

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

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UNITED STATES OF AMERICA, :  
 :  
 Plaintiff, :  
 :  
 -against- : Filed: February 20, 1980  
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 EMERSON ELECTRIC CO. and : Entered: 5/5/80  
 SKIL CORPORATION, :  
 :  
 Defendants. :  
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FINAL JUDGMENT

Plaintiff, the United States of America, having filed its Complaint herein on March 22, 1979, and defendants Emerson Electric Co. and Skil Corporation, having appeared, 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 law or fact and without this Final Judgment constituting any evidence or an admission by any party with respect to any such issue,

NOW, THEREFORE, before the taking of any testimony and without trial or adjudication of any issue of law or fact herein, and upon consent of the parties hereto, it is hereby,

ORDERED, ADJUDGED AND DECREED as follows:

I

This Court has jurisdiction over the subject matter of this action and the parties consenting hereto. The Complaint states claims upon which relief may be granted against the defendants under Section 7 of the Clayton Act, as amended, (15 U.S.C. § 18).

II

As used in this Final Judgment, the term:

(A) "Person" shall mean any individual, partnership, firm, corporation, association, or other business or legal entity;

(B) "Portable Electric Tool" shall mean a portable hand held tool powered by an electric motor, such as circular saws, drills, sanders, polishers, grinders, reciprocating saws, jig saws, routers, planers, rotary hammers, and screwdrivers. For purposes of this Final Judgment, Portable Electric Tools shall include, and be limited to, the products contained in Standard Industrial Classification Codes 3546101, 3546103, 3546104, 3546105, 3546107, 3546109, 3546112, 3546115, 3546116, 3546117, 3546118, 3546119, 3546121, 3546122, 3546123, 3546125, 3546126, 3546127, 3546128, 3546129, 3546133, 3546134, and 3546135 of the 1977 Census of Manufacturing Numerical List of Manufactured Products (Oct. 1978).

(C) "Gasoline Powered Chain Saw" shall mean a portable hand held chain saw powered by a gasoline engine.

(D) "Ridge Portable Electric Tool Assets" shall mean the physical assets (such as tools, dies, jigs, component parts and inventory) acquired for, and design and development drawings and other documents relating to, the design, development, production, sale or marketing of Portable Electric Tools by or for Ridge Tool Company (a subsidiary of Emerson Electric Co.) pursuant to the Ridge Tool Company's Portable Electric Tool internal development program, and the trademark "Ritco."

(E) "United States" shall mean the United States of America, the District of Columbia, any territory, insular possession or other place under the jurisdiction of the United States of America.

(F) "Emerson Electric Co." shall mean Emerson Electric Co. and its divisions, subsidiaries and affiliated companies.

(G) "Manufacturer" shall mean any person who manufactures or assembles Portable Electric Tools or Gasoline Powered Chain Saws for sale in the United States, and any non-manufacturing sales subsidiary or division thereof which is engaged in the sale of Portable Electric Tools or Gasoline Powered Chain Saws in the United States.

### III

The provisions of this Final Judgment applicable to any defendant shall also apply to each of its directors, officers, agents, employees, subsidiaries, successors and assigns and to all Persons in active concert or participation with any of them who receive notice of this Final Judgment by personal service or otherwise.

IV

(A) Defendant Emerson Electric Co. shall transfer the Ridge Portable Electric Tool Assets to Allegretti & Company in accordance with the terms of the agreement dated October 29, 1979 between Emerson Electric Co. and Allegretti & Company. The contract of sale entered into pursuant to this Final Judgment shall require Allegretti & Company to file with this Court an affidavit to the effect that it intends to use the Ridge Portable Electric Tool Assets to manufacture and sell Portable Electric Tools in the United States.

(B) Defendant Skil Corporation shall give up the non-exclusive license to United States Patent No. 4,121,339 granted to it by the agreement between Skil Corporation and National Union Electric Corporation dated January 12, 1979, and, for a period of three years from the date of this Final Judgment: (1) shall provide service through the Skil-owned United States service facilities, on reasonable commercial terms, for all chain saws manufactured for sale in the United States or sold in the United States by Electrolux AB or any of its subsidiaries; (2) shall extend the present right of National Union Electric Corporation to use the Skil name in connection with its advertising of chain saws; and (3) shall make available to National Union Electric Corporation, on reasonable commercial terms, technical assistance and marketing advice by Skil Corporation personnel with respect to the production and marketing of Gasoline Powered Chain Saws in the United States.

