

UNITED STATES OF AMERICA vs. GILLETTE
SAFETY RAZOR COMPANY, ET AL.

IN THE DISTRICT COURT OF THE UNITED STATES FOR
THE SOUTHERN DISTRICT OF NEW YORK.

In Equity No. 42-305.

UNITED STATES OF AMERICA, *Petitioner*,

vs.

GILLETTE SAFETY RAZOR COMPANY, THE UNITED CIGAR
STORES COMPANY, OF AMERICA, THE UNICO DISTRIBUT-
ING CORPORATION, D A. SCHULTE, INC., THE LOUIS
K. LIGGETT COMPANY, and THE NATIONAL CIGAR
STANDS COMPANY, *Defendants*.

FINAL DECREE.

This cause came on to be heard at this term, all the defendants herein having duly appeared by their solicitors, to-wit: Gillette Safety Razor Company by Root, Clark, Buckner, Howland and Ballantine; The United Cigar Stores Company of America by S. M. Stroock and Kenneth M. Spence; The Unico Distributing Corporation by William A. Ferguson; D. A. Schulte, Inc., by Jerome Eisner, and The Louis K. Liggett Company and The National Cigar Stands Company by Roy M. Sterne, and all the defendants having duly answered the petition herein, and no evidence having been taken, was argued by counsel.

And the petitioner, by Charles H. Tuttle, its attorney for the Southern District of New York, Alexander B. Royce, Porter R. Chandler, and Israel B. Oseas, Special Assistants to the Attorney General, of counsel, having moved the Court for relief in accordance with the prayer of the petition.

On consideration whereof, it appearing to the satisfaction of the Court that it has jurisdiction of the subject-matter alleged in the petition, and that the allegations of the petition state a cause of action against the defendants, under the Act of July 2, 1890, chapter 647,

and under the Act of October 15, 1914, chapter 323, and Acts amendatory thereof or supplemental thereto;

And all of the defendants, through their said solicitors, now in open Court having consented to the rendition and entry of this decree;

NOW, THEREFORE, it is ordered, adjudged and decreed:

(1) *Definitions.*

(a) That the terms of this decree shall be binding upon and shall extend to each and every one of the present defendants, as hereinafter set forth, and to the successor or successors in interest of any and/or all of them, and to any and all corporations, co-partnerships, and/or individuals who now exercise or who may hereafter acquire ownership or control, direct or indirect, of the good-will, business or property of any of the present corporate defendants.

(b) That whenever in this decree mention is made of, or an injunction or restraint is laid upon, any one or more of the defendants, or all the defendants generally, such mention shall also be construed to extend to, and such injunction and restraint shall also be binding upon, the successor or successors thereof as defined in paragraph (a) preceding, the several officers, directors, salesmen, agents, servants and employees of the defendant or defendants mentioned or enjoined, and of their successor or successors as defined in paragraph (a) preceding, and all persons, co-partnerships, and/or corporations acting by, through, under or in behalf of the foregoing, or any of the foregoing, or claiming so to act.

(2) That Gillette Safety Razor Company be, and it hereby is, perpetually restrained and enjoined from selling safety razor blades to any of the other defendants herein with the purpose, or at such terms that the effect of such sale is or may be:

(a) To cause, permit, or enable the purchaser of such blades, or any other person, directly or indirectly, by bartering or exchanging blades to obtain and resell the blades of other safety razor blade manufacturers

at prices intended or effectual to restrain interstate trade or commerce in blades of such other manufacturers or to tend to create a monopoly in interstate trade or commerce in safety razor blades; but any trade or commerce in blades which results from exchanging or bartering shall not be included in determining the amount, if any, of trade or commerce restrained,

(b) To restrain interstate trade or commerce in the blades of such other manufacturers, or

(c) To tend to create a monopoly in interstate trade or commerce in safety razor blades.

PROVIDED That it shall not be a violation of this Clause (2) of this decree for Gillette Safety Razor Company to make, or to agree to make, or for any of the other defendants herein to receive, or to agree to receive, cash payments for advertising, displays, and sales efforts incidental thereto, which payments do not take the form of a discount or percentage dependent upon the quantity of blades sold, or to be sold, or which are based only upon the quantity of blades sold, or to be sold, at retail or distributed as premiums, and which payments do not exceed the reasonable commercial value of such advertising, displays and incidental sales effort.

(3) That the defendants, The United Cigar Stores Company of America, The Unico Distributing Corporation, D. A. Schulte, Inc., The Louis K. Liggett Company and The National Cigar Stands Company be, and they hereby are, severally and individually enjoined and restrained from selling or bartering safety razor blades manufactured by Gillette Safety Razor Company to each other or to any other person, co-partnership or corporation with the purpose, or at such terms that the effect of such sale or barter is or may be:

(a) To cause, permit, or enable said defendants or the purchaser of such blades, or any other person, directly or indirectly, by bartering or exchanging blades to obtain and resell the blades of other safety razor

blade manufacturers at prices intended or effectual to restrain interstate trade or commerce in blades of such other manufacturers or to tend to create a monopoly in interstate trade or commerce in safety razor blades; but any trade or commerce in blades which results from exchanging or bartering shall not be included in determining the amount, if any, of trade or commerce restrained,

(b) To restrain interstate trade or commerce in the blades of such other manufacturers, or

(c) To tend to create a monopoly in interstate or commerce in safety razor blades.

PROVIDED That it shall not be a violation of this Clause (3) of this decree for Gillette Safety Razor Company to make, or to agree to make, or for any of the other defendants herein to receive, or to agree to receive, cash payments for advertising, displays, and sales efforts incidental thereto, which payments do not take the form of a discount or percentage dependent upon the quantity of blades sold, or to be sold, or which are based only upon the quantity of blades sold, or to be sold, at retail or distributed as premiums, and which payments do not exceed the reasonable commercial value of such advertising, displays and incidental sales effort.

(4) That the defendants, and each of them, be, and they hereby are, severally and individually perpetually restrained and enjoined from directly or indirectly committing or doing any of the following acts or things:

(a) Agreeing with each other or with others upon persons to whom safety razor blades purchased or to be purchased by any of them or by others are or are not to be resold;

(b) Agreeing with each other or with others upon the prices or terms at which safety razors or blades purchased or to be purchased by any of them or by others are or are not to be resold;

(c) Agreeing with each other or with others upon the territory within which safety razors or blades

purchased or to be purchased by any of them or by others are or are not to be resold;

(d) Resuming, further engaging in, continuing, or carrying into further effect any activities herein enjoined, or engaging in any like practice the effect of which will be to restrain trade or commerce, or to tend to create a monopoly in trade or commerce, among the several States, with respect to safety razors or blades.

PROVIDED That nothing in this Clause (4) of this decree contained shall be deemed to restrain or enjoin Gillette Safety Razor Company from conditioning any discounts, allowances or payments for advertising, displays and sales efforts incidental thereto (and not elsewhere in this decree prohibited) upon the distribution in retail trade or as premiums of safety razors or blades purchased from Gillette Safety Razor Company.

(5) That jurisdiction of this cause is hereby retained for the following purposes:

(a) Enforcing this decree;

(b) Enabling the petitioner to apply to the Court for a modification or enlargement of any provisions of this decree on the ground that the decree is inadequate;

(c) Enabling the defendants or any of them to apply for a modification of any provisions of the decree on the ground that they have become inappropriate or unnecessary.

(6) That the United States shall recover its costs.

HENRY W. GODDARD,
United States District Judge.

August 4th, 1927.