

## **Trade Regulation Reporter - Trade Cases (1932 - 1992), United States v. Patent Button Company., U.S. District Court, D. Connecticut, 1946-1947 Trade Cases ¶57,579, (Jun. 27, 1947)**

United States v. Patent Button Company.

1946-1947 Trade Cases ¶57,579. U.S. District Court, D. Connecticut. Civil Action No. 1854. June 27, 1947.

**A consent judgment entered in an action charging violations of the Sherman Act enjoins defendant from tying the use of fastening machinery sold or leased by it to the purchase of its button fasteners, or from engaging in practices which have a similar effect. Defendant is required to license at reasonable royalties fastening machinery patents owned or controlled by it.**

For plaintiff: Tom C. Clark, Attorney General; Wendell Berge, Assistant Attorney General; Robert A. Nitschke and Grant W. Kelleher, Special Assistant Attorneys General; Lawrence W. Somerville and Don Banks, Assistant Attorneys General, all of Washington, D. C.; and Adrian W. Maher, United States Attorney, Hartford, Conn.

For defendant: Robinson, Robinson & Cole, Lucius W. Robinson, James M. Carlisle, Hartford, Conn.

Before Smith, District Judge.

### *Final Judgment*

The plaintiff, United States of America, having filed its complaint in this action on July 30, 1946; defendant, Patent Button Company, having appeared and filed its answer to said complaint denying the substantive allegations thereof; and the plaintiff and said defendant by their respective attorneys having consented to the entry of this final judgment herein:

NOW, THEREFORE, before the taking of any testimony, and without trial or adjudication of any issue of fact or law herein, and without any admission by any party with respect to any such issue, and upon the consent of the parties hereto, the Court being advised and having considered the matter it is hereby

ORDERED, ADJUDGED AND DECREED, as follows:

### I

#### *[ Jurisdiction and Cause of Action ]*

This Court has jurisdiction of the subject matter of this action and of the parties to this judgment; the complaint states a cause of action against defendant, Patent Button Company, under the Act of Congress of July 2, 1890, as amended, entitled "An Act to Protect Trade and Commerce Against Unlawful Restraints and Monopolies", said Act being commonly known as the "Sherman Anti-trust Act", and under the Act of Congress of October 15, 1914, as amended entitled "An Act to Supplement Existing Laws Against Unlawful Restraints and Monopolies, and For Other Purposes", amendatory thereof and supplementary thereto, said Act being commonly known as the "Clayton Act".

### II

#### *[ Definition of Terms ]*

When used in this final judgment, the following terms have the meanings assigned respectively to them below:

- (a) "Fasteners" means tack-attached or staple-attached buttons, rivets, burrs, and snap fasteners for the fastening of clothing.
- (b) "Fastening machinery" means machinery and accessories for attaching fasteners to clothing.
- (c) "Existing patents" means all presently issued United States letters patent owned or controlled by defendant, Patent Button Company, or under which it has power to issue licenses or sublicenses, relating to fastening machinery, consisting of the following numbered United States patents:

1789034	2261281
1821953	2265574
1832764	2265575
1876854	2265576
1901386	2267872
1901375	2357268
1955521	2377263
2201053	

and renewals, reissues, divisions and extensions of any such patents.

### III

#### [ Parties Subject to Decree]

The provisions of this judgment applicable to defendant Patent Button Company shall apply to each of its subsidiaries, successors, and assigns, and to each of its officers, directors, agents, nominees, employees. and to any other person acting under, through or for such defendant.

### IV

#### [ Acts Enjoined]

Defendant, Patent Button Company be and hereby is enjoined and restrained from:

- A. Leasing or making any sale or contract, or adhering to any contract for the sale or lease of fastening machinery, whether patented or unpatented, for use or resale within the United States, or any territory thereof, or the District of Columbia, or any insular, possession or other place under the jurisdiction of the United States, or from fixing a price charged therefor or discount from or rebate upon such price, on the condition, agreement, or understanding that the lessee or purchaser thereof shall not purchase, use or deal in the fasteners of a competitor or competitors of defendant, Patent Button Company.
- B. Conditioning the availability of fastening machinery or parts or repairs thereof upon the securement of fasteners from the defendant Patent Button Company or any other designated source.
- C. Removing fastening machinery from the premises of any lessee because such lessee purchases, uses, or deals in fasteners manufactured or sold by any person other than defendant.
- D. Engaging in, or participating in, contracts, agreements, understandings or arrangements having the purpose or effect of continuing, reviving, or renewing any of the violations of the anti-trust laws alleged in paragraph 6 to 8 inclusive, in the complaint herein.
- E. Conditioning any license or immunity, expressed or implied, to practice any invention related to fastening machinery claimed in any United States patent by the tying of any license or immunity for such invention to the purchase or securement of fasteners or any similar product or article from the defendant Patent Button Company or any other designated source.
- F. Instituting or threatening to institute or maintaining any suit, counter-claim or proceeding, judicial or administrative, for infringement or to collect charges, damages, compensation or royalties alleged to have accrued prior to the date of this judgment under any existing patent.

### V

#### [ Licenses To Be Granted]

Defendant Patent Button Company be and hereby is directed to grant to any applicant making a written request therefor a non-exclusive, non-assignable and unrestricted license, save for and at a uniform reasonable royalty, under any or all existing patents as listed in Section II (c). Any applicant for such license who fails to agree with defendant Patent Button Company upon a reasonable royalty may apply to this court upon thirty days

notice to defendant Patent Button Company and to the Attorney General at Washington, D. C. to determine the reasonable royalty for such license.

## VI

Nothing in this judgment, shall prevent defendant Patent Button Company from availing itself of the benefits of (a) the Act of Congress of April 10, 1918, commonly called the Webb-Pomerene Act, (b) the Act of Congress of 1937, commonly called the Miller-Tydings Proviso to Section 1 of the Act of Congress of July 2, 1890, entitled "An Act to Protect Trade and Commerce Against Unlawful Restraints and Monopolies", or (c) save as elsewhere in this judgment provided of the patent laws.

## VII

### [ Access to Records and Documents]

For the purpose of securing compliance with this judgment and for no other purpose, duly authorized representatives of the Department of Justice shall upon written request of the Attorney General or an Assistant Attorney General, and upon reasonable notice to the defendant, Patent Button Company, made to its principal office, be permitted, subject; to any legally recognized privilege, (1) access during the office hours of said defendant, to all books, ledgers, accounts, correspondence, memoranda, and other records and documents in the possession or under the control of said defendant relating to any matters contained in this judgment, and (2) subject to the reasonable convenience of said defendant and without restraint or interference from it, to interview officers or employees of such defendant, who may have counsel present, regarding any such matters; provided, however, that no information obtained by the means provided in this paragraph shall be divulged by any representative of the Department of Justice to any person other than a duly authorized representative of such Department except in the course of . legal proceedings, to which the United States is a party, for the purpose of securing compliance with this judgment, or as otherwise required by law.

## VIII

### [ Jurisdiction Retained]

Jurisdiction of this cause is retained for the purpose of enabling any of the parties to this judgment to apply to the Court at any time for such further orders and directions as may be necessary or appropriate for the construction or carrying out of this judgment, for the amendment, modification, or termination of any of the provisions thereof, for the enforcement of compliance therewith, and for the punishment of violations thereof.