

UNITED STATES v. KEYSTONE WATCH CO.

IN THE DISTRICT COURT OF THE UNITED STATES,
EASTERN DISTRICT OF PENNSYLVANIA.

In Equity No. 773.

UNITED STATES OF AMERICA, PETITIONER,

VS.

THE KEYSTONE WATCH CASE COMPANY, CALEB F. FOX,
EDWARD T. STOTESBURY, JOHN G. MUELLER, CHARLES
M. FOGG, F. H. KAIN AND IRVING SMITH, DEFENDANTS.

FINAL DECREE.

(Filed June 4, 1915.)

Per Curiam.

This cause having come on for final hearing, and having been argued by counsel before three circuit judges under the Expediting Act of February 11, 1903, as amended June 25, 1910, and the pleadings, proofs and arguments having been considered, and the opinion of the Court having been filed, it is now, the fourth day of June, 1915, ordered, adjudged and decreed:

First: That the above named defendants have combined together in violation of the Anti-Trust Act of Congress of July 2, 1890, in the following respects, namely:

(1) They have unlawfully restrained, or attempted to restrain, the trade of the Keystone Watch Case Company's competitors, and also the trade of certain wholesale dealers or jobbers in filled watchcases, by the following means:

(a) By selecting a certain number of the largest and most prominent jobbers or wholesalers of filled watchcases in the United States, and by sending to each of them the following letter, with the purpose and object of establishing an unlawful policy and system of price-fixing, and of restraining the lawful trade of their competitors and the lawful trade of such dealers;

"THE KEYSTONE WATCH CASE COMPANY,
"NINETEENTH AND BROWN STS.,
"Philadelphia, January 15, 1910.

"DEAR SIR: We enclose herewith our new price list which we are mailing to the retail trade today. These prices are subject to the usual catalogue discount and the case discount only.

"We also enclose memoranda of the prices at which Boss, Crescent, Planet, Crown, and Silveroid cases and Excelsior watches will be billed in future to our jobbers. These prices are net, subject to cash discount only.

"These prices are confidential.

"For the best interests of our business we have determined to sell our goods exclusively to jobbers whom we

find voluntarily conforming to our wishes as to the disposition by them of such goods.

"We shall make all specific sales, except of Howard watches, without any restrictions whatever.

"Whether or not our wishes as hereinafter stated be complied with, we shall from time to time exercise our right to select the jobbers to whom we shall sell our goods, and we shall, irrespective of any past dealings, refuse to sell to those jobbers who, in our opinion, handle our goods in a manner detrimental to our interests, or whose dealings with us are in any other respect unsatisfactory.

"Our present wishes are as follows:

"First: Our goods bearing the following trade-marks, to wit, Boss, Crescent, Planet, Crown, Silveroid, and Excelsior, will be sold by us to our jobbers at fixed prices, subject to a cash discount, and we desire that sales of these goods by jobbers, whether to retailers or jobbers, shall be without deviation at the prices fixed by us for sales to retailers, subject only to the cash discount.

"Second: Howard watches are sold only under the terms of the license covering their sales.

"Third: On all our other goods we place no restrictions as to the prices at which they are to be sold by jobbers.

"Fourth: And, further, we desire that the jobbers to whom we sell our goods bearing the following trade-marks, to wit, Howard, Boss, Crescent, Planet, Crown, Silveroid, and Excelsior, shall not deal in any watch cases other than those manufactured by us.

"Fifth: All advertisements of our goods will be subject to our approval.

"Very truly yours,

"THE KEYSTONE WATCH CASE COMPANY."

(b) By enforcing, or attempting to enforce, the policy and system manifested in said letter by means of other acts and declarations prior and subsequent to the date thereof, these acts and declarations consisting of solicitations and threats, both oral and written.

(2) By employing a notice accompanying a patented watch known as the Howard Watch, manufactured by the

Keystone Watch Case Company—which notice was intended to be operative after the sale of the watch by the defendants to the wholesaler or jobber—for the purpose of fixing the minimum price at which the retailer, who purchased from the wholesaler or jobber, should sell such watch to the consumer.

Second: The defendant corporation, its directors, officers, agents and servants, as well as the individual defendants, and all other persons when acting for or in behalf of the defendant corporation, are therefore hereby enjoined jointly and severally as follows:

(a) From carrying out in any manner or by any means whatsoever, the policy and system manifested in said letter, and in the other acts and declarations referred to.

(b) From employing the notice referred to, or any other notice of like character and effect, in cases where such Howard watches are purchased from the wholesaler or jobber, and are not purchased directly from the defendant corporation.

Third: The other relief prayed for in the petition is denied; but nothing herein contained shall be construed to bar the government from obtaining such additional relief hereafter as may then seem appropriate, this court hereby retaining jurisdiction of the bill for that purpose.