

Trade Regulation Reporter - Trade Cases (1932 - 1992), United States v. Central Coat, Apron&Linen Service, Inc., et al., U.S. District Court, D. Connecticut, 1952-1953 Trade Cases ¶67,394, (Dec. 26, 1952)

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

United States v. Central Coat, Apron&Linen Service, Inc., et al.

1952-1953 Trade Cases ¶67,394. U.S. District Court, D. Connecticut. Civil No. 3005. Dated December 16, 1952. Case No. 1052 in the Antitrust Division of the Department of Justice.

Sherman Antitrust Act

Consent Decrees—Practices Enjoined—Contracts to Fix Prices or Allocate Markets-Linen Suppliers.—Linen suppliers, defendants in a civil antitrust action instituted by the United States, are enjoined by a consent decree from entering into any understanding with any other linen supplier to (1) fix prices or discounts at which linen supplies will be furnished to customers, or (2) allocate markets or customers for the furnishing of linen supplies.

Consent Decrees—Practices Enjoined—False Reports, Trailing Trucks, Inducing Customers To Transfer Their Patronage.—Linen suppliers are enjoined by a consent decree from making a false report to any customer (1) that any linen supplier is extending gifts or preferential prices to its customers, (2) that any linen supplier is about to cease business operations, or (3) concerning the financial standing of any linen supplier; from instituting baseless or unnecessarily expensive litigation against any linen supplier; from enticing any employee of any linen supplier to leave his employer and take employment with a defendant linen supplier; from coercing or inducing any laundry to refrain from laundering the linen supplies of any linen supplier; from trailing the trucks of any linen supplier to identify the customers of such linen supplier; from enforcing any existing agreement which limits or prevents any other person from engaging in business as a linen supplier, or from laundering the linen supplies of any linen supplier; and from inducing any customer of any linen supplier to transfer its patronage to a defendant linen supplier by (1) offering to furnish linen supplies without charge to said customer, or (2) offering to give to said customer bonuses, rebates or gifts.

Consent Decrees—Practices Enjoined—Acquisitions of Stock or Assets.—Linen suppliers are enjoined, for a period of one year, by a consent decree from acquiring any of the capital stock, physical assets, business (including customers accounts), or good will of, or any financial interest in, any linen supplier.

For the plaintiff: Newell A. Clapp, Acting Assistant Attorney General; Gerald J. McCarthy, Chief, Boston Office, Antitrust Division; W. J. Elkins, J. J. Galgay, and Harry N. Burgess, Attorneys; Edwin H. Pewett, Acting Chief, Judgments and Judgment Enforcement Section; and Adrian W. Maher, United States Attorney.

For the defendants: Thomas F. Moriarity, Springfield, Mass.; Arthur Klein, New Haven, Conn.; David S. Day by A. K., Bridgeport, Conn.; Edward J. Hayes; and La-porte and Meyers by Ernest S. Meyers, New York, N. Y.

Final Judgment

[*Consent to Entry of Judgment*]

HINCKS, District Judge [*In full text*]: The Plaintiff, United States of America, having filed its complaint herein on June 28, 1950; defendants having appeared and filed their answer to said complaint denying the substantive allegations thereof and asserting their innocence of any violation of law; and the parties hereto, by their respective attorneys, having consented to the entry of this judgment herein without trial or adjudication of any issue of fact or law herein;

Now, therefore, before the taking of any testimony, and without trial or adjudication of any issue of fact or law, and without any admission by any party in respect of any such issue, and upon the consent of the parties hereto, and the Court being advised and having considered the matter, it is hereby

Ordered, adjudged and decreed as follows:

©2018 CCH Incorporated and its affiliates and licensors. All rights reserved.

Subject to Terms & Conditions: http://researchhelp.cch.com/License_Agreement.htm

I

[*Sherman Act Cause of Action*]

This Court has jurisdiction of the subject matter of this action and of the parties hereto, and the complaint states a cause of action against the defendants under Sections 1 and 2 of the Act of Congress of July 2, 1890, c. 647, 26 Stat. 209, as amended, entitled "An Act to Protect Trade and Commerce Against Unlawful Restraints and Monopolies", commonly known as the Sherman Act.

II

[*Definitions*]

As used in this Final Judgment:

- (A) "Linen Supply" or "Linen Supplies" means such items as, coats, aprons, hand towels, dish towels, sheets, tablecloths, napkins, uniforms, customarily furnished under lease by a linen supplier to customers such as, hotels, restaurants, barber shops, and beauty parlors.
- (B) "Linen Supplier" means a person as hereinafter defined engaged in the business of furnishing linen supplies in the South western New England area, but shall not be deemed to include any defendant.
- (C) "Customer" means a person as here inafter defined in the Southwestern New England area, to which a linen supplier or one or more of the defendants is rendering linen supply.
- (D) "Southwestern New England area" means the States of Connecticut and Rhode Island, and the counties of Hampden, Hampshire, Franklin and Berkshire in the State of Massachusetts.
- (E) "Person" means an individual, corporation, partnership, association, firm or other legal entity.

III

[*Applicability of Judgment*]

The provisions of this Final Judgment applicable to any defendant shall apply to each such defendant, its officers, directors, agents, employees, successors or assigns, and to all other persons acting under, through or for such defendant.

[*Understanding Prohibited*]

The defendants are hereby jointly and severally enjoined and restrained from entering into, enforcing, adhering to or claiming any rights under any contract, agreement or understanding with any other linen supplier, to:

- (a) fix, determine, maintain or adhere to prices or discounts at which linen supplies will be furnished to customers; or
- (b) divide, allocate or apportion markets, territories or customers for the furnishing of linen supplies.

V

[*Practices Prohibited*]

The defendants are jointly and severally enjoined and restrained from:

- (a) making a false report to any customer that any linen supplier is extending gifts or preferential prices to its customers;
- (b) making a false report to any customer that any linen supplier is about to cease business operations;
- (c) making a false report to any customer concerning the financial standing or responsibility of any linen supplier;
- (d) instituting baseless, vexatious, or unnecessarily expensive litigation against any linen supplier;
- (e) enticing any employee of any linen supplier to leave his employer and take employment with a defendant;

- (f) coercing or inducing any laundry to refrain from laundering the linen supplies of any linen supplier;
- (g) trailing the truck or trucks of any linen supplier to identify the customers of such linen supplier;
- (h) enforcing, after the date of the entry of this Final Judgment, any provision of any agreement existing on the date of the entry of this Final Judgment between any defendant and any other person which limits, restricts or prevents such other person from engaging in business as a linen supplier, or from laundering the linen supplies of any linen supplier;
- (i) inducing or attempting to induce any customer of any linen supplier to transfer its patronage to a defendant (i) by offering to furnish or furnishing linen supplies without charge to said customer or (ii) by offering to give or giving to said customer bonuses, rebates or gifts. For the purposes of this subsection (i), the term “customer” shall not include any person to whom any defendant has furnished linen supplies within twelve (12) months prior thereto.

VI

[Acquisition of Competitors Prohibited]

The defendants are jointly and severally enjoined and restrained, for a period of one year from the date of the entry of this Final Judgment, from acquiring, directly or indirectly, any of the capital stock, physical assets, business (including customer accounts) or good will of, or any financial interest in, any linen supplier.

VII

[Compliance with Judgment]

For the purpose of securing compliance with this judgment, duly authorized representatives of the Department of Justice shall, upon written request of the Attorney General or an Assistant Attorney General, and on reasonable notice to any defendant, made to its principal office, be permitted, subject to any legally recognized privilege, (a) access during the office hours of said defendant, to all books, ledgers, accounts, correspondence, memoranda, and other records and documents in the possession or under the control of said defendant relating to any matters contained in this judgment; and (b) subject to the reasonable convenience of said defendant and without restraint or interference from it, to interview officers or employees of such defendant, who may have counsel present, regarding any such matters; and (c) upon such request, any defendant shall submit reports in writing in respect of any such matters as may from time to time be reasonably necessary to the enforcement of this judgment. No information obtained by the means provided in this Section shall be divulged by any representative of the Department of Justice to any person other than a duly authorized representative of such Department, except in the course of legal proceedings to which the United States is a party for the purpose of securing compliance with this judgment, or as otherwise required by law.

VIII

[Jurisdiction Retained]

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