

**Trade Regulation Reporter - Trade Cases (1932 - 1992), United States v. H. S. Crocker Co., Inc., Stecher-Traung-Schmidt Corp., Diamond International Corp., International Paper Co., Fort Dearborn Lithograph Co., Michigan Lithographing Co., Piedmont Label Co., H. M. Smyth Co., Inc., and Litton Business Systems, Inc., U.S. District Court, N.D. California, 1978-1 Trade Cases ¶61,883, (Nov. 30, 1976)**

[Click to open document in a browser](#)

United States v. H. S. Crocker Co., Inc., Stecher-Traung-Schmidt Corp., Diamond International Corp., International Paper Co., Fort Dearborn Lithograph Co., Michigan Lithographing Co., Piedmont Label Co., H. M. Smyth Co., Inc., and Litton Business Systems, Inc.

1978-1 Trade Cases ¶61,883. U.S. District Court, N.D. California, Civil Action No. C-74-0560 CBR, Entered November 30, 1976, (Competitive impact statement and other matters filed with settlement: 41 *Federal Register* 39800).

Case No. 2373, Antitrust Division, Department of Justice.

### **Sherman Act**

**Price Fixing: Paper Labels: Consent Decree: Court Appearance by Company Officer.**— A manufacturer of paper labels was prohibited by a consent decree from allocating or dividing customers, territories or markets, fixing prices, or furnishing price information unless it is generally available to users of paper labels. A company officer was required to appear in court each year for 10 years to give sworn testimony on the manner of compliance with the decree.

**For plaintiff:** Donald I. Baker, Asst. Atty. Gen., William E. Swope, Richard J. Favretto, Charles F. B. McAleer, Gerald A. Connell, Jill Nickerson, J. E. Waters, and Anthony E. Desmond, Attys., Dept. of Justice. **For defendants:** Theodore F. Craver.

### **Final Judgment to Litton Business Systems, Inc.**

RENFREW, D. J.: Plaintiff, United States of America, having filed its complaint herein on March 12, 1974, and the Plaintiff and Defendant, by their respective attorneys, having consented to the entry of this Final Judgment, without trial or adjudication of any issue of fact or law herein and without this Final Judgment constituting any evidence against or admission by any party with respect to any issue of fact or law herein:

Now, Therefore, without any testimony being 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:

I

#### **[ Jurisdiction ]**

This Court has jurisdiction of the subject matter herein and of the parties hereto. The Complaint states a claim upon which relief may be granted against the Defendant under Section 1 of the Act of Congress of July 2, 1890, 15 U. S. C. Section 1, entitled "an Act to protect trade and commerce against unlawful restraints and monopolies," as amended, commonly known as the Sherman Act.

II

#### **[ Definitions ]**

As used in this Final Judgment:

- (A)“Person”shall mean any individual, corporation, partnership, firm, association or other business or legal entity;
- (B)“Paper label”shall mean any label made, in whole or in part, of paper;
- (C)“Defendant”shall mean Litton Business Systems, Inc.

III

**[ Applicability]**

The provisions of this Final Judgment are applicable to Defendant herein and shall also apply to said Defendant's officers, directors, agents, employees, subsidiaries, successors and assigns, and to all other persons in active concert or participation with any of them, who shall have received actual notice of this Final Judgment by personal service or otherwise.

IV

**[ Allocation; Prices; Information]**

Defendant is enjoined and restrained from:

- (A) Entering into, directly or indirectly, any contract, agreement, understanding, plan, program, combination or conspiracy with any other manufacturer or seller of paper labels to (1) allocate or divide customers, territories or markets for the sale of any paper label or (2) raise, fix, stabilize or maintain the price, discount, markup or any other term or condition for the sale of any paper label to any third person;
- (B) Expressly or implicitly furnishing to or requesting from any other manufacturer or seller of any paper label any price, term or condition, or warehousing charge or engraving charge with respect to the sale of any paper label, unless the information in question has been made generally available to users of paper labels;
- (C) Belonging to, or participating in, or contributing anything of value to any trade association or other group with knowledge that the activities thereof are contrary to or inconsistent with the provisions of this Final Judgment.

V

**[ Sales Negotiations]**

Nothing contained in this Final Judgment shall apply to any negotiation or communication between Defendant and any other manufacturer or seller of paper labels or any of their agents, brokers, distributors or representatives, whose sole purpose is a proposed or actual bona fide purchase or sale.

VI

**[ Acquirers]**

Defendant shall require, as a condition of the sale or other disposition of all, or substantially all, of the assets used by it in the design, printing, sale and distribution of paper labels, that the acquiring party agree to be bound by the provisions of this Final Judgment. Such acquiring party shall file with the Court, and serve upon the Plaintiff, its consent to be bound by this Final Judgment.

VII

**[ Compliance]**

Defendant shall take affirmative steps (including written directives setting forth corporate compliance policies, distribution of this Final Judgment, and meetings to review its terms and the obligations it imposes), to advise each of its officers, directors, managing agents and employees who has responsibility for or authority over the establishment of prices or bids by which said Defendant sells or proposes to sell any paper labels, and all

paper label salesmen and saleswomen of its and their obligations under this Final Judgment and of the criminal penalties for violation of Section IV of this Final Judgment. In addition, Defendant shall, for so long as it remains in the business of selling any paper labels, cause a copy of this Final Judgment to be distributed at least once each year to each of its officers responsible for the conduct of such business and all paper label salesmen and saleswomen.

## VIII

### **[ Reports; Court Appearances]**

For a period of 10 years from the date of entry of this Final Judgment, should Defendant re-enter the business of selling any paper labels, Defendant shall file with this Court and with Plaintiff, on the anniversary date of this Final Judgment, a sworn statement by a responsible officer, designated by Defendant to perform such duties, setting forth all steps it has taken during the preceding year to discharge its obligations under Paragraph VII above. Said report shall be accompanied by copies of all written directives issued by said Defendant during the prior year with respect to compliance with the terms of this Final Judgment. In addition, a responsible officer of Defendant shall appear annually during said period before this Court to give sworn testimony on the manner of compliance with Section VII of this Final Judgment.

## IX

### **[ Inspection]**

(A) For the purpose of determining or securing compliance with this Final Judgment and for no other purpose, Defendant shall permit duly authorized representatives of the Department of Justice, on written request of the Attorney General, or of the Assistant Attorney General in charge of the Antitrust Division, and on reasonable notice, subject to any legally recognized privilege:

(1) Access during the business hours of Defendant, who may have counsel present, to those books, ledgers, accounts, correspondence, memoranda, and other records and documents in the possession or under the control of Defendant which relate to any matters contained in this Final Judgment;

(2) Subject to the reasonable convenience of Defendant and without restraint or interference from it, to interview individuals who are officers or employees of Defendant, any of whom may have counsel present, regarding any matters contained in this Final Judgment.

(B) For the purpose of determining or securing compliance with this Final Judgment and for no other purpose, upon written request of the Attorney General, or of 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 requested.

(C) No information obtained by the means provided in this Section IX of this Final Judgment shall be divulged by a representative of the Department of Justice to any person other than a duly authorized representative of the Executive Branch of the Plaintiff except in the course of legal proceedings to which the United States is a party, or for the purpose of securing compliance with this Final Judgment, or as otherwise required by law.

## X

### **[ Retention of Jurisdiction]**

Jurisdiction is retained by this Court for the purpose of enabling any 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 modification of any of the provisions thereof, for the enforcement of compliance therewith, and for the punishment of violations thereof.

## XI

[ *Public Interest*]

Entry of this Final Judgment is in the public interest.