

Sherman & Clayton Antitrust

Original Equipment Manufacturer (OEM) Equipment Contracts-vs.-Supplies

What Exactly IS this act?

The Sherman Antitrust Act is a USA Federal law prohibiting any contract, trust, or conspiracy in restraint of interstate or foreign trade.

The Sherman Act also provides that no person shall monopolize, attempt to monopolize or conspire with another to monopolize interstate or foreign trade or commerce. A felony, an individual violating these laws may be jailed for up to three years and fined up to \$350,000 per violation. Corporations may be fined up to \$10 million per violation.

- Section 1 of the Sherman Act outlaws "every contract, combination . . . , or conspiracy, in restraint of trade," but long ago, the Supreme Court decided that the Sherman Act prohibits only those contracts or agreements that restrain trade unreasonably. What kinds of agreements are unreasonable is up to the courts.
- Section 2 of the Sherman Act makes it unlawful for a company to "monopolize, or attempt to monopolize," trade or commerce. As that law has been interpreted, it is not necessarily illegal for a company to have a monopoly or to try to achieve a monopoly position. The law is violated only if the company tries to maintain or acquire a monopoly position through unreasonable methods. For the courts, a key factor in determining what is unreasonable is whether the practice has a legitimate business justification.
- Section 5 of the Federal Trade Commission Act outlaws "unfair methods of competition" but does not define unfair. The Supreme Court has ruled that violations of the Sherman Act also are violations of Section 5, but Section 5 covers some practices that are beyond the scope of the Sherman Act. It is the FTC's job to enforce Section 5.

The text above is public domain material authored by an agency of the US Government and not copyrighted by www.worldwideimaging Supplies.com. To locate the original material go to the [FTC site](#).

World Wide Imaging Supplies

PO Box 591220 • San Antonio, TX 78259

Toll Free: (866) 497-4617

Bus:(210) 495-5400 • Fax: (210) 495-5458