

1979 Assembly Bill 831

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CHAPTER 209, Laws of 1979

AN ACT to amend 93.06 (4); and to repeal and recreate chapter 133 of the statutes, relating to various revisions in the law regulating trusts and monopolies and providing penalties.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 93.06 (4) of the statutes, as affected by chapter 32, laws of 1979, is amended to read:

93.06 (4) LAW ENFORCEMENT. At the request of the attorney general or of any district attorney, assist in the enforcement of any of the following statutes relating to trade: ss. 133.01 to 133.05, 133.17 to 133.24, 133.03 to 133.07, 133.10, 133.12 to 133.15, 133.17, 134.01, 185.94, 776.32, 776.36, 784.04 and 939.31.

SECTION 2. Chapter 133 of the statutes is repealed and recreated to read:

CHAPTER 133

TRUSTS AND MONOPOLIES

133.01 Legislative intent. The intent of this chapter is to safeguard the public against the creation or perpetuation of monopolies and to foster and encourage competition by prohibiting unfair and discriminatory business practices which destroy or hamper competition. It is the intent of the legislature that this chapter be interpreted in a manner which gives the most liberal construction to achieve the aim of competition. It is the intent of the legislature to make competition the fundamental economic policy of this state and, to that end, state regulatory agencies shall regard the public interest as requiring the preservation and promotion of the maximum level of competition in any regulated industry consistent with the other public interest goals established by the legislature.

133.02 Definitions. In this chapter:

(1) "Commodity" includes, but is not limited to, goods, merchandise, produce and any other article of commerce. "Commodity" includes services, except as used in s. 133.04.

(2) "Knowingly" means that the actor believes that the specified fact exists.

(3) "Person" includes individuals, the state and all its political subdivisions, all counties, cities, villages, towns, school districts, governmental agencies and bodies politic and corporate, and all corporations, partnerships, associations, companies, firms, joint ventures, joint stock companies, trusts, business trusts, estates and other legal or commercial entities existing under or authorized by the laws of this or any other state, the United States or any of its territories or any foreign country. Nothing in this definition may be construed to affect labor unions or any other association of laborers organized to promote the welfare of its members, nor associations or organizations intended to legitimately promote the interests of trade, commerce or manufacturing in this state, nor associations, corporate or otherwise, of farmers, gardeners or dairy workers or owners, including livestock farmers and fruit growers engaged in making collective sales or marketing for its members or shareholders of farm, orchard or dairy products produced by its members or shareholders if such activities are exempted under s. 133.07, 133.08 or 133.09 or are otherwise lawful under this chapter.

133.03 Unlawful contracts; conspiracies. (1) Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce is illegal. Every person who makes any contract or engages in any combination or conspiracy in restraint of trade or commerce may be fined not more than \$100,000 if a corporation, or, if any other person, \$50,000, or be imprisoned for not more than 5 years, or both.

(2) Every person who monopolizes, or attempts to monopolize, or combines or conspires with any other person or persons to monopolize any part of trade or commerce may be fined not more than \$100,000 if a corporation, or, if any other person, \$50,000, or be imprisoned for not more than 5 years, or both.

(3) As an alternative to the criminal penalties for violation of this section, the department of justice or district attorney may bring an action for a civil forfeiture. In an action for a civil forfeiture under this subsection a corporation may be required to forfeit not more than \$100,000 and any other person may be required to forfeit not more than \$50,000.

133.04 Price discrimination; intent to destroy competition. (1) No person may discriminate, either directly or indirectly, in price between different purchasers of commodities of like grade and quality, for the purpose or intent of injuring or destroying competition in any level of competition or any person engaged therein.

(2) Any person violating this section may be fined not more than \$25,000 or imprisoned in the county jail for not more than one year or both.

(3) As an alternative to the criminal penalty for violation of this section, the department of justice or district attorney may bring an action for a civil forfeiture. In an action for a civil forfeiture under this subsection a person who violates this section may be required to forfeit not more than \$25,000.

133.05 Secret rebates; unfair trade practices. (1) The secret payment or allowance of rebates, refunds, commissions or unearned discounts, whether in the form of money or otherwise, or the secret extension to certain purchasers of special services or privileges not extended to all purchasers purchasing upon like terms and conditions, such payment, allowance or extension injuring or tending to injure a competitor or destroying or tending to destroy competition, is an unfair trade practice and is prohibited.

(2) No person may induce, solicit or receive anything of value which is prohibited under sub. (1).

(3) Any person knowingly violating this section may be fined not more than \$25,000 or imprisoned in the county jail for not more than one year or both.

(4) As an alternative to the criminal penalty for violation of this section, the department of justice or district attorney may bring an action for a civil forfeiture. In an action for a civil forfeiture under this subsection a person who violates this section may be required to forfeit not more than \$25,000.

133.06 Interlocking directorates. (1) No corporation with its principal place of business in this state may elect or appoint any person as a director or permit any person to serve as a director, if:

(a) That person was at the same time a director of any other corporation; and

(b) Either corporation has capital, surplus and undivided profits aggregating more than \$100,000. In this paragraph, the amount shall be determined by the aggregate amount of the capital, surplus and undivided profits, exclusive of dividends declared but not paid to stockholders, at the end of the fiscal year of the corporation next preceding the election of directors; and

(c) Such corporations are, or have been, by virtue of their business and location of operation, competitors, so that the elimination of competition by agreement between them would violate this chapter.

(2) If a corporation has lawfully elected or appointