

**Trade Regulation Reporter - Trade Cases (1932 - 1992), United States v. Grinding Wheel Manufacturers Association; Norton Company; The Carborundum Company; Bay State Abrasive Products Co., Inc.; Simonds Abrasive Company; Macklin Company., U.S. District Court, D. Massachusetts, 1946-1947 Trade Cases ¶57,644, (Nov. 19, 1947)**

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United States v. Grinding Wheel Manufacturers Association; Norton Company; The Carborundum Company; Bay State Abrasive Products Co., Inc.; Simonds Abrasive Company; Macklin Company.

1946-1947 Trade Cases ¶57,644. U.S. District Court, D. Massachusetts. Civil No. 6636. November 19, 1947.

**A consent judgment entered in an anti-trust proceeding against five manufacturers of abrasive devices and an association of manufacturers orders dissolution of the association, requires each defendant individually to revise its price lists, and prohibits any agreements among manufacturers fixing prices, discounts or other terms of sale, or establishing classifications of customers.**

For plaintiff: John F. Sonnett, Assistant Attorney General; Robert A. Nitsckke, Sigmund Timberg, Grant W. Kelleher, Elliott H. Meyer, Richard B. O'Donnell, Special Assistants to the Attorney General.

For defendants: Stobbs, Stockwell & Tilton, George R. Stobbs; Hale & Dorr, J. N. Welch; Webster, Sheffield & Horan, Bethuel M. Webster; Gage, Hamilton & June, Paris Fletcher; T. Ewing Montgomery; Withington, Cross, Park & McCann, John S. McCann.

**FINAL JUDGMENT**

SWEENEY, D. J.: Plaintiff, United States of America, having filed its complaint herein on March 26, 1947, and all the defendants having appeared and filed their answers to such complaints denying the substantive allegations thereof; and all the parties hereto by their attorneys herein having severally consented to the entry of this final judgment herein without trial or adjudication of any issue of fact or law herein and without admission by any defendant in respect of any such issue;

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

ORDERED, ADJUDGED AND DECREED as follows:

[ *Jurisdiction*]

I

The Court has jurisdiction of the parties to this judgment; and for the purposes of this judgment and proceedings for the enforcement thereof, the Court has jurisdiction of the subject matter hereof; and the complaint states a cause of action 'against the defendants and each of them under [Section 1 of the Sherman Act](#) (15 USC § 1).

[ *Terms Defined*]

II

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

A. "Artificial abrasive devices" means grinding wheels, rubbing bricks, sharpening stones, segments, blocks, solid discs and similar devices used for similar purposes (but does not mean coated abrasives).

B. "Subsidiary" means a company in excess of 50 per cent of the voting stock of which is held by another company.

C. "Parent" means any company owning in excess of 50 per cent of the voting stock of any other company.

[ *Applicability*]

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### III

The provisions of this judgment applicable to the defendant manufacturers apply to their successors, officers, directors, agents, employees, and to any other person acting under, through, or for such defendants.

#### [ *Practice Enjoined* ]

### IV

Each of the defendants is hereby perpetually enjoined and restrained from entering into, adhering to, maintaining or furthering any agreement, understanding, combination or conspiracy with any manufacturer of artificial abrasive devices:

A. To fix, determine, designate or adhere to periods of time during which or for which offers, sales, contracts for sales, and obligations to buy and sell artificial abrasive devices shall be made or entered into with, or required of, others.

B. To establish, maintain, or adhere to any basic price list or list price formula, or any other means of determining or fixing prices, discounts, charges and allowances (including handling charges and allowances for returns or purchases), or any other term or condition of sale or purchase of artificial abrasive devices to be quoted to or by, or required of or by, others.

C. To classify purchasers or distributors or to maintain or adhere to any classification of purchasers or distributors or to any lists, formula or other means for classifying purchasers or distributors.

D. To fix, determine, or maintain charges, allowances, discounts or any other term and condition for the repurchase or handling of artificial abrasive devices from or for any other person, including any government or governmental agency.

#### [ *Dissolution Ordered* ]

### V

The defendant Grinding Wheel Manufacturers Association shall be dissolved within three months of the date of this judgment.

#### [ *Revision of Price Lists* ]

### VI

Each defendant manufacturer is hereby ordered to review and within a period of seven years from the date of this judgment to discontinue the use of its present price list for artificial abrasive devices. The failure of any defendant manufacturer, within a period of seven years from the date of this judgment, to revise its price list for artificial abrasive devices, other than devices the price of which is presently controlled under patent license agreements, to the extent of at least 50 per cent of its present dollar sales volume of devices the price of which is not controlled under such patent license agreements, shall be deemed *prima facie* evidence of failure to comply with this paragraph. Each defendant manufacturer shall within seven years from the date of this judgment file with the Court, and serve by registered mail upon the Department of Justice, an affidavit showing compliance with this paragraph.

### VII

Nothing contained herein shall be deemed to adjudicate, determine, or affect the legality or illegality of any agreement involving solely relationships between:

A. A defendant manufacturer and its subsidiaries.

B. A defendant manufacturer or its subsidiaries and a parent.

C. Subsidiaries of any such manufacturer or their subsidiaries.

### VIII

Nothing in this judgment shall prevent any defendant 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) the patent laws. Paragraph VI hereof shall not be deemed to adjudicate, determine, or affect the legality or illegality of any patent license agreement.

[ *Inspection to Secure Compliance*]

IX

For the purposes of securing compliance with this judgment, and for no other purpose, duly authorized representatives of the Department of Justice shall, on written request of the Attorney General or an Assistant Attorney General, and on reasonable notice to any defendant manufacturer, be permitted, subject to any legally recognized privilege, (a) reasonable access, during the office hours of such defendant, to all books, ledgers, accounts, correspondence, memoranda, and other records and documents in the possession or under the control of such defendant, relating to any matters contained in this judgment, and (b) subject to the reasonable convenience of such defendant, and without restraint or interference, to interview officers and employees of such defendant, who may have counsel present, regarding any such matters; provided that information obtained by the means permitted in this paragraph shall not be divulged by any representative of the Department of Justice to any person other than a duly authorized representative of the Department except in the course of legal proceedings for the purpose of securing compliance with this judgment in which the United States is a party or as otherwise required by law.

[ *Jurisdiction Retained*]

X

Jurisdiction of this action 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 modification or termination of any of the provisions thereof, for the enforcement or compliance therewith and punishment of violations thereof.