

C-46956

SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION, ERECT COURT
DOCKET NO. C 46956

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JAN 18 1957

INTERNATIONAL LABORATORIES, INC.
a Delaware corporation,

Plaintiff,

INTERNATIONAL PATENT ELECTRONIC
CORPORATION, a Delaware corporation,

Defendant

OLIVER A. GILSON
JUNIOR, JUDGE

ROBERT C. GILSON, NICHOLSON & VANDERBILT
Attorneys for Plaintiff
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SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION, ESSEX COUNTY
DOCKET NO. C 489-56

UNDERWRITERS' LABORATORIES, INC.,
a Delaware corporation,

Plaintiff,

Civil Action

FINAL JUDGMENT

FEDERAL PACIFIC ELECTRIC COMPANY,
a Delaware corporation,

Defendant.

This matter being opened to the Court by
Toner, Crowley, Woolper and Vanderbilt (Marshall Crowley,
Esq., appearing), attorneys for plaintiff, Underwriters'
Laboratories, Inc., in the presence of Stryker, Tans and
Hornor (Walter Waldan, Esq., appearing), attorneys for
defendant, Federal Pacific Electric Company, and it appear-
ing that this judgment bears the consent of the defendant,
and the Court finding from the verified Complaint and Affi-
davits filed herein as follows:

(a) That plaintiff is a non-profit corpora-
tion organized and existing under the laws of the State of
Delaware, and in the interests of public safety and as a
means of reducing fire and accident hazards, have estab-
lished, defined and published certain standards, classifica-
tions, specifications and minimum requirements under tests
of various systems, devices, materials, constructions and
appliances having a bearing on life, fire and casualty
hazards.

(b) That plaintiff maintains a service avail-
able to manufacturers of commercially produced products,

whereby it examines and tests products submitted to it to determine if they comply with plaintiff's promulgated standards, specifications and requirements and if found acceptable and in compliance therewith, plaintiff issues its report recommending the listing thereof, subject to the establishment of a follow-up inspection service appropriate to the particular class of product. The manufacturer is then provided with a Procedure, prepared by plaintiff's engineers, illustrating in detail the construction and test performance of the listed product which becomes the manufacturer's guide for future production and is used by plaintiff's inspectors in periodic follow-up inspections.

(c) That under plaintiff's "Label Service" a manufacturer is entitled to attach labels or designated markings constituting plaintiff's inspection manifest, "Underwriters' Laboratories, Inc., Inspected", or abbreviations thereof, to products which have been listed by plaintiff and are found by specified examinations and tests conducted by the manufacturer to comply with the standards and requirements set forth in the Procedure. The presence of such labels or markings indicates to the public, inspection authorities and other interested parties that the product has been examined and tested in accordance with and in compliance with the provisions of the standards and requirements of plaintiff.

(d) That plaintiff maintains a continuing control over the use of its labels. Labels are to be obtained only from plaintiff and are subject to its control

until attached to products found by inspection to comply with the requirements for the product set forth in the Procedure issued to the manufacturer. The manufacturer is without authority to attach labels to products which are not listed and are not specifically described and authorized in the applicable Label Service Procedure or which do not comply with said requirements or to products with respect to which Label Service has been formally suspended and not reinstated. Plaintiff conducts inspections and tests at the plant by its inspectors to ascertain that products shipped from the factory with labels attached comply with the specifications and requirements of plaintiff. If the product is found to have features which make it not in compliance with the requirements, the inspector requires that either suitable corrections be made or that the labels be removed. No labels may be attached to unlisted products not covered by the Label Service Procedure authorization or on which Label Service has been formally suspended and not reinstated.

(a) That plaintiff has achieved an outstanding and nationwide reputation over a long period of years for its services resulting in the very general acceptance of its standards, procedures, findings and recommendations, and in the general public confidence in the integrity and validity of its inspection manifest, "Underwriters' Laboratories, Inc., Inspected," affixed to or upon devices, articles or materials. The majority of underwriters in the United States and many federal, state and municipal

authorities, plant operators, architects, building owners and users either accept or require listing and/or labeling by plaintiff as a condition of their acceptance of devices, systems, and materials having a bearing on life, fire and casualty hazards.

(f) That defendant is engaged in the business of manufacturing, producing, assembling and selling diverse electrical materials, devices, parts, equipment and articles. Many of the defendant's products are listed by plaintiff, and plaintiff has issued its Label Service Procedure describing and illustrating in detail the products entitled to bear plaintiff's label and inspection manifest, "Underwriters' Laboratories, Inc. Inspected."