V

Defendant Emerson Electric Co. is enjoined and restrained from acquiring within the United States, directly or indirectly, for a period of ten (10) years from the date of entry of this Final Judgment, any of the business or assets of (other than products, inventory, equipment, licenses or services acquired in the ordinary course of business), or more than one (1) percent of the equity interest in, any Manufacturer of Portable Electric Tools or Gasoline Powered Chain Saws without either (1) the prior written consent of the plaintiff, or (2) if such consent is not given within thirty (30) days after receipt by plaintiff of a written request therefor and a submission of facts with respect to such proposed acquisition, the prior approval of this Court. This injunction shall not be construed to prohibit either defendant from acquiring any business or assets of any such Manufacturer where the acquired portion of such business or assets was neither operated nor otherwise employed within either of said Manufacturer's five most recently completed fiscal years in manufacturing for sale in the United States, or selling in the United States, Portable Electric Tools or Gasoline Powered Chain Saws.

VI

For the purpose of securing or determining compliance with this Final Judgment, and subject to any legally recognized privilege:

(A) Any duly authorized representative or representatives of the Department of Justice shall, upon written request by the Attorney General or the Assistant Attorney General in charge of the Antitrust Division and on reasonable notice to defendant made to its principal office, be permitted:

(1) Access during the office hours of each defendant, which may have counsel present, to all books, ledgers, accounts, correspondence, memoranda and other records and documents in the possession or under the control of defendant relating to any matters contained in this Final Judgment; and

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

(B) No information or documents obtained by the means provided in Section VI hereof shall be divulged by any representative of the Department of Justice to any person other than a duly authorized representative of the Executive Branch of the United States, 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.

(C) If at the time information or documents are furnished by a defendant to plaintiff, defendant represents and identifies in writing the material in any such information or documents of a type described in Rule 26(c)(7) of the Federal Rules of Civil Procedure, and said defendant marks each pertinent page of such material, "Subject to claim of protection under Rule 26(c)(7) of the Federal Rules of Civil Procedure," then ten (10) days' notice shall be given by plaintiff to such defendant prior to divulging such material in any legal proceeding (other than a Grand Jury proceeding) to which that defendant is not a party.

#### VII

Jurisdiction is retained 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 carrying out of this Final Judgment, for the modification of any of the provisions hereof, for the enforcement of compliance herewith, or for the punishment of the violation of any of the provisions contained herein.

VIII

Entry of this Final Judgment is in the public  
interest.

Dated: May 5, 1980

Judge James J. Moran  
United States District Judge



IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

-against-

EMERSON ELECTRIC CO. and  
SKIL CORPORATION,

Defendants.

No. 79 C 1144

AFFIDAVIT


STATE OF MISSOURI )  
                          ) )  
COUNTY OF ST. LOUIS )

SS:

JOSEPH B. ALLEGRETTI, being duly sworn, says:

1. I am the President of Allegretti & Company, whose principal place of business is located at 9200 Mason Avenue, Chatsworth, California. I submit this affidavit in accordance with the requirements of Article IV(A) of the Final Judgment in the above matter and Paragraph 5.1(d) of the agreement between Allegretti & Company and Emerson Electric Co. dated October 29, 1979. That agreement accurately sets forth the terms and conditions of the purchase by Allegretti & Company of the Ridge Portable Electric Tool Assets (as that term is defined in Article II(D) of the Final Judgment).

2. Allegretti & Company has negotiated with Emerson on an arm's length basis for the purchase of the Ridge Portable Electric Tool Assets and intends to use those Assets to manufacture and sell portable electric tools in the United States. Allegretti & Company intends to commence the manufacture and sale of portable electric tools as soon as practicable once the transfer of the Ridge Portable Electric Tool Assets to Allegretti & Company by Emerson, and the proposed Final Judgment, are approved by the Court and become effective.

  
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Joseph B. Allegretti

Subscribed and sworn to before me this 29th day of October, 1979.

  
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Notary Public