

IN THE DISTRICT COURT OF THE UNITED STATES  
FOR THE DISTRICT OF MASSACHUSETTS

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UNITED STATES OF AMERICA, :  
 :  
Plaintiff :  
 :  
v. : CIVIL NO. 7198  
UNITED SHOE MACHINERY CORPORATION, : Equitable Relief Sought  
 :  
Defendant :  
. . . . .

C O M P L A I N T

The United States of America by its attorneys, acting under the direction of the Attorney General of the United States, brings this action against the United Shoe Machinery Corporation and complains and alleges, on information and belief, as follows:

JURISDICTION AND VENUE

1. This complaint is filed and these proceedings are instituted against the United Shoe Machinery Corporation under Section 4 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," said Act being commonly known as the "Sherman Act," in order to prevent continuing violations by the defendant, as hereinafter alleged, of Sections 1 and 2 of said Act.

2. The defendant transacts business in the District of Massachusetts and may be found within said District.

DESCRIPTION OF THE DEFENDANT

3. The defendant is a corporation organized on May 2, 1905 and existing under the laws of the State of New Jersey and having its offices and principal place of business at 140 Federal Street, Boston

Massachusetts. Said corporation is the successor of United Shoe Machinery Company of New Jersey which was incorporated on February 7, 1899, under the laws of the State of New Jersey. Upon its incorporation, the defendant acquired substantially all the capital stock of United Shoe Machinery Company of New Jersey, and, on December 1, 1917, said company was merged with the defendant. Both corporations will sometimes be referred to hereinafter as United.

#### NATURE OF TRADE AND COMMERCE INVOLVED

4. In 1946 over 525,000,000 pairs of shoes, including all types of footwear, valued at about \$1,500,000,000 were manufactured in the United States. These were made in approximately 1400 shoe factories situated throughout the United States. About 25% were made in factories in the State of Massachusetts.

5. While there are a multitude of shoe types with numerous variations upon each type, all shoes fall into three classes depending upon the method by which the outsole is attached to the rest of the shoe. These are sewed shoes, cement shoes, and nailed shoes. Sewed shoes account for about 59% of the total number of shoes produced annually in the United States, cement shoes for about 38%, and nailed shoes, consisting almost entirely of men's work shoes, for about 3%.

6. The most important kinds of sewed shoes are the Goodyear Welt, McKay sewed, lockstitch, pre-welt, and stitchdown. The Goodyear Welt embodies a system of construction regarded by the industry as the premier method of shoemaking. This system consists essentially of the use of an insole with an upstanding rib and superimposed welt which permit the stitching of the insole and outsole to the shoe in such a way that the stitching does not penetrate through the insole. About 30% of the shoes manufactured in the United States, including virtually all men's dress shoes, are Goodyear Welts.

7. In McKay sewed and lockstitch shoes the outsole is attached to the insole by chain or lock stitching which passes through the



insole. These types are principally women's shoes and account for about 12% of the shoes manufactured in the United States.

8. The stitchdown and pre-welt, like the Goodyear Welt, are constructed so that the inside of the shoe is not penetrated by stitching. They are usually infants', children's, and juvenile shoes and comprise about 14% of the shoes sold in the United States.

9. The soles of cement shoes are usually attached by pyroxylin cement. This shoe was first commercialized in the United States about 1928 and has since gained wide popularity. Approximately 90% of all cement shoes are women's, and the great bulk of those consist of low-priced dress shoes, sandals, sport shoes, slippers, platform shoes, and play shoes.

10. Until about 1860 shoes were made almost entirely by hand. Beginning about that time various machines were introduced to perform certain of the operations in the shoemaking process. As shoe machine technology developed, more and more of the hand operations on shoes were supplanted by machines, so that today most of the operations of importance in the making of shoes are done by machine. As a consequence, the modern shoe factory employs numerous machines in the manufacture of shoes, and no manufacturer can engage in quantity production of shoes without such machinery. Machinery used in the manufacture of shoes is known in the shoe trade and referred to herein as shoe machinery in contradistinction to machinery used in the repair of shoes and known as shoe repair machinery.

11. The principal procedures involved in the manufacture of shoes are known as upper cutting, upper fitting, stock fitting, lasting, bottoming, and making. Each of these includes various major operations performed by machine, which may be briefly described as follows.

12. Upper cutting and fitting consist of cutting, preparing, assembling, and uniting the various parts of the shoe upper. The parts of the upper are usually died out from leather and fabric by a clicking machine, and are sewed together on an upper stitching machine. In most

shoes eyelets are inserted by eyeletting machines.

13. Stock fitting involves the cutting and preparation of the bottom stock of the shoe. Insoles and outsoles are frequently cut on cutting presses, known in the trade as dinking machines.

14. The lasting of a shoe is one of the most important steps in shoemaking. On most shoes it consists of a series of operations in which the upper and lining are drawn over a wooden last and attached to the insole. The upper is initially stretched over and positioned on the last by a pulling over machine; a lasting machine then draws the upper over the last, conforms it snugly and smoothly to the profile of the last, and affixes it to the insole. Some lasting machines last the entire upper; others last only a part of the upper, such as the sides, toe, or heel.

15. Bottoming and making refer to the operations in which the outsole and heel are attached to the shoe. The outsole is initially affixed to the insole by an outsole laying machine, the edges of the outsole are rounded and trimmed by a rough rounding machine, and the sole is ironed by an outsole leveling machine. The outsoles of all shoes, except welts, are permanently attached by McKay sole sewing, loose nailing, or cement sole attaching machines. In welt shoes the welt is sewed to the insole by a welt sewing machine, the upstanding rib and surplus upper margin below the welt stitching are trimmed off by an inseam trimming machine, and the outsole is stitched to the welt by an outsole stitching machine. The part of the outsole to which the heel is attached, known as the heel seat, is usually fastened to the shoe by fibre fastening or loose nailing machines, and heels are attached by heel attaching and slugging machines.

16. The shoe machines described above will sometimes be referred to hereinafter as major machines. In addition, there are numerous other machines used in shoe factories which are more particularly identified in appendix A attached hereto and expressly made a part hereof, and which will sometimes be referred to hereinafter as minor



machines. A few of these are used only in the manufacture of rubber shoes; all of the others are either auxiliary to major machines in the sense that their functions are immediately related to those of major machines, or they perform work independent of that done by major machines but of somewhat less importance in the shoemaking process. For example, prior to lasting the insole and upper must be attached to the last. This is usually accomplished by machines auxiliary to lasting and pulling over machines, known as insole tacking and assembling machines. As previously explained, in welt shoes the welt is sewed to the upper and an upstanding rib on the insole by a welt sewing machine. The upstanding ribs on the insoles of most welt shoes are constructed by a group of machines auxiliary to the welt sewing machine, known as scoring, channeling, lip turning and setting, lip and rib cementing, and reinforcing machines. Certain so-called metallic fastening machines, such as staple fastening and wiring machines, are used to fasten parts of the shoe together temporarily at various stages in its manufacture. Numerous other minor machines perform the various shoemaking operations known in the trade as lacing, buffing, skiving, cementing, folding, edging, roughing, trimming, conforming, splitting, cutting, moulding, pounding, ironing, finishing, etc.

17. Continuously since 1899 United has been engaged in the manufacture and distribution of shoe machinery. Immediately upon its formation in 1899 United acquired most of the capital stock, business, and assets of the Consolidated and McKay Lasting Machine Company, McKay Shoe Machinery Company, Goodyear Shoe Machinery Company, and Eppler Welt Machine Company, each of which was engaged in the manufacture and distribution of shoe machinery in the United States. The purpose of the merger, as set forth in a circular to stockholders of the Goodyear Shoe Machinery Company, was to realize "the great advantages to be secured by the control in one corporation both in the United States and foreign countries of the efficient types of shoe machinery \* \* \*."

The effect of the merger was to consolidate in United the companies manufacturing practically all the welt sewing, outsole stitching, lasting, metallic fastening, and heel attaching machines then being manufactured and distributed in the United States.

18. Since the merger United has continued to manufacture and distribute shoe machines of the type manufactured by its constituent companies to the extent that such machines have been in demand by shoe manufacturers, and from time to time since 1899 has embarked upon the business of manufacturing and distributing numerous other types of machines. At present United manufactures and distributes all types of major machines, except upper stitching machines, and all types of minor machines of importance, including each of those listed in appendix A hereof.

19. Most of the shoe machinery made by United is manufactured in its principal factory at Beverly, Massachusetts; a substantial part is manufactured in factories of branches of United known as Booth Brothers Company at Rochester, New York, and O. A. Miller Treeing Machine Company at Plymouth, New Hampshire. The distribution of its shoe machinery is handled almost entirely by various so-called operating departments of the company known as the Lasting-Heeling, Eyeletting, Goodyear, Rubber Shoe, Fitting Room, Cutting Die, Littleway, Cement Shoe, and General departments.

20. United is the only company in the United States which can completely equip a shoe factory with its necessary machinery, exclusive of upper stitching machines. The principal competitor of United is the Compo Shoe Machinery Company, and its operations are, with unimportant exceptions, confined to the manufacture and distribution of cement sole attaching machines and their auxiliaries. All other competitors of United manufacture only a single type or a few types of shoe machines. By reason of this, some or most of the machinery of all shoe manufacturers in the United States has been manufactured by United.



21. Most major machines and numerous minor machines manufactured by United are supplied to shoe manufacturers only on lease; the rest of its machines are made available by United to shoe manufacturers on sale terms only, or on sale or lease terms at the option of the shoe manufacturer. United's gross income from its leases in 1946 was \$21,504,541. Its gross income from the sale of machines was \$507,036. Over 80% of the United machines now in use in shoe factories were distributed by United on lease as distinguished from outright sale.

22. United requires that all machines on lease to shoe manufacturers be serviced and repaired by United. In part to provide this service, United maintains numerous branch offices throughout the United States conveniently situated near the various shoe production centers of the country. Approximately 900 roadmen are assigned to these offices for the ostensible purpose only of servicing shoe machinery in the possession of lessees. By reason of United's repair services, its roadmen have ready access to virtually all shoe factories in the United States.

23. United manufactures and sells shoe machinery parts and maintains depots for spare parts conveniently located to meet the demands of shoe manufacturers for such parts. United's gross income from the sale of parts in 1946 was \$3,513,074.

24. United is engaged in the sale to shoe manufacturers of shoe factory supplies consisting of materials used in conjunction with various types of shoe machines; parts of shoes or materials from which shoe parts are made; chemical compounds used in shoemaking; and shoe-making tools, findings, and miscellaneous equipment and accessories. Its gross income from the sale of shoe factory supplies in 1946 was over \$25,000,000. 75% of the dollar volume of shoe factory supplies sold by United is manufactured in its main factory at Beverly and in factories of branches, subsidiaries, and affiliated companies of United, and 25% by manufacturers in which United has no stock interest and from which

United purchases supplies for resale. Such branches, subsidiaries, and affiliated companies of United and the shoe factory supplies manufactured by them are as follows:

<u>Name</u>	<u>Principal Place of Business</u>	<u>Relation to United</u>	<u>Products</u>
B. B. Chemical Co.	Cambridge, Mass.	Subsidiary	Cements, stains, waxes, leather finishes, rein- forcing tapes for insoles
W. W. Cross & Co., Inc.	East Jaffrey, N. H.	Subsidiary	Tacks, nails
S. A. Felton & Son Co.	Manchester, N. H.	Subsidiary	Hand and power brushes
Hoague-Sprague Corp.	Lynn, Mass.	Subsidiary	Boxes, box blanks, paper and fibre board, box forming machines
Fred W. Mears Heel Co., Inc.	Boston, Mass.	Subsidiary	Wood heel blocks
Shoe Form Co., Inc.	Auburn, N. Y.	Subsidiary	Plastic shoe and hosiery forms
Shoe Lace Company	Lawrence, Mass.	Subsidiary	Shoelaces, trimmings
United Last Company	Brockton, Mass.	Subsidiary	Lasts
Binghamton Die Plant	Binghamton, N. Y.	Branch	Cutting dies
Booth Brothers Company	Rochester, N. Y.	Branch	Accessories
Hughes Eyelet Company	Taunton, Mass.	Branch	Eyelets, accessories
O. A. Miller Treeing Machine Company	Plymouth, N. H.	Branch	Shoe trees, shoe- laces
J. C. Rhodes & Co., Inc.	New Bedford, Mass.	Branch	Eyelets, accessories
The S. O. & C. Company	Ansonia, Conn.	Branch	Eyelets, accessories
St. Louis Die Plant	St. Louis, Mo.	Branch	Cutting dies, accessories
United Awl & Needle Company	West Medway, Mass.	Branch	Awls, drivers, fibre fastening material, accessories



<u>Name</u>	<u>Principal Place of Business</u>	<u>Relation to United</u>	<u>Products</u>
United Shank & Findings Company	Whitman, Mass.	Branch	Wood, steel, and combination shanks
Celastec Corpora- tion	Arlington, N. J.	Jointly owned by United and E. I. duPont de Nemours Company	Box toe material, celastic softener
Tubular Rivet & Stud Company	Wollaston, Mass.	25% of stock owned by United	Hooks, rivets, grommets

25. Continuously since about 1915 shoe manufacturers have been engaged in the tanning of hides for shoe leather in tanneries owned or operated by said manufacturers. Approximately 25% of the shoe leather presently made in the United States is manufactured in tanneries of shoe manufacturers. For many years United, through a wholly owned subsidiary known as the Turner Tanning Machinery Company with its principal place of business at Peabody, Massachusetts, has been engaged in the manufacture and sale of tanning machinery used by tanneries in the manufacture of shoe leather.

26. A substantial part of the shoe machinery, shoe machinery parts, shoe factory supplies, and tanning machinery hereinbefore described, including such machinery, parts, and supplies manufactured by or for United, is distributed in interstate commerce from the states of its manufacture, principally the State of Massachusetts, to shoe manufacturers in numerous other states throughout the United States.

#### OFFENSES CHARGED

27. Continuously from the year 1912 to the date of the filing of this complaint the defendant United Shoe Machinery Corporation has been violating Section 2 of the Sherman Act by:

- (a) Monopolizing interstate trade and commerce in the shoe machinery industry of the United States;
- (b) Monopolizing the manufacture and distribution in interstate commerce of all major shoe machines, except

upper stitching and cement sole attaching machines, and attempting to monopolize the manufacture and distribution in interstate commerce of cement sole attaching machines;

(c) Monopolizing the manufacture and distribution in interstate commerce of numerous minor shoe machines of the type manufactured by it, and attempting to monopolize the manufacture and distribution in interstate commerce of all other such minor shoe machines;

(d) Monopolizing the manufacture and distribution in interstate commerce of parts used in shoe machinery leased by United;

(e) Monopolizing the distribution in interstate commerce of numerous of the shoe factory supplies of the type sold by it, and attempting to monopolize the distribution in interstate commerce of all other such supplies; and

(f) Attempting to monopolize and monopolizing the manufacture and distribution in interstate commerce of tanning machinery used in the manufacture of shoe leather.

In furtherance thereof, the defendant has combined and conspired with others to monopolize, and has entered into numerous contracts, agreements, and understandings in restraint of, the manufacture and distribution in interstate commerce of shoe machinery, shoe machinery parts, shoe factory supplies, and tanning machinery, in violation of Sections 1 and 2 of the Sherman Act. The defendant threatens to continue and will continue the offenses herein alleged unless the relief hereinafter prayed for is granted.

28. The defendant has attempted to monopolize and has monopolized the shoe machinery industry and the manufacture and distribution of shoe machinery, shoe machinery parts, shoe factory supplies, and tanning machinery, as hereinbefore alleged, by:

(a) Eliminating and disabling its actual and potential competitors engaged, or proposing to engage, in the development,



manufacture, and distribution of shoe machinery, by acquiring their assets and employing their key men;

(b) Inducing companies engaged in the manufacture and distribution of shoe machinery and shoe repair machinery to confine their operations to certain machines, to distribute their machinery to shoe factories exclusively through United, and to refrain from selling shoe repair machinery to shoe factories;

(c) Pursuing a manufacturing and marketing policy designed to prevent the installation in shoe factories of all competitive shoe machinery and to displace with United machinery all competitive shoe machinery installed in shoe factories;

(d) Engrossing patents and inventions relating to the manufacture of shoe machinery and using such patents and inventions to prevent competitors from manufacturing and distributing shoe machinery;

(e) Preventing the distribution of second-hand shoe machinery;

(f) Requiring lessees to purchase from United all parts for shoe machinery leased by it;

(g) Acquiring the capital stock and assets of corporations engaged in the manufacture and sale of shoe factory supplies;

(h) Inducing manufacturers engaged in the manufacture and sale of shoe factory supplies to market such supplies to the shoe trade exclusively through United;

(i) Using its monopoly of shoe machinery as an instrument to monopolize the distribution of shoe factory supplies; and

(j) Acquiring the capital stock and assets of corporations engaged in the manufacture and sale of tanning machinery.

The aforesaid monopolization and attempts to monopolize, and the acts, acquisitions, contracts, agreements, and understandings which formed a part thereof and were used in effectuation thereof, are hereinafter more fully set forth and described.

I. Shoe Machinery

A. Disabling Actual or Potential Competitors  
by the Acquisition of Their Assets and the  
Employment of Their Key Men

29. To eliminate and restrict competition in the manufacture and distribution of shoe machinery United has from time to time acquired assets, including patents, machinery, models, and plant equipment, of numerous companies and individuals engaged, or proposing to engage, in the development, manufacture, and distribution of shoe machinery. United has also from time to time attempted to engage, and has engaged, in its employ inventors and other key men of competitors for the purpose of restricting competition by depriving competitors of the services of such personnel. By means of the foregoing, United has suppressed the competition of numerous companies engaged in the manufacture and distribution of shoe machinery and has prevented other companies from entering into the business of manufacturing and distributing shoe machinery in competition with United. The transactions of this nature now known to plaintiff are hereinafter more fully described.

General Shoe Machinery Company

30. General Shoe Machinery Company was formed in 1917 by certain shoe manufacturers, including International Shoe Company, the largest manufacturer of shoes in the United States, to engage in the shoe machinery business in competition with United. During the period from 1917 to 1923 General engaged in the development of certain major machines and in the manufacture and sale of certain minor machines,



principally treeing and finishing machines. By 1923 major machines of General were being used successfully for the manufacture of shoes and were ready for commercial exploitation.

31. In 1923 United agreed with certain of the stockholders of General, including International Shoe Company, to acquire the assets of General upon assurances sought by United that said stockholders would cooperate with United to prevent prosecution of it under the antitrust laws for said acquisition. Pursuant to the agreement, General assigned to United for the sum of \$400,000 its principal patents and applications for patents on shoe machinery, and United engaged the principal inventor of General in its employ. Thereupon, General discontinued its development work on shoe machinery, declined to lease or sell the major machines which it had developed, and proceeded to confine its shoe machinery business to treeing and finishing machines.

32. In 1928, pursuant to the aforesaid understanding reached in 1923, United acquired the remaining assets of General, including its treeing and finishing machine business, under a subterfuge adopted by it with the connivance of stockholders of General to hide the fact that United was acquiring the assets of one of its principal competitors. United induced International Shoe Company to purchase all assets of General not acquired by United in 1924 and simultaneously caused International to transfer said assets to United for the sum of \$150,000. General was thereupon dissolved. The purchase of General's assets by International Shoe Company was not in good faith but was instigated by United to cloak an intentional violation of the anti-trust laws.

Reece Shoe Machinery Company

33. Reece Shoe Machinery Company, a wholly owned subsidiary of Reece Buttonhole Machine Company, was engaged during the period

between 1911 and 1934 in the shoe machinery business in competition with United. During said period the company developed and marketed clicking machines and various minor machines and was engaged in developing and attempting to commercialize lasting, outsole stitching, and welt sewing machines.

34. In or about 1928 United sought to employ the principal inventor of Reece Shoe Machinery Company who was then engaged in developing its outsole stitching and welt sewing machines. In 1934 United acquired for the sum of \$55,000 all assets of the Reece Shoe Machinery Company, except those used in the manufacture of clicking machines. Said assets included all patents, models, and plant equipment used in the construction of the lasting, outsole stitching, and welt sewing machinery which Reece Shoe Machinery Company was then engaged in developing for commercialization. In 1935 Reece Shoe Machinery Company was consolidated with its parent company which at all times thereafter has confined its shoe machinery business to the manufacture and sale of clicking machines.

Charles C. Blake and C. C. Blake, Inc.

35. C. C. Blake, Inc., was engaged during the period from about 1913 to 1932 in the development of automatic shoe machinery and succeeded in obtaining patents upon, and in constructing experimental models of, such machinery, including automatic welt sewing, outsole stitching, lasting, rough rounding, and channeling machines. In the year 1932 United acquired for the sum of \$15,000 all assets, including shoe machinery patents, of said company and engaged its principal inventor in United's employ. United has never commercialized the automatic shoe machinery acquired from C. C. Blake, Inc.

Alexander E. Little and the Littleway Process Co.

36. Prior to 1924 Alexander E. Little developed and patented a process of lasting and outsole stitching known as the Littleway process, and staple lasting and lockstitch sole sewing machines to be used in said process. By 1924 the machines were being used successfully in the



manufacture of shoes and were sufficiently developed for commercialization.

37. In 1924 United and Little entered into and thereafter carried out a contract providing as follows:

(a) That Little would cause to be incorporated a company to be known as the Littleway Process Company;

(b) That Little would assign to United 49% of the capital stock of the Littleway Process Company for the sum of \$1,000,000 and would hold the remaining 51% in escrow subject to a five-year option of United to acquire said stock for the sum of \$2,000,000;

(c) That Little would assign all patents covering the Littleway process to the Littleway Process Company which would thereafter engage in the business of licensing shoe manufacturers to use the process;

(d) That Little would transfer to United his staple lasting and sole sewing machines, and patents and applications for patents upon such machines, and that United would thereafter engaged in the manufacture and distribution of such machines;

(e) That for a period of ten years Little would not engage in any business competitive with the Littleway Process Company or United.

In 1927 United acquired from Little for the sum of \$1,400,000 the remaining 51% of the stock of the Littleway Process Company.

38. Continuously since 1927 the Littleway Process Company has been engaged, as a wholly owned subsidiary of United, in the business of licensing shoe manufacturers to use the Littleway process, and United has been the sole manufacturer and distributor of staple lasting and McKay lockstitch sole sewing machines used in said process. In 1946 over 50,000,000 pairs of shoes were staple lasted by the Littleway process and over 10,000,000 pairs were both staple lasted

and stitched by said process.

Jacob S. Kamborian and Northern Machine Company

39. Northern Machine Company was formed by Jacob S. Kamborian and Albert Bancroft in 1930 to manufacture and commercialize irons, known as hot plates, invented and developed by Kamborian for use in cement lasting. In 1932, while Northern Machine Company was manufacturing and selling hot plates, United offered to purchase the company for \$75,000 and sought to engage Kamborian in its employ. Upon the rejection by Northern Machine Company and Kamborian of said offer, United caused to be issued to it a British patent reading upon the Kamborian hot plate.

40. Between 1930 and 1932 Kamborian developed and patented in the United States a cement side lasting machine. During negotiations between United and Northern Machine Company for the sale of said company, Kamborian, at United's request, demonstrated his lasting machine to United. Thereafter, United caused to be issued to it a British patent reading upon Kamborian's lasting machine.

41. In 1935 United purchased from Kamborian his cement side lasting machine and patents upon said machine for the sum of \$50,000. As a condition of said purchase imposed by United Kamborian accepted employment with United as an inventor upon a three-year contract. While employed with United Kamborian was required by United to confine his work for Northern Machine Company to the development and exploitation of Kamborian hot plates, and at all times during said employment the business of Northern Machine Company was limited to the manufacture and sale of said hot plates. United has never commercialized the cement side lasting machine acquired from Kamborian.

Napoleon A. Monfils and Monfils Shoe Machinery Company

42. Monfils Shoe Machinery Company was a partnership formed in 1935 by Napoleon A. Monfils and Albert Meyers to manufacture, in a



machine shop owned by Monfils, and sell a heel attaching machine developed by Monfils. In 1936 United engaged Monfils in its employ and acquired his machine shop, shoe machinery patents, and the rights of the Monfils Shoe Machinery Company in the heel attaching machine then being manufactured and sold by it. Upon agreeing to accept employment with United, Monfils caused Monfils Shoe Machinery Company to be dissolved.

Pincus Brauner and Brauner Manufacturing Company

43. Between 1934 and 1937 Pincus Brauner and the aforesaid Meyers caused the Brauner Manufacturing Company to be incorporated and to engage in the manufacture and sale of cement shoe machinery and in the development of a heel attaching machine. In 1937 United induced Brauner to accept employment with it and to transfer to United models and patterns of said heel attaching machine. Thereafter, United obtained a patent upon said machine.

William P. Egan and General Machine Sales Company

44. During the period from 1910 to 1938 William P. Egan and John J. Sheehan were partners in the business of manufacturing and selling shoe machinery, principally reconditioned second-hand machinery, said business being known after 1935 as General Machine Sales Company. In 1938 United induced Egan to withdraw from the partnership and accept employment with United. Thereafter, the business of General Machine Sales Company declined substantially, and the company was liquidated upon the death of Sheehan in 1942.

Barge Electric Shoe Cement Press, Inc.

45. Between 1932 and 1937 Barge Electric Shoe Cement Press, Inc., was engaged in the manufacture and distribution of sole cementing presses. In 1937 United acquired from Barge Electric Shoe Cement Press, Inc., for the sum of \$45,000 the patents upon said presses and all jigs, tools, patterns, and other equipment used in their manufacture. Thereupon, Barge Electric Shoe Cement Press, Inc., ceased doing business.

Fitchburg Engineering Corporation

46. Prior to 1935 Fitchburg Engineering Corporation developed and patented a sole tempering machine and marketed said machine through the American Shoe Machinery Company. In 1935 United caused American Shoe Machinery Company to acquire the patents upon said machine from Fitchburg Engineering Corporation and to assign said patents to United. Thereupon, Fitchburg Engineering Corporation ceased manufacturing sole tempering machines.

Barbour Welting Company

47. Prior to 1928 Barbour Welting Company was engaged in the manufacture and distribution of a patented welt tempering machine. In 1928 United acquired from Barbour Welting Company for the sum of \$5,000 all outstanding machines on lease by it and patents thereon, and Barbour Welting Company ceased the manufacture and distribution of such machines.

Safety Utility Economy Company

48. Prior to 1924 Safety Utility Economy Company was engaged in the manufacture and sale of electrical heating devices for use in the manufacture of shoes. In 1924 United acquired from said company the patterns, tools, and other equipment used in the manufacture of said devices, and Safety Utility Economy Company ceased the manufacture and sale of such devices.

Standard Shoe Tying Machine Company

49. Prior to 1924 the Standard Shoe Tying Machine Company was engaged in the manufacture and distribution of shoe tying machines. About 1924 United acquired from said company its assets, including jigs, tools, patterns, parts, and other equipment used in the manufacture of shoe tying machines, and said company ceased doing business.

Naumkeag Buffing Machine Company

50. Prior to 1920 Naumkeag Buffing Machine Company was engaged in the manufacture and distribution of buffing machines. About 1920



United acquired the assets of said company, and said company ceased doing business.

Gimson Shoe Machinery Company

51. For many years prior to 1930 Gimson Shoe Machinery Company was engaged in the manufacture of shoe machinery at Leicester, England and in the export of such machinery to the United States through sales agents located in the United States, including Reece Shoe Machinery Company. In February, 1930, the assets of Gimson Shoe Machinery Company were acquired by British United Shoe Machinery Company, a subsidiary of United, and Gimson Shoe Machinery Company was liquidated. At the same time Gimson Shoe Machinery Company assigned to United all United States patents and pending applications relating to shoe machinery and held by said company.

B. Restrictive Agreements with Competitors

52. United has from time to time entered into agreements and understandings with various manufacturers of shoe machinery and shoe repair machinery designed to restrict, curtail, and prevent their competition in the manufacture and sale of such machinery. Under the terms of said agreements with United said manufacturers have confined their manufacture of shoe machinery to certain kinds, marketed their machinery exclusively through United, and refrained from distributing shoe repair machinery to shoe factories. The agreements and understandings of this nature now known to plaintiff are hereinafter more fully described.

Singer Manufacturing Company

53. For many years Singer Manufacturing Company has manufactured and sold most of the upper stitching machines, many of the buttonhole machines, and certain miscellaneous equipment used by shoe manufacturers in upper fitting. Between 1912 and 1920 Singer caused the Hamel Shoe Machinery Company to be organized and to engage, in competition with United, in the manufacture and sale of shoe machinery, other than upper stitching machines. Said company was at all times owned, controlled, and financed by Singer.

54. Upon its formation, Hamel acquired four shoe machinery companies which were actively engaged in the development, manufacture, and distribution of shoe machinery. Thereafter, Hamel manufactured and marketed machinery of the type made by said companies. In addition, Hamel expended large sums of money in extensive developmental work on shoe machinery, other than that made by the companies acquired by Hamel, and in the acquisition of patents upon said machinery, and manufactured and sold certain types of machinery thus developed by it. By 1920 numerous shoe machines of Hamel were being used by shoe manufacturers, and in some instances shoe factories were completely equipped with shoe machinery made by Hamel.

55. Throughout the period from about 1920 to the date of this complaint, United and Singer have been parties to an agreement and understanding the substantial terms of which have been that United would refrain from manufacturing and distributing upper fitting machinery, including upper stitching and buttonhole machines, and equipment of the kind manufactured by Singer, and that Singer would not engage in the manufacture and distribution of any other type of shoe machinery. Said agreement has been and is being carried out by Singer and United, and in furtherance thereof the parties thereto have done the following:

(a) Singer caused the Hamel Shoe Machinery Company to cease doing business in 1925 and to assign its shoe machinery patents to Singer.

(b) Singer from time to time transferred to United by license and assignment, in some instances for no money consideration, all patents acquired by Singer from Hamel and other shoe machinery patents held by Singer.

(c) Singer has at all times since the liquidation of Hamel refrained from manufacturing and selling shoe machinery, other than upper stitching and buttonhole machines.



(d) During the period between 1936 and 1946 United withdrew from the manufacture and distribution of button-hole machines and induced its customers to substitute Singer machines for United machines.

(e) United has at all times refrained from manufacturing upper stitching machines and upper fitting equipment of the kind manufactured by Singer, and, when requested by shoe manufacturers to supply upper fitting equipment of the kind manufactured by Singer, has purchased such equipment from Singer for resale to shoe manufacturers.

(f) United and Singer have from time to time collaborated in developmental work upon their respective lines of machinery.

(g) United and Singer have continuously collaborated in the preparation of shoe factory layouts under arrangements providing that Singer limit shoe factory layouts prepared by it to fitting rooms and that United induce shoe factories for which it prepared layouts to acquire from Singer upper fitting machinery and equipment of the type manufactured by Singer.

The Lamson Company

56. Prior to 1934 The Lamson Company sold and installed in shoe factories shoe conveyor systems patented and developed by it. In 1934 Lamson and United entered into, and have since continuously carried out, the following agreement:

(a) That United should be the exclusive agent for Lamson in the United States for the distribution and maintenance of shoe conveyor systems;

(b) That the normal method of marketing shoe conveyor systems should be by lease and not by sale, and that shoe conveyor systems should not be sold except with the consent of United;

(c) That United should pay to Lamson the sum of \$220,000 in partial settlement of United's share in patent and developmental costs of shoe conveyor systems;

(d) That Lamson and United should share equally in the manufacturing costs of shoe conveyor systems and in the income from leases of said systems;

(e) That Lamson should appear as lessor in all leases of shoe conveyor systems and that no publicity should be given to the aforesaid agreement nor to United's interest in shoe conveyor systems.

Tubular Rivet & Stud Company

57. Tubular Rivet & Stud Company has been engaged for many years in the manufacture of hook setting machines. Continuously since 1912, pursuant to agreement between Tubular Rivet & Stud Company and United, United has been the exclusive agent of Tubular Rivet & Stud Company for the distribution of such machines to shoe factories. Since the execution of said agreement, all hook setting machines of Tubular Rivet & Stud Company installed in shoe factories have been distributed by United pursuant to said agreement.

Breuer Electric Manufacturing Company

58. Prior to 1936 Gordon A. Brawley developed a heat blower for removing wrinkles from shoes and induced Breuer Electric Manufacturing Company to manufacture the blower and to distribute it exclusively through a company formed by Brawley, called Gordon A. Brawley & Associates. In 1935 United caused to be assigned to it a patent issued to one Sandt, and thereafter demanded that Brawley & Associates desist from distributing the heat blower on the ground that it infringed the Sandt patent. In 1936 United purchased from Brawley & Associates its agency for the distribution of said blower and the goodwill of its business in heat blowers. At all times since 1936 United has been the exclusive agent of Breuer Electric Manufacturing Company for the distribution of heat blowers.



Landis Machine Company

59. For many years Landis Machine Company has been engaged in the manufacture and sale of shoe repair machinery. About 1936 Landis, under threat of infringement suit by United, agreed with United to refrain, and has refrained, from soliciting the business of shoe manufacturers for machinery manufactured by Landis.

C. The Pursuit by United of a Manufacturing  
and Marketing Policy Designed to Restrict  
and Eliminate Competition

60. To forestall, restrict, and eliminate competition in the manufacture and distribution of shoe machinery United has continuously pursued a policy of (a) distributing most of its machinery upon leases which are intended to, and do, prevent shoe manufacturers from using competitive machinery; (b) adopting charges and other lease and sale terms for its machinery calculated to prevent the installation or cause the removal of competitive shoe machinery, and modifying said charges and terms for said purpose; (c) preempting the market for new and improved shoe machinery by introducing such machinery when competition arises or is anticipated, and by developing and distributing new and improved machinery similar to or duplicating such machinery introduced by its competitors; (d) distributing "fighting" machines to replace and prevent the installation of competitive machines; and (e) refusing to sell parts and equipment for use in or with competitive shoe machinery. In furtherance of this policy United has instituted and used a system of policing shoe factories which has enabled it at all times to know the amount, kind, and source of all competitive machinery in all shoe factories in the United States.

1. United's Leasing Policy

61. For many years United has declined to sell most of its shoe machines and has made such machines available to shoe manufacturers only upon leases which reserve to United the sole and exclusive property in the machines and which grant to lessees the right to use the machines

only for the purposes specified in the leases. United offers certain of its machines upon lease or sale terms at the option of shoe manufacturers but has followed the practice of establishing such alternative terms of sale and lease as will cause shoe manufacturers to lease such machines. As a consequence, most machines offered by United on optional terms are leased by shoe manufacturers.

62. At present United offers on lease only all of its major machines, except sole cutting and certain leveling machines; all minor machines handled, with a few unimportant exceptions, by its Lasting-Heeling, Good-year, Littleway, and Cement Shoe departments; and various minor machines handled by its other departments. It offers on sale and not on lease a limited number of unimportant shoe machines handled, principally, by its General Department. All other shoe machines are offered on optional lease or sale terms. As a consequence of the foregoing, of the 123,000 United machines in shoe factories today only 21,000, or approximately 18%, are owned by shoe manufacturers.

63. United's leases for most of its machines provide for the payment by shoe manufacturing lessees of flat rental charges or of so-called unit charges based upon the number of shoes upon which the machines are used or upon the number of operations performed by the machines. Leases for the rest of its machines provide for the payment of both rental and unit charges. Where unit charge machines are adaptable for more than one kind of operation separate charges are assessed by United for each kind of operation.

64. All leases of United have for many years, and do now, contain the following provisions which, alone or in combination with one or more of the others, are intended to, and do, deter and prevent shoe manufacturing lessees from replacing with a competitive machine each of the shoe machines leased from United:

- (a) That the lessee shall use the machine for not less than a term of five or ten years, depending upon the type of



machine and the date of execution of the lease; that the lease may be cancelled during said term only by United; and that, thereafter, the lessee shall continue to use the machine indefinitely subject to the right of United or the lessee to terminate the lease upon 60 days' notice;

(b) That the lessee of each unit charge machine shall use the machine each month upon a stipulated minimum number of pairs of shoes, and shall pay to United a stipulated sum of money at the conclusion of each month during which the machine is not used upon said minimum number of pairs of shoes;

(c) That the lessee of each unit charge machine shall use the machine to its full capacity upon all shoes made by the lessee upon which the machine is capable of being used;

(d) That upon termination of the lease the lessee shall surrender the machine to United in good order and condition, shall reimburse United for the cost of all broken or missing parts, and shall pay to United a stipulated sum of money varying according to the machine leased from about 20% to 85% of the value of the machine.

United has from time to time invoked said lease provisions to prevent shoe manufacturers from replacing United machines with competitive machines.

2. The Adoption and Modification of Lease and  
Sale Terms to Eliminate Competition

65. United has from time to time upon the introduction by it of shoe machinery adopted terms for such machinery, including rentals, unit charges, and selling prices, calculated to cause the machinery to supplant competition in its field. In numerous instances where competition of importance has developed with respect to shoe machinery then being manufactured and distributed by United, United has attempted to stifle such competition by modifying its lease and sale terms in the following respects, among others:

- (a) Granting extended free trials of machinery;
- (b) Waiving initial payments, monthly payments for use less than minimum, and lease termination charges;
- (c) Loaning machinery to shoe manufacturers on a short-term basis for the manufacturers' so-called peak-load operations;
- (d) Reducing rental, unit, and sale charges;
- (e) Substituting rental for lease charges; and
- (f) Substituting sale terms for lease terms.

By means of such marketing tactics United has intentionally driven out of business numerous shoe machinery companies, including the B & W Shoe Machinery Company and the H. Gordon Co., Inc., and has attempted to frustrate, and has frustrated, the manufacture and distribution of shoe machinery of various types by numerous companies, including Compo Shoe Machinery Company, Hamlin Machine Company, and Bretholz Manufacturing Company.

### 3. Presumption of the Market for New and Improved Shoe Machinery

66. United has continuously sought to anticipate all demands of the shoe industry for improved or new machinery and, where such demand appeared to invite competition, to forestall such competition by manufacturing and distributing such machinery. In numerous instances United has adopted improvements, or purported improvements, in shoe machinery for the purpose of eliminating competition encountered by old and unimproved shoe machinery of United. By virtue of this, to the extent that new and improved shoe machinery has been developed by United since 1912, United has usually been able, as intended by it, to entrench itself in the fields of such machinery before competition could develop.

67. In all instances where new or improved shoe machinery of importance has been introduced by competitors of United, United has developed and introduced similar machinery of its own for the purpose of displacing from shoe factories such machinery of its competitors



and preventing its installation. United has thereby eliminated or substantially restricted installations of competitive shoe machinery by numerous companies, including, among others, Compo Shoe Machinery Company, Hamlin Machine Company, International Shoe Machinery Company, and Peerless Machinery Company. The attempts by United to suppress the competition of said companies by manufacturing and distributing machines of the kind introduced by them are hereinafter more fully described.

#### Compo Shoe Machinery Company

68. The most important development in the shoe industry since 1912 has been the introduction of the cement shoe and machinery for its manufacture. For some time prior thereto United had refrained from introducing such machinery for fear of displacing other machinery manufactured by it. The first commercially successful cement shoe machinery was offered to the shoe industry in the United States in 1928 by Compo Shoe Machinery Company, and until 1931 virtually all cement shoes were bottomed on such machinery. Upon the development of the Compo machinery United offered to purchase such machinery and the patents thereon for \$55,000. Said offer was rejected, and United thereupon commenced the development of machinery similar to that of Compo. In 1931 United introduced its line of cement sole machinery, and since that time has progressively increased the volume of cement shoes bottomed on its machinery. In 1946 approximately 52% of all cement shoes were bottomed on machinery of United manufacture.

#### Hamlin Machine Company

69. About 1929 Hamlin Machine Company commercialized a heel flap trimming machine developed and patented by Nicholas W. Mathey. Upon the acceptance and use of the machine by shoe manufacturers, United introduced a similar machine in 1931 and distributed said machine until 1940 on terms calculated to prevent the distribution of Hamlin's machine. In an action for infringement by Mathey against United, the

United States District Court for the District of Massachusetts found that United had intentionally infringed Mathey's patent, and that United "knew or must have known" that the effect of the terms established by it on its heel flap trimming machine "would ruin the plaintiff as its only competitor in a distinctive field." By reason of the intentional infringement by United of Mathey's patent, the terms established by United upon its machine, and the employment by United of tactics designed to harass Hamlin in doing business, Hamlin was forced out of the business of manufacturing and marketing heel flap trimming machines.

International Shoe Machinery Company

70. About 1940 Jacob S. Kamborian developed, patented, and commercialized through the International Shoe Machinery Company the first successful side lasting machine to perform a continuous lasting operation. Upon the acceptance and use of the machine by shoe manufacturers, United introduced in 1943, and has since been distributing, a similar machine which it at all times knew to infringe, and which the United States District Court for the District of Massachusetts has found infringes, Kamborian's patents upon his side lasting machine.

Peerless Machinery Company

71. About 1914 the Peerless Machinery Company developed, patented, and commercialized a device to be used upon eyeletting machines for setting invisible eyelets in shoes. Upon the acceptance and use of the device by shoe manufacturers, United introduced, and has since been distributing, an identical device. In an action for infringement filed on behalf of Peerless against United, the United States District Court for the District of Massachusetts found that United had infringed the Peerless patent and that "the infringement was willful, deliberate, and intentional."

4. Policing of Competition

72. For many years United has employed its 900 roadmen to police



all installations of competitive shoe machinery in the United States. Although such roadmen are granted access to shoe factories by shoe manufacturers solely for the purpose of servicing United machinery, United has required its roadmen to, and they do, systematically detect and report to United all installations and removals of competitive shoe machinery. United maintains a current file of so-called outside machine installation and removal reports of its roadmen for the purpose of enabling it to ascertain at all times the nature of the competition which each of its machines encounters. United has at all times used said reports as a basis for determining the methods to be employed by it to suppress the competition revealed by said reports. When United embarks upon a program to eliminate a competitive shoe machinery line it causes its roadmen to make periodic check-ups in shoe factories and reports to United concerning the competitive machinery involved to enable United to appraise the success of its program.

D. Engrossing Shoe Machinery Patents and  
Inventions to Suppress Competition

73. United has been for many years, and is now, engaged in a program of engrossing all patents and inventions of importance relating to shoe machinery for the purpose of blanketing the shoe machinery industry with patents under the control of United and thereby suppressing competition in the industry.

74. Since 1920 United and its subsidiaries have acquired 6,712 United States patents, the vast majority of which relate to shoe machinery. 4,172 of these patents, including 3,777 standing in United's name, have issued since January 1, 1930. In addition, United has acquired by licenses, some of which are exclusive, the right to use 108 other patents. On January 1, 1947 United's Patent Department had 857 inventions "on hand," of which 400 were the subjects of patent applications pending in the United States Patent Office.

75. United has for many years maintained large staffs of research and patent experts to develop and process all patentable ideas relating to shoe machinery for the purpose of causing patents to issue to United. Its Research Division employs about 500 men, has a current annual budget of \$3,000,000, and has spent \$20,000,000 since 1930. United's Patent Department has a staff of 25 full-time lawyers who work in close collaboration with the Research Division. The Research Division has employed, at one time or another, most inventors skilled in the shoe machinery art under contracts binding the inventors to assign all inventions to United not only during the inventors' terms of employment, but also for stipulated periods thereafter.

76. United has instituted and conducted a campaign in the shoe industry to cause the industry to pass on to United all shoe machinery patents, improvements, and inventions. By means of this campaign United has inspired the industry to believe that United represents the only market of importance for shoe machinery inventions. Since 1930 United has acquired 325 patents and 200 inventions, some of which were later patented by United, from persons and companies unaffiliated with United.

77. By its aggregation of shoe machinery patents United has prevented all others, including its competitors, from exploiting the progress in the shoe machinery art represented by said patents. United has licensed others (exclusive of its machinery customers) to use only 208 of the 4,172 patents acquired by United and its subsidiaries since 1930, and has refrained from licensing the use of all other such patents.

78. By depriving its competitors of the art covered by its blanket of patents, United has arrogated to itself the power to determine to what extent new and improved machinery covered by patents held by United shall be offered to the shoe industry, and has exercised this power to promote the continued use of machinery of United which has been on the market for many years. Of the 3,777 patents acquired by United since



1930, aside from those of its subsidiaries, 2,729 are "paper" patents which United has never purported to commercialize. Many of these paper patents cover machinery which, if built, would compete with outstanding United machinery, but which United has refrained from developing and offering to the shoe trade.

79. Only a limited number of the 1,048 patents which were acquired by United since 1930 and which United claims it has commercialized cover new machinery or improvements of substantial importance. United has out on lease today and has sold since 1930, 554 models of machines. 462 of these were in use prior to 1930; the balance, amounting to 92 models, have been adopted since 1930 and are claimed by United to be covered by 363 of the patents acquired by it since 1930. Thus, of United's 3,777 post-1930 patents no more than 363 have been commercialized through new machine models adopted by United since that time and offered by it today.

80. United has purported to incorporate a few of the remaining 685 commercialized patents in machinery which is no longer being offered to the trade and most of the rest in currently offered machinery which was placed on the market by United prior to 1930. A substantial number of such patents are employed by United to enable it to claim patent protection upon machinery which has been on the market for many years and on which all basic patents have expired. United has thereby caused its competitors to refrain from marketing similar machinery for fear of infringing United's post-1930 patents claimed by it to read upon such machinery.

81. The complexity of the patent structure erected by United, its size, and the obscurity of its boundaries which United has intentionally fostered, have, as intended by United, operated to deter others from developing machinery beyond the range of United's patents. In addition, United has employed its patents to fence in competitors by preventing them from developing and using improvements upon their machinery, to block developments in important fields of shoe machinery, to compel the assignment of related patents and inventions, and to tie

the use of United machinery to shoe processes controlled by United.

82. United has invoked its patents in numerous instances where competitors have sought to market shoe machinery. Its Patent Department systematically reviews all outside machine installation reports submitted by roadmen to detect all instances where claims might be made by United that competitive machinery infringed United patents. In numerous instances United has attempted to prevent, and has prevented, the distribution of competitive machinery by threatening to institute, and instituting, infringement proceedings.

E. Preventing the Distribution of Second-Hand  
Shoe Machinery

83. United has at all times sought to prevent its shoe machinery from being reconditioned and sold by other companies as second-hand shoe machinery. For said purpose, United has insisted upon the return to it of all leased machinery when shoe manufacturers have discontinued its use. United has induced shoe manufacturers to lease machinery offered on optional lease or sale terms partly to enable United to recapture such machinery from shoe factories for the purpose of preventing its distribution as second-hand machinery. United has from time to time engaged in programs to recapture machinery sold by it by buying used United machinery and by granting to shoe manufacturers trade-in allowances on new machinery in exchange for used United machinery. All shoe machinery thus recaptured by United has been reconditioned and distributed as new machinery or scrapped.

84. To restrict the competition of second-hand shoe machinery United has from time to time acquired by outright purchase or by granting trade-in allowances on new machinery, and has scrapped, used shoe machinery made by competitors of United, and has declined to sell shoe machinery parts to second-hand shoe machinery dealers.

F. The Monopoly of Shoe Machinery Achieved  
and Maintained by United

85. By means of the unlawful conduct hereinbefore described, United has placed in shoe factories most of the shoe machinery used in the manufacture of shoes in the United States. Over 85% of the total



number now in use in all shoe factories of each of 16 types of major machines, and over 90% of each of 14 types of such machines, have been manufactured by United. The number in shoe factories of each type of major machine manufactured by United and the percentage represented by United machines of the total number of each type of all makes in shoe factories are as follows:

<u>Major Machine</u>	<u>Number of United Machines in Shoe Factories</u>	<u>Percentage of Total Number of Machines in Shoe Factories Repre- sented by United Machines</u>
Clicking	16,408	97%
Lasting	12,554	94%
Eyeletting	7,299	93%
Outsole Stitching	3,537	92%
Heel Attaching	3,169	93%
Pulling Over	3,145	99%
Welt Sewing	1,470	97%
Rough Rounding	1,430	98%
Loose Nailing	1,224	98%
Outsole Leveling	1,062	97%
Outsole Laying	1,029	96%
Slugging	881	87%
Cement Sole Attaching	870	40%
Cutting Press (Dinking)	756	72%
Inseam Trimming	595	99%
McKay Lockstitch Sole Sewing	581	91%
McKay Chainstitch Sole Sewing	498	88%
Fibre Fastening	472	100%

86. By reason of the foregoing, most major operations on most shoes manufactured in the United States are performed by United machines. In particular, United pulling over machines are employed on virtually all shoes in which the upper is initially pulled over the last by machine; United machines perform the lasting on all men's and women's shoes with

insignificant exceptions and on most children's and juvenile shoes; over 90% of the soles of all sewed shoes are attached by machines of United make; the outsoles of all work shoes are nailed on United machines; and the bottoming of virtually all Goodyear Welts is done by welt sewing and outsole stitching machines of United manufacture.

87. Appendix A hereof sets forth the number in shoe factories of each type of minor machine handled by each of United's operating departments and the percentage represented by United machines of the total number of each type of all makes in shoe factories. The composite figures for each of United's operating departments are as follows:

<u>Department</u>	<u>Number of Minor Machines of United in Shoe Factories</u>	<u>Percentage of Total Number of Machines in Shoe Fac- tories Represented by United Machines</u>
General	20,183	71%
Lasting-Heeling	14,107	86%
Fitting Room	13,982	57%
Goodyear	7,857	87%
Cement Shoe	3,415	66%
Eyeletting	839	100%
Littleway	716	93%
Rubber Shoe	709	64%
Cutting Die	673	89%

88. As reflected by appendix A hereof, United has placed in shoe factories 500 or more machines of each of 38 minor types. Over 80% of the total number now in use in all shoe factories of each of 29 of said machine types, and over 90% of each of 18 of said machine types have been manufactured by United.

## II. Shoe Machinery Parts

89. United has at all times embodied in its leases, and enforced, a provision requiring its lessees to purchase from United all duplicate parts, extras, mechanisms, and devices of every kind needed or used in operating, repairing, or renewing leased machinery. In addition, United



has continuously designed its machines in such manner as to require parts of off-standard specifications which can only be obtained from United. By virtue of the foregoing, United has at all times sold all parts for its leased machinery purchased by shoe manufacturers and is the only company in the United States engaged to any substantial extent in the manufacture and sale of shoe machinery parts.

### III. Shoe Factory Supplies

90. For many years United has been engaged in a program designed to enable it to provide all shoe factories in the United States with all shoe factory supplies required by them. In furtherance thereof, United has acquired, either directly or through its subsidiaries, capital stock in numerous companies engaged in the manufacture and sale of such supplies. Said companies, their principal places of business, the dates of the acquisition by United of a majority of their capital stock, and the products manufactured by them are as follows:

<u>Name</u>	<u>Principal Place of Business</u>	<u>Date of Stock Acquisition</u>	<u>Products</u>
B. B. Chemical Co.	Cambridge, Mass.	1920	Cements, stains, waxes, leather finishes, rein- forcing tapes for insoles
Celastic Corporation	Arlington, N.J.	1925	Box toe material, celastic softener
Conway Wood Heel Company	Conway, N. H.	1922	Wood heel blocks
Fellows Wood Heel Company	Brentwood, N. H.	1928	Wood heel blocks
Framingham Last Company	Brockton, Mass.	1925	Lasts
Hoague-Sprague Corp.	Lynn, Mass.	1925	Shoe boxes, shoe box blanks, paper and fibre board, box forming machines
Hughes Eyelet Company	Taunton, Mass.	1918	Eyelets, accessories

<u>Name</u>	<u>Principal Place of Business</u>	<u>Date of Stock Acquisition</u>	<u>Products</u>
Maple Wood Heel Company	Newburyport, Mass.	1922	Wood heel blocks
Fred W. Mears Heel Co., Inc.	Boston, Mass.	1922	Wood heel blocks
Merrimack Wood Heel Company	Boston, Mass.	1927	Wood heel blocks
Shoe City Wood Heel Company	Lynn, Mass.	1930	Wood heel blocks
Shoe Form Co., Inc.	Auburn, N. Y.	1934	Plastic shoe and hosiery forms
Shoe Lace Company	Lawrence, Mass.	1936	Shoelaces, shoe trimmings
Slipper City Wood Heel Company	Salem Depot, N. H.	1922	Wood heel blocks
Star Wood Heel Company	Brooklyn, N. Y.	1925	Wood heel blocks
United Last Company	Brockton, Mass.	1916	Lasts
United Shank & Findings Company	Whitman, Mass	1920	Wood, steel, and combination shanks for shoes

Each of the above companies, except Celastic Corporation, is a subsidiary of United or has been merged with United or one of its subsidiaries.

United owns approximately 50% of the capital stock of Celastic Corporation and markets exclusively all shoe factory supplies made by said company.

91. In furtherance of the aforesaid objective, United has entered into arrangements with numerous manufacturers of shoe factory supplies to sell their products to shoe factories. In many instances said manufacturers have agreed to distribute their products to the shoe trade exclusively through United. The companies distributing their shoe factory supplies exclusively through United, their principal places of business, and the shoe factory supplies made by said companies are as follows:

<u>Name</u>	<u>Principal Place of Business</u>	<u>Products</u>
American Brass Company	Ansonia, Conn.	Staple lasting and toe wire



<u>Name</u>	<u>Principal Place of Business</u>	<u>Products</u>
American Steel & Wire Company	Worcester, Mass.	Staple lasting and toe wire
E. I. duPont de Nemours Company	Wilmington, Del.	Synthetic leather, insole and midsole material
Endicott-Johnson Corporation	Endicott, N. Y.	Fibre blocks
Hyde Manufacturing Company	Southbridge, Mass.	Machine knives
Independent Nail & Tackling Company	E. Bridgewater, Mass.	Wire nails
Marstin Adhesive Company	Lynn, Mass.	Glue
Mullen Brothers, Inc.	Brockton, Mass.	Finishes
Snell-Atherton-Norcross Co., Inc.	Brockton, Mass.	Hand tools
Thompson Manufacturing Company	Lynn, Mass.	Roll covers
Union Paste Company	Medford, Mass.	Glue

92. United has continuously employed its dominance of the shoe industry achieved through its monopoly of shoe machinery, hereinbefore alleged, to further its business of selling shoe factory supplies. By means of its influence and prestige in the shoe industry created by its shoe machinery business United has induced numerous shoe manufacturers to rely upon United as a single or principal source of supply for both machinery and shoe factory supplies. In addition, United has sought to persuade, and has persuaded, shoe manufacturers to use United supplies with United machines by:

(a) Representing to shoe manufacturers that United machines give superior performance when used with United supplies;

(b) Causing its roadmen responsible for servicing United machines to promote the sale of United supplies used in such machines and to police sales of competitive supplies;

(c) Specifying United supplies for use with its machinery upon the submission to shoe manufacturers of factory layouts prepared by United;

(d) Introducing shoe factory supplies simultaneously with the introduction of shoe machines with which such supplies are used;

(e) Establishing such terms upon United machines requiring United supplies as will induce shoe manufacturers to install such machines in preference to others which do not require United supplies;

(f) Correlating prices for shoe factory supplies with charges for machines in which such supplies are used.

93. Until 1920 United leased its eyeletting and metallic fastening machines on condition that the lessees purchase from United eyelets and metallic fastening materials, such as nails and tacks, used in said machines. By means of said leases United achieved a monopoly in the distribution of such supplies to shoe factories. Pursuant to a decree of the District Court of the United States for the Eastern District of Missouri in 1920 United cancelled said leases, but its monopoly of interstate commerce in eyelets and metallic fastening materials used in said machines has been preserved, and has not been dissipated by the cancellation of the leases.

94. By means of the unlawful conduct hereinbefore described, United has established itself as the only company in the United States distributing a full line of shoe factory supplies. United sells about 40% of the dollar volume of all shoe factory supplies of the kind marketed by it and its subsidiaries and used in shoe factories. It supplies at least 73% of each of the various kinds of metallic and fibre fastening materials incorporated in shoes by machine, that is to say, 95% of the eyelets, 100% of the fibre fastening material, 75% of the nails, 85% of the tacks, 73% of the screws, and 97% of the wire.



United also supplies over 90% of the perforating awls and drivers, stitching needles and awls, rolls and wheels, cutters and irons, sharpening stones and wheels, knives, and brushes, used in shoe machinery; 99% of the celastic material, 50% of the shoe shanks, 35% of the wood heel blocks, and 40% of the lasts, used in the manufacture of shoes; and at least one-third of most of the chemical compounds, including 40% of the solvents, 90% of the celastic softeners, 40% of the finishes, and 75% of the thread waxes, used in shoe factories.

#### IV. Tanning Machinery

95. Turner Tanning Machinery Company has been engaged for many years in the manufacture and sale of tanning machinery. Upon the entrance by shoe manufacturers into the field of shoe leather tanning, Turner supplied to such manufacturers a substantial part of the machinery used in tanneries owned by them. To preempt the demand of shoe manufacturers for tanning machinery, United, during the period between 1920 and 1931, acquired, and now holds, substantially all the capital stock of Turner. By virtue of said acquisition, United, through Turner, manufactures and sells 75% of the tanning machinery used in tanneries in the United States, including those owned by shoe manufacturers.

96. Until 1929 Whitney Machine Company was engaged in the manufacture and sale of tanning machinery in competition with Turner. In said year United caused Turner to acquire the assets of Whitney and to engage in its employ the president and principal inventor of Whitney. Thereafter, Whitney ceased doing business.

#### EFFECTS OF THE VIOLATIONS OF LAW

97. The aforesaid monopolization and attempts to monopolize and the acts, acquisitions, contracts, agreements, and understandings used in effectuation thereof, have had the following effects as intended by the defendant:

(a) The defendant controls and dominates the shoe machinery industry of the United States and has the power to exclude all others from said industry.

(b) The defendant has the power arbitrarily to determine who may engage in the manufacture of shoes in the United States, the extent to which machinery shall be used in the manufacture of shoes in the United States, and the kinds of shoes which shall be manufactured in the United States.

(c) The defendant has retarded and forestalled the development and introduction of new and improved shoe machinery, including automatic shoe machinery, thereby compelling shoe manufacturers to continue to use machinery of the defendant which has been on the market for many years, retarding the introduction of mass production techniques in the manufacture of shoes, restricting the productivity of labor in shoe factories, and preventing reductions in shoe manufacturing costs by the use of new and improved machinery.

(d) The defendant has collected excessive, arbitrary, and non-competitive charges for its products and services and has thereby made excessive and unreasonable profits from the manufacture and distribution of shoe machinery, shoe machinery parts, shoe factory supplies, and tanning machinery.

(e) The defendant has exacted from shoe manufacturing lessees for the use of shoe machinery of the defendant large sums of money in excess of the reasonable value of such machinery and of the service rendered by defendant upon said machinery.



(f) The supply of shoe machinery in the United States has been restricted and curtailed, thereby causing from time to time serious shortages of shoe machinery and retarding the operation and expansion of the shoe industry.

(g) The second-hand shoe machinery market in the United States has been forestalled and destroyed.

(h) Competition among shoe manufacturers in shoe machinery technology has been curtailed and eliminated.

PRAYER

WHEREFORE, the plaintiff prays:

1. That the Court adjudge and decree that the aforesaid monopolization of the shoe machinery industry of the United States and of interstate trade and commerce in shoe machinery, shoe machinery parts, shoe factory supplies, and tanning machinery, and the aforesaid attempts to monopolize, and contracts, combinations, and conspiracies to monopolize and restrain, interstate trade and commerce in said products, are in violation of Sections 1 and 2 of the Sherman Act.

2. That the Court adjudge and decree that the defendant has monopolized and attempted to monopolize the shoe machinery industry of the United States, and interstate trade and commerce in shoe machinery, shoe machinery parts, shoe factory supplies, and tanning machinery, and has combined and conspired to monopolize, and has contracted, combined, and conspired to restrain, interstate trade and commerce in said products in violation of Sections 1 and 2 of the Sherman Act.

3. That the defendant and its directors, officers, agents, representatives, and all persons or corporations acting on behalf of the defendant be perpetually enjoined from continuing to carry out, and be required to desist and withdraw from, said monopolization and attempts to monopolize, and said contracts, combinations, and conspiracies and be perpetually enjoined from in any way monopolizing, attempting to

monopolize, combining or conspiring to monopolize, or contracting, combining, or conspiring to restrain, interstate trade and commerce in shoe machinery, shoe machinery parts, shoe factory supplies, and tanning machinery in violation of Sections 1 and 2 of the Sherman Act.

4. That the Court adjudge and decree that the aforesaid contracts and agreements between the defendant and Singer Manufacturing Company, The Lamson Company, Tubular Rivet & Stud Company, Breuer Electric Manufacturing Company, and Landis Machine Company, are in violation of Sections 1 and 2 of the Sherman Act; and that the defendant be required to cancel said contracts and agreements.

5. That the Court adjudge and decree that each of the aforesaid leases of shoe machinery between the defendant and shoe manufacturers is in violation of Sections 1 and 2 of the Sherman Act; and that the defendant be required to cancel each of said leases.

6. That, upon the election of any lessee of the defendant and under such conditions and on such terms as the Court shall determine and order with due consideration for the rental and unit charges theretofore paid by said lessee to the defendant for the use of shoe machinery of the defendant, the defendant be required to sell to said lessee and divest itself of its entire right, title, claim, and interest to and in shoe machinery on lease to said lessee.

7. That the defendant be required to offer to sell at reasonable prices all shoe machinery manufactured and commercialized by it and be enjoined from leasing shoe machinery except upon terms and conditions approved by the Court.

8. That the Court adjudge and decree that the defendant has engrossed shoe machinery patents and inventions and has used said patents and inventions to monopolize and attempt to monopolize interstate trade and commerce in shoe machinery, as aforesaid, in violation of Section 2 of the Sherman Act.



9. That, under such conditions and on such terms as the Court may deem appropriate and necessary to dissipate the effects of the unlawful conduct herein alleged and to establish free and unfettered competition in interstate trade and commerce in shoe machinery, the defendant be required to make available to all applicants therefor all patents and inventions relating to shoe machinery now or hereafter owned by the defendant and its subsidiaries and all models, drawings, plans, patterns, and specifications of shoe machinery embodying said patents and inventions; and that the defendant be enjoined from asserting any rights under said patents and inventions until the effects of the unlawful conduct herein alleged have been dissipated.

10. That, under such conditions and on such terms as the Court shall determine and order, the defendant be required to sell and divest itself of its entire stockholdings in Turner Tanning Machinery Company and its entire right, title, claim, and interest to and in the manufacturing plants and other properties and assets of the branches of defendant known as Booth Brothers Company and O. A. Miller Treising Machine Company.

11. That the defendant be enjoined from engaging in the manufacture or distribution of shoe factory supplies.

12. That the Court adjudge and decree that each of the aforesaid exclusive contracts between the defendant and manufacturers of shoe factory supplies is in violation of Sections 1 and 2 of the Sherman Act; and that the defendant be required to cancel each of said contracts.

13. That, under such conditions and on such terms as the Court shall determine and order, the defendant be required to sell and divest itself of its entire stockholdings in B. B. Chemical Co., Celastic Corporation, W. W. Gross & Co., Inc., S. A. Felton & Son Co., Hoague-Sprague Corp., Fred W. Mears Heel Co., Inc., Shoe Form Co., Inc., Shoe Lace Company, Tubular Rivet & Stud Company, and United Last Company.

14. That, under such conditions and on such terms as the Court shall determine and order, the defendant be required to sell and divest itself of its entire right, title, claim, and interest to and in the manufacturing plants and other properties and assets of the branches of defendant known as Binghamton Die Plant, Hughes Eyelet Company, J. C. Rhodes & Co., Inc., The S. O. & C. Company, St. Louis Die Plant, United Awl & Needle Company, and United Shank & Findings Company.

15. That the plaintiff have such other further and general relief as may be just and proper.

16. That the plaintiff recover the costs of this suit.

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APPENDIX A

GENERAL DEPARTMENT

<u>Minor Machines</u>	<u>Number of United Machines in Shoe Factories</u>	<u>Percentage of Total Number of Machines in Shoe Fac- tories Represented by United Machines</u>
Edge Trimming	2,539	88%
Edge Setting	1,684	90%
Counter Pasting	1,287	86%
Sole Leather Splitting	1,195	82%
Shaft Finishing	1,120	84%
Buffing	1,006	91%
Cementing	977	83%
Heat Blower	757	100%
Scouring	750	72%
Grinding	747	87%
Last Pulling	662	83%
Feather Edge & Shank Reducing	605	98%
Boothco Trimming	573	87%
Toe Softening	520	13%
Flexing	482	85%
Sole Rounding	471	99%
Stamping	416	93%
Heel Blacking	316	99%
Channeling	293	99%
Sole Moulding	266	95%
Shank Reducing	253	96%
Jointing	237	99%
Rubber Sole Trimming	231	85%
Insole Lip Cutting & Scoring	225	97%
Heel Seat Rough Rounding	171	95%
Embossing	164	30%

<u>Minor Machines</u>	<u>Number of United Machines in Shoe Factories</u>	<u>Percentage of Total Number of Machines in Shoe Fac- tories Represented by United Machines</u>
Sole Blacking	141	91%
Shoe Cleaning	137	97%
Welt Cutting	135	96%
Tap, Heel Lift & Counter Skiving	134	80%
Shank Piece Sticking	127	82%
Channel Opening	115	100%
Heel Breast Aligning	112	94%
Thin Edging	101	100%
Dust Removing Hood	101	Unknown
Heel Breasting	98	76%
Channel Laying	96	99%
Conforming	91	84%
Fleshing or Randing	82	100%
Turn Shoe Trimming	74	Unknown
Stand	65	Unknown
Presses	73	40%
Murling	65	99%
Relasting	64	88%
Heel Lift Cutting	60	82%
Pattern Shears	60	100%
Welt Beating	54	90%
Tack Cutting	53	83%
Rand, Base, & Lift Assembling	43	71%
Pattern Die Binding	41	100%
Block Plane	41	100%
Heaters	34	61%
Crimping	31	86%
Bottom Drier	28	39%
Toplift Trimming	22	10%
Pattern Cutting	21	Unknown



<u>Minor Machines</u>	<u>Number of United Machines in Shoe Factories</u>	<u>Percentage of Total Number of Machines in Shoe Fac- tories Represented by United Machines</u>
Strip Beveling	21	78%
Scolloping	19	91%
Stripping	19	59%
Welt Indenting	17	100%
Treesing	16	14%
Scarfig	15	48%
Welt Laying	14	28%
Welt Trimming	13	81%
Lip Turning	12	100%
Stain Agitating	12	6%
Toe Gouging	11	Unknown
Carburettor & Pump	9	Unknown
Spring Heel Trimming	8	100%
Turn Shoe	8	Unknown
Last Inserting	5	33%
Heel Building	5	1%
Rolling	5	63%
Tap Cutting	4	Unknown
Shank Pounding	4	3%
Dust Collecting	4	Unknown
Shoe Pattern Outting & Grading	3	Unknown
Welt Beveling & Grooving	3	100%
Sole Wetting	3	10%
Transfer Unit	3	Unknown
Gauging	2	7%
Inking	2	14%
Heel Breast & Seat Beading	2	14%
Rand Turning	1	Unknown

<u>Minor Machines</u>	<u>Number of United Machines in Shoe Factories</u>	<u>Percentage of Total Number of Machines in Shoe Fac- tories Represented by United Machines</u>
Shin Leveling & Flexing	1	Unknown
Rand Making	1	Unknown
Tack Puller	1	Unknown
Steam Generator	1	Unknown
Tempering	1	1%
<u>Total* — General Department</u>	<u>20,183</u>	<u>71%</u>

\*Excluding the following machines:

Dust Removing Hood	Dust Collecting
Turn Shoe Trimming	Shoe Pattern Cutting & Grading
Stand	Transfer Unit
Pattern Cutting	Rand Turning
Toe Gouging	Shin Leveling & Flexing
Carburettor & Pump	Rand Making
Turn Shoe	Tack Puller
Tap Cutting	Steam Generator



LASTING--HEWING DEPARTMENT

Pulling Over

<u>Minor Machines</u>	<u>Number of United Machines in Shoe Factories</u>	<u>Percentage of Total Number of Machines in Shoe Fac- tories Represented by United Machines</u>
Assembling	2,313	99%
Celastie Conditioning	862	99%
Bottom Pounding & Ironing	484	87%
Upper Trimming	479	98%
Total . . . . .	4,138	97%

Lasting

Insole Tacking	2,352	99%
Cement Spraying	269	50%
Stitchdown Toe Forming	212	34%
Lasted Bottom Ironing	141	92%
Pre-Welt Straightening & Cementing	61	100%
Toe Trimming	46	100%
Stitchdown Heel Flanging	44	94%
Air Compressors	32	Unknown
Relasting	13	76%
Cement Extruding	13	12%
Box Toe Lining & Trimming	9	100%
Total* . . . . .	3,160	88%

\*Excluding Air Compressors

Metallic

Staple Fastening	2,166	95%
Wiring	1,036	55%
Grip Tacking	59	100%

<u>Minor Machines</u>	<u>Number of United Machines in Shoe Factories</u>	<u>Percentage of Total Number of Machines in Shoe Fac- tories Represented by United Machines</u>
Taper Nail Tacking	55	100%
Pegging	47	100%
Screwing	15	100%
Cable Tacking	2	100%
Total . . . . .	3,380	79%

Heeling

Heel Trimming	1,167	95%
Heel Finishing	602	69%
Heel Seat Fitting	478	92%
Screw Removing	297	100%
Heel Compressing	273	90%
Screw Inserting	140	84%
Skiving (counters, box toes, shanks, etc.)	123	66%
Heel Pricking	111	96%
Outsole Buffing	104	38%
Heel Seat Drilling	76	84%
Heel Seat Forming	43	77%
Last Drilling	10	100%
Total . . . . .	3,429	83%
<u>Total* -- Lasting-Heeling Department</u>	14,107	86%

\*Excluding Air Compressors



FITTING ROOM DEPARTMENT

<u>Minor Machines</u>	<u>Number of United Machines in Shoe Factories</u>	<u>Percentage of Total Number of Machines in Shoe Fac- tories Represented by United Machines</u>
Skiving	3,135	80%
Folding	3,047	53%
Upper Cementing	1,710	72%
Lacing	1,413	99%
Pasting	988	45%
Marking	962	41%
Trimming	671	80%
Splitting	409	96%
Edging	327	100%
Perforating	291	37%
Power Hammer	284	95%
Beading	214	95%
Binding	126	12%
Pinking	87	54%
Seam Pressing	77	100%
Tip Finishing	75	99%
Cover Skiving	67	100%
Seam Rubbing	52	13%
Punching	21	1%
Thermo-Cementing and Folding	19	100%
Margin Buffing	5	100%
Quarter Lining Conforming	2	3%
<u>Total — Fitting Room Dept.</u>	<u>13,982</u>	<u>57%</u>

GOODYEAR DEPARTMENT

<u>Minor Machines</u>	<u>Number of United Machines in Shoe Factories</u>	<u>Percentage of Total Number of Machines in Shoe Fac- tories Represented by United Machines</u>
Welt Finishing	970	96%
Insole & Turn Sole Channeling	706	99%
Rib Reinforcing	661	94%
Insole Tack Pulling	657	64%
Bobbin Winding	634	98%
Welt Beating & Slashing	594	99%
Lip Turning & Setting	571	99%
Lip Cementing	477	99%
Welt Butting	452	99%
Moccasin Seam Sewing	450	63%
Upper Stapling	315	98%
Rib Cementing	291	98%
Welt Tempering	263	83%
Upper Tack Pulling	251	57%
Insole Heel Seat Trimming	194	100%
Insole Feather Stiffening	112	100%
Insole Flexing	93	83%
Insole Lip Flexing	51	94%
Forepart Turning	45	Unknown
Seam Rolling	29	100%
Outsole Channel Shank Reducing	22	100%
Welt Grooving & Beveling	21	47%
Straight Needle Lockstitch Sewing	15	Unknown
Channel Opening	14	100%
Channel Laying	13	100%
Turn Shoe Moulding	10	Unknown
Insole Toe Lip Forming	6	67%



<u>Minor Machines</u>	<u>Number of United Machines in Shoe Factories</u>	<u>Percentage of Total Number of Machines in Shoe Fac- tories Represented by United Machines</u>
Turn Sole Pounding	4	Unknown
Shank Welt Skiving	4	Unknown
Turn Shoe Trimming	3	Unknown
Heel Seat Rounding	3	Unknown
Heel Turning	2	Unknown
<u>Total* -- Goodyear Department</u>	<u>7,858</u>	<u>87%</u>

\*Excluding the following machines:

Forepart Turning	Shank Welt Skiving
Straight Needle	Turn Shoe Trimming
Lockstitch Sewing	Heel Seat Rounding
Turn Shoe Moulding	Heel Turning
Turn Sole Pounding	

CEMENT SHOE DEPARTMENT

<u>Minor Machines</u>	<u>Number of United Machines in Shoe Factories</u>	<u>Percentage of Total Number of Machines in Shoe Fac- tories Represented by United Machines</u>
Bottom Cementing	959	86%
Roughing	923	52%
Solvent Applying	737	100%
Cement Applying	584	44%
Sole Punching	154	99%
Latex Extruding	44	100%
Toe Trimming	14	100%
<u>Total — Cement Shoe Department</u>	<u>3,415</u>	<u>66%</u>



EYELETTING DEPARTMENT

<u>Minor Machines</u>	<u>Number of United Machines in Shoe Factories</u>	<u>Percentage of Total Number of Machines in Shoe Fac- tories Represented by United Machines</u>
Punch	839	100%
<u>Total — Eyeletting Department</u>	839	100%

LITTLEWAY DEPARTMENT

<u>Minor Machines</u>	<u>Number of United Machines in Shoe Factories</u>	<u>Percentage of Total Number of Machines in Shoe Fac- tories Represented by United Machines</u>
Turn Shoe Trimming	190	99%
Channel Opening, Laying, & Roughing	185	93%
Insole Moulding	118	98%
Margin Cementing	82	85%
Insole Assembling	70	99%
Upper Trimming & Insole Tack Pulling	53	72%
Edge Beveling	24	Unknown
Bobbin Winding	18	100%
Staple Pulling	12	Unknown
<u>Total* -- Littleway Department</u>	<u>716</u>	<u>93%</u>

\*Excluding the following machines:

Edge Beveling  
Staple Pulling



CUTTING DIE DEPARTMENT

<u>Minor Machines</u>	<u>Number of United Machines in Shoe Factories</u>	<u>Percentage of Total Number of Machines in Shoe Fac- tories Represented by United Machines</u>
Block Plane	317	85%
Grinding	300	100%
Pattern Shears	22	49%
Pattern Grading	21	100%
Pattern Cutting	4	100%
Pattern Binding	9	75%
	<hr/>	<hr/>
<u>Total -- Cutting Die Department</u>	673	89%

RUBBER SHOE DEPARTMENT

<u>Minor Machines</u>	<u>Number of United Machines in Shoe Factories</u>	<u>Percentage of Total Number of Machines in Shoe Fac- tories Represented by United Machines</u>
Rubber Shoe Heel and Lining Trimming	298	36%
Rubber Shoe Top Cementing	176	68%
Rubber Shoe Outsoeing	126	56%
Rubber Shoe Lasting	46	71%
Rubber Shoe Insole Cementing	51	70%
Rubber Shoe Assembling Unit	12	100%
	<hr/>	<hr/>
<u>Total -- Rubber Shoe Department</u>	709	64%



# INDEX TO THE COMPLAINT

(This index is also a tabular analysis which shows the organization of the complaint and indicates the matters on which the defendant seeks particulars. Defendant's requests for particulars relate to the underlined entries. The items appearing entirely to the right of the red line merely illustrate the charges made in the indicated sections of the complaint. (See complaint pars. 29 and 52)

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Form No. 680

Civil

No. 7198

IN THE DISTRICT COURT  
OF THE UNITED STATES

FOR THE

District of Massachusetts

United States of America

Plaintiff

vs.

United Shoe Machinery Corporation

Defendant

COMPLAINT

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UNITED STATES DISTRICT COURT

CLERK'S OFFICE

Filed

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Clerk.

By

MASS. DIST.

Deputy.

7-754

U. S. DISTRICT COURT OFFICE

10:31 A.M.

*Sumner*