

(A) To sell to any person needles manufactured by defendant bearing the trademark or trade name of any other person; or

(B) To sell to any person needles in a package or container bearing the trademark or trade name of any other person, or the design or label of which is covered by a copyright owned or controlled by any other person;

(C) To sell to any person sewing machine needles or equivalents thereof, manufactured at the present time by defendant with special tools or machines now supplied by any other person, except that defendant shall sell like needles upon being supplied with such tools and machines by the prospective purchaser. Provided, however, that defendant shall not agree to manufacture sewing machine needles exclusively for any person with tools or machines supplied to it after the date of this Final Judgment.

As used above, special tools and machines include only that equipment used in the actual manufacturing of sewing machine needles and not gauges or other equipment used for the testing of sewing machine needles.

VIII

In any civil suit or proceeding instituted by the plaintiff after the entry of this Final Judgment, in which defendant's compliance or non-compliance with the provisions of Section V shall be an issue, the burden of proof shall be upon the defendant to establish that it has complied with the provisions of Section V.

IX

Defendant is enjoined and restrained from acquiring, directly or

indirectly, the business, physical assets or good will, or any capital stock of any person engaged in the manufacture, distribution or sale of sewing machine needles, shoe machine needles or knitting machine needles in the United States unless the defendant has, upon reasonable notice to the Attorney General with an opportunity on the part of the latter to be heard, shown to this Court that the effect of such acquisition may not be to substantially lessen competition or tend to create a monopoly, in any section of the country, in the manufacture, sale or distribution of sewing machine needles, shoe machine needles or knitting machine needles; provided, however, that this paragraph shall not apply to transactions between the defendant and its subsidiaries.

X

Defendant is ordered and directed within 60 days after the entry of this Final Judgment to serve a copy thereof upon each sewing machine builder and shoe machine builder for whom defendant has manufactured sewing machine needles or shoe machine needles within the five-year period preceding the date of this Final Judgment.

XI

Defendant is ordered and directed within 90 days from the date of this Final Judgment to advertise in a conspicuous manner in two trade papers or journals - one of which shall have a general circulation in the shoe manufacturing industry and the other of which shall have a general circulation in the garment industry - that pursuant to this Final Judgment, sewing machine and shoe machine needles are available as provided herein to all purchasers without discrimination as to availability, price or other terms or conditions of sale.

The substance and size of such advertisements shall be in a form satisfactory to the plaintiff.

XII

Defendant is enjoined and restrained from entering into, performing, adhering to, maintaining or furthering directly or indirectly or claiming any rights under, any contract, agreement, understanding, plan or program

with any person which is inconsistent with the provisions of this Final Judgment.

XIII

For the purpose of securing compliance with this Final Judgment, duly authorized representatives of the Department of Justice shall, on written request of the Attorney General or the Assistant Attorney General in charge of the Antitrust Division and on reasonable notice to defendant made to the principal office of defendant, be permitted, subject to any legally recognized privilege when determined by this Court, (1) access, during the office hours of defendant, to all books, ledgers, accounts, correspondence, memoranda and other records and documents in the possession of or under the control of defendant, relating to any matters contained in this Final Judgment, and (2) subject to the reasonable convenience of defendant but without restraint or interference from defendant, to interview officers or employees of defendant, who may have counsel present, regarding any such matters. Upon written request of the Attorney General, or the Assistant Attorney General in charge of the Antitrust Division, defendant shall submit such reports in writing with respect to the matters contained in this Final Judgment as may from time to time be reasonably necessary to the enforcement of this Final Judgment. Information obtained by the means permitted in this Section XIII shall not be divulged by any representative of the Department of Justice to any person other than a duly authorized representative of the Department of Justice except in the course of legal proceedings for the purpose of securing compliance with this Final Judgment in which the United States is a party or as otherwise required by law.

XIV

Jurisdiction of this cause is retained by this Court for the purpose of enabling either of the parties to this Final Judgment to apply to this Court at any time for such further orders and directions as may be necessary or appropriate for the construction or carrying out of this Final Judgment, for the amendment or modification of any of

the provisions thereof, for the enforcement of compliance therewith,
and for the punishment of violations thereof.

Dated: January 29th, 1957

/s/ Robert P. Anderson
United States District Judge

We consent to the making and entry of the foregoing Final
Judgment:

For Plaintiff United States of America:

/s/ Victor R. Hansen
Assistant Attorney General

/s/ John D. Swartz

/c/ W. D. Kilgore, Jr.

/s/ Lawrence Gochberg

/s/ Baddia J. Rashid

/s/ Edward F. Corcoran

/s/ Richard B. O'Donnell

Attorneys,
Department of Justice

For the Defendant:

CHADBOURNE PARKE WHITESIDE & WOLFF

/s/ By Horace G. Hitchcock

GUMBART CORBIN TYLER & COOPER

/s/ By Morris Tyler