

THE UNITED STATES OF AMERICA, PETITIONER,

VS.

MOTION PICTURE PATENTS COMPANY, GENERAL FILM COMPANY, BIOGRAPH COMPANY, THOMAS A. EDISON (INC.), ESSANAY FILM MANUFACTURING COMPANY, THE KALEM COMPANY, (INC.), GEORGE KLEINE, LUBIN MANUFACTURING COMPANY, MELIES MANUFACTURING COMPANY, PATHE FRERES, THE SELIG POLYSCOPE COMPANY, THE VITAGRAPH COMPANY OF AMERICA, ARMAT MOVING PICTURE COMPANY, FRANK L. DYER, HENRY N. MARVIN, J. J. KENNEDY, WILLIAM PELZER, SAMUEL LONG, J. A. BERST, SIEGMUND LUBIN, GASTON MELIES, ALBERT E. SMITH, GEORGE K. SPOOR, AND W. N. SELIG, DEFENDANTS.

Before OLIVER B. DICKINSON, United States District Judge.

DECREE.

This cause came on for final hearing upon the pleadings and all the evidence and was argued on behalf of the petitioner by Edwin P. Grosvenor, Special Assistant to the Attorney General, and on behalf of the defendants by Charles F. Kingsley, Melville Church and Hon. Reuben O. Moon, and thereafter, upon consideration thereof, the Court announced and caused to be filed, on October 1, 1915, its written opinion therein.

Whereupon the Court adjudged, ordered and decreed as follows:

First. That the petition be and is hereby dismissed as to the defendant, Melies Manufacturing Company.

Second. The death of Samuel Long occurred after the final hearing and there has been no revivor.

Third. That the defendants (other than the Melies Manufacturing Company, against whom the petition is dismissed) and each of them, have attempted to monopolize and have monopolized and have combined and conspired, among themselves and with each other, to monopolize a part of the trade or commerce among the several

States, consisting of the trade in films, cameras, and projecting machines and parts thereof, in violation of the Act of Congress, approved July 2, 1890, entitled "An Act to protect trade and commerce against unlawful restraints and monopolies."

Fourth. That the defendants (other than the said Melies Manufacturing Company) and each of them, have entered into and are engaged in a combination and conspiracy in restraint of trade and commerce among the several States in films, cameras and projecting machines and parts thereof in violation of the Act of Congress approved July 2, 1890, entitled "An Act to protect trade and commerce against unlawful restraints and monopolies."

Fifth. That the several agreements enumerated in the petition for the assignment of patents to the motion Picture Patents Company, namely, Petitioner's Exhibits 2, 3, 4 and 5; the contracts, licenses and agreements enumerated in the petition, to-wit, the license agreements entered into between the Motion Picture Patents Company and the Patents Company licensees, to wit, the Biograph Company, Thomas A. Edison, Inc., Essanay Film Manufacturing Company, Kalem Company, George Kleine, Lubin Manufacturing Company, Pathe Freres, Selig Polyscope Company, Vitagraph Company of America and Gaston and George Melies, of which Exhibit 3, annexed to the petition, is a copy; the license agreements between the Patents Company and the rental exchanges, of which Exhibit 4, annexed to the Petition, is a copy; the licenses from the Patents Company to the exhibitors, of which Petitioner's Exhibit 4 is typical; the license agreements between the Patents Company and Manufacturers of exhibiting machines, of which Exhibit 5, annexed to the Petition, is a copy; the license agreements between the Patents Company and the General Film Company, of which Exhibit 7, annexed to the petition, is a copy; the agreements between the General Film Company and the said Patents Company licensees, to-wit, the Biograph Company, Thomas A. Edison, Inc., Essanay Film Manufacturing Company, Kalem Company, George

Kleine, Lubin Manufacturing Company, Pathe Freres, Selig Polyscope Company and Vitagraph Company of America, and Gaston and George Melies, of which Exhibit 8, annexed to the Petition, is a copy; and all other license agreements referred to and described in the Petition, the answers, or in the evidence superseding or succeeding the above enumerated license agreements and contracts, including among others defendants' exhibits 47, 48 and 50; and all licenses under said patents so assigned to the Patents Company, and granted by it, have been, were and are the means adopted and used by the defendants in order to carry into effect the objects and purposes of said unlawful combination and conspiracy in restraint of said interstate trade and commerce in films, cameras and projecting machines and parts thereof in violation of said Act of Congress and that the said contracts, licenses and agreements are, therefore, hereby declared illegal, and the defendants and all and each of them and their officers, agents, servants and employees are enjoined and prohibited from doing anything in furtherance of said agreements and from enforcing in any manner said agreements or any of the terms thereof; except that in so far as any defendant may deem himself or itself entitled to a money claim against any other defendant or defendants on account of past transactions under said agreements, contracts or licenses, the same may be prosecuted, defended, appealed and adjudicated in any and all courts.

Sixth: That the said contracts, agreements and licenses enumerated in the petition and the combination therein described was a conspiracy in restraint of trade and commerce among the several states and were and are illegal.

Seventh: That the said defendants, their officers, agents, servants and employees, are enjoined and prohibited from continuing their said combination, conspiracy and monopoly and attempt to monopolize interstate commerce in said articles by means of the said unlawful contracts or license agreements or by any other means similar thereto.

Eighth: Nothing in this decree contained shall be construed to prevent whoever may be the owner or owners

of the patents relating to the motion picture art named in the pleadings and evidence herein from granting lawful license under lawful conditions to any of the defendants or to others, nor to prevent the defendants or others from taking lawful license from the owners of said patents. Nothing herein contained shall be construed to prohibit whoever may be the owner of the said patent or patents from collecting royalties in the future from licensees.

Ninth: That the said defendants, their officers, directors, agents, servants and employees, are enjoined and prohibited from resuming, engaging in, continuing or carrying into further effect the combination and conspiracy, the monopoly and attempt to monopolize adjudged illegal hereby and from engaging in or intering into any like combination or conspiracy or monopoly or attempt to monopolize the effect of which will be to restrain commerce in said articles among the several states of the United States or in the territories of the United States by making any express or implied agreement or arrangement, together or one with another, like that adjudged illegal herein relative to the control or management of the business of the said defendants in films, cameras, projecting machines and other accessories of the motion picture business, the effect of which will be to prevent each and any of them from carrying on interstate trade and commerce in said articles in competition with the others.

Twelfth: It is further ordered that this decree be given in favor of the petitioner and against the defendants except Samuel Long, deceased, and the Melies Manufacturing Company as to whom the petition is dismissed.

Eleventh: Should an appeal be taken herein without delay, such appeal shall operate as a stay of this decree during the pendency of such appeal.

Twelfth: It is further ordered that this decree be entered this 24th day of January, 1916, but shall not become operative until the 24th day of February, 1916, on which day the parties or any of them may appear at Room 303,

Post Office Building, Philadelphia, and pray an appeal in open court.

BY THE COURT.
DICKINSON,
U. S. District Judge.