

Trade Regulation Reporter - Trade Cases (1932 - 1992), United States v. Chicago Towel Company and American Linen Supply Company., U.S. District Court, N.D. Illinois, 1956 Trade Cases ¶68,543, (Nov. 19, 1956)

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United States v. Chicago Towel Company and American Linen Supply Company.

1956 Trade Cases ¶68,543. U.S. District Court, N.D. Illinois, Eastern Division. Civil Action No. 56 C 158. Dated November 19, 1956. Case No. 1236 in the Antitrust Division of the Department of Justice.

Sherman Antitrust Act Combinations and Conspiracies—Consent Decree—Practices Enjoined—Allocation of Markets, Agreements Not To Solicit Customers, and Restrictions on Grant of Licenses—Linen Supplies, Dispensing Cabinets, and Industrial Laundries.—Two linen supply companies were prohibited by a consent decree from entering into any agreement allocating or dividing territories or markets (1) for the rental or service of linen supplies or (2) for industrial laundry. Each of the companies was prohibited from entering into any agreement that it will not solicit for cloth towel cabinets customers of the other or that it will not service or replace cloth towel cabinets used by customers of the other.

One of the companies was prohibited from affording to any third person the approval or disapproval of the application of any person to such company for a cloth towel cabinet license.

Department of Justice Enforcement and Procedure—Consent Decrees—Scope of Decrees—Territorial Limitation.—A consent decree entered against linen supply companies provided that the decree was not to be construed as relating to commerce outside the United States.

For the plaintiff: Victor R. Hansen, Assistant Attorney General, and William D. Kilgore, Jr., Earl A. Jinkinson, Baddia J. Rashid, Harry N. Burgess, Francis C. Hoyt, Bertram M. Long, and Charles F. B. McAleer, Attorneys.

For the defendants: John H. Bishop for Chicago Towel Co.; and Leo F. Tierney, Roger W. Barrett, and Charles L. Stewart, Jr., for American Linen Supply Co.

Final Judgment

JULIUS J. HOFFMAN, District Judge [*In full text*]: The plaintiff, United States of America, having filed its complaint herein on May 17, 1955; the defendants having appeared by their counsel; and the parties hereto, 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 admission by any party hereto with respect to any such issue;

Now, therefore, before the taking of any testimony and without trial or adjudication of any issue of fact or law herein, or admission by any party in respect of any issue, and upon consent of all parties hereto,

It is hereby ordered, adjudged and decreed, as follows:

I

[*Sherman Act*]

This Court has jurisdiction of the subject matter of this action and of the parties hereto. The complaint states a claim against the defendants under Section 1 of the Act of Congress of July 2, 1890, entitled "An act to protect trade and commerce against unlawful restraints and monopolies," commonly known as the Sherman Act, as amended.

II

[*Definitions*]

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As used in this Final Judgment:

- (A) "ALSCO" means defendant American Linen Supply Company, a Nevada corporation, having its principal office at Chicago, Illinois; "Chicago Towel" means defendant Chicago Towel Company, an Illinois corporation, having its principal office at Chicago, Illinois;
- (B) "Linen supplies" means any or all of the following when supplied on a service basis to industrial concerns, stores, restaurants, institutions, Government agencies or other ultimate consumers: Cloth towels, towel cabinets, aprons, uniforms, coats, trousers, caps, tablecloths, napkins, bibs, or coveralls;
- (C) "Towel Cabinets" means any device, mechanism, machine or component part thereof used for the dispensing of continuous roll cloth towels;
- (D) "Industrial laundry" means the business of cleaning wiping cloths, overalls and other articles owned by an industrial or business establishment;
- (E) "Person" means any individual, partnership, firm, corporation, trustee, association or any other business or legal entity.

III

[*Applicability of Judgment*]

The provisions of this Final Judgment applicable to any defendant shall apply to such defendant, its subsidiaries, successors and assigns, and to each of its officers, agents, servants and employees, and to all persons in active concert or participation with the defendant who shall have received actual notice of this Final Judgment by personal service or otherwise.

IV

[*Allocation of Markets*]

ALSCO and Chicago Towel, and each of them, are enjoined and restrained from entering into, maintaining, continuing in effect, adhering to, enforcing or carrying out any agreement or understanding:

- (A) Allocating or dividing territories or markets for the rental or service of Linen Supplies;
- (B) Allocating or dividing territories or markets for Industrial Laundry.

V

[*Solicitation of Customers*]

(A) ALSCO is enjoined and restrained from entering into, adhering to or maintaining any contract, agreement or understanding with Chicago Towel that it will not solicit for Towel Cabinets customers of Chicago Towel or that it will not service or replace Towel Cabinets used by customers of Chicago Towel;

(B) Chicago Towel is enjoined and restrained from entering into, adhering to or maintaining any contract, agreement or understanding with ALSCO that it will not solicit for Towel Cabinets customers of ALSCO or that it will not service or replace Towel Cabinets used by customers of ALSCO.

VI

[*Licenses*]

Defendant ALSCO is enjoined and restrained from affording to any third Person the approval or disapproval of the application of any Person to ALSCO for a Towel Cabinet license.

VII

[*Commerce Covered*]

This Final Judgment is not to be construed as relating to commerce outside the United States.

VIII

[*Inspection and Compliance*]

For the purpose of securing compliance with this Final Judgment, duly authorized representatives of the Department of Justice shall upon written request of the Attorney General, or the Assistant Attorney General in charge of the Antitrust Division, and on reasonable notice to a defendant, made to its principal office, be permitted, subject to any legally recognized privilege:

(A) 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 of the matters contained in this Final Judgment, and

(B) Subject to the reasonable convenience of such defendant, and without restraint or interference from it to interview officers and employees of such defendant, who may have counsel present, regarding any such matters.

Upon such request the defendant shall submit such reports in writing with respect to any of the matters contained in this Final Judgment as from time to time may be necessary to the enforcement of this Final Judgment. No information obtained by the means permitted in this Section VIII shall 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 to which the United States is a party, for the purpose of securing compliance with this Final Judgment or as otherwise required by law.

IX

[*Jurisdiction Retained*]

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