(g) That on various occasions, during 1955 and 1956, plaintiff's inspectors at defendant's plant at 50 Paris Street, Newark, New Jersey, found that plaintiff's labels had been attached to products for which label service had not been authorized or for which label service had been formally suspended and not reinstated and the labels were required to be removed therefrom.

(h) That plaintiff's inspectors found at defendant's plant counterfeit labels which had not been issued by plaintiff and were copies of genuine labels which had been issued by plaintiff to defendant for use on certain of defendant's circuit breakers which had been listed by plaintiff. Said counterfeit labels were used by defendant on circuit breakers which had not been listed or authorized for label service by plaintiff or on which label service had been for-

ally suspended and not reinstated. These products were located in the field in plants of other manufacturers and in other plants of defendant.

(i) That plaintiff has expended large sums of money in establishing and maintaining the validity and integrity of its services and of its labels or inspection manifest to the public and others who rely upon them. The unlawful and fraudulent use of such labels or inspection manifest upon products which have not been listed by plaintiff and not subject to its system of inspection and which do not or may not conform to plaintiff's standards and specifications destroys the value of plaintiff's listing and its label and inspection service.

(j) That defendant's acts in affixing copies of plaintiff's label or inspection manifest, "Underwriters' Laboratories, Inc., Inspected," to certain of its circuit breakers which had not been listed or authorized for label service by plaintiff or on which label service had been formally suspended and not reinstated constituted a misrepresentation to purchasers and users that said devices had been listed by plaintiff and were subject to its system of inspection.

(k) That plaintiff has been damaged by the aforementioned unauthorized use by the defendant of plaintiff's label and inspection manifest, and will be irreparably damaged if such unauthorized use were continued.

(l) That plaintiff has no adequate remedy at law and good cause appearing:

It is, on this 15th day of January, 1944.

ORDERED and ADJUDGED:

1. That the defendant, Federal Pacific Electric Company, its agents, servants, and employees be perpetually enjoined and restrained from using or affixing or marking upon any devices, articles, or materials the words "Underwriters' Laboratories, Inc. Inspected," or any abbreviations thereof, or words similar thereto, which would indicate the listing or acceptance by plaintiff, without first having said devices, articles, or materials examined, tested, and listed by plaintiff as conforming to the requirements and specifications established by plaintiff for the particular class of product and being subject to the appropriate inspection service offered by plaintiff therefor.

2. That the defendant, its agents, servants, and employees be perpetually enjoined and restrained from using or affixing or marking the words "Underwriters' Laboratories, Inc. Inspected," or any abbreviations thereof or words similar thereto, which would indicate listing or acceptance by plaintiff, on devices, articles, or materials which have been examined, tested, and listed by plaintiff as conforming to its requirements and specifications and being subject to the appropriate inspection service of plaintiff for the particular class of products, but with respect to which the use of the label or inspection manifest has been suspended by plaintiff and of which suspension defendant or its agent has been duly notified in writing, unless and until defendant receives from plaintiff written notice of the

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termination of such suspension and authorization to resume the use of such label or inspection manifest on such devices, articles, or materials.

3. That defendant, its agents, servants, and employees, and they hereby are, perpetually enjoined and restrained from placing orders or otherwise obtaining labels bearing the inspection manifest "Underwriters' Laboratories, Inc. Inspected" or abbreviations thereof, or words similar thereto, which would indicate listing or acceptance by plaintiff, except directly from plaintiff under the terms and conditions established by plaintiff for the manufacture, release, and use of labels by subscribers to its label service.

4. That defendant do, and it hereby is ORDERED, within 15 days after the entry of this judgment, to surrender to plaintiff any and all counterfeit labels now in the possession or under the control of the defendant, which bear plaintiff's inspection manifest "Underwriters' Laboratories, Inc. Inspected", or abbreviations thereof or words similar thereto.

5. That defendant do, and it hereby is ORDERED, within 15 days after the entry of this judgment, to remove or completely obliterate plaintiff's inspection manifest or label from such of defendant's products remaining under defendant's control which have not been listed by plaintiff or with respect to which the use of plaintiff's label or inspection manifest has been suspended.

6. That neither party shall recover costs or damages against the other.

Handwritten signature
J. S. C.

Consent is hereby given to the entry of the foregoing Final Judgment.

STRYKER, TAMS & MORNER

By *Walter Waldau*
Walter Waldau,
A Member of the Firm
Attorneys for Defendant,
Federal Pacific Electric Company.

FEDERAL PACIFIC ELECTRIC COMPANY

By *T. M. Cole*
T. M. Cole
Executive Vice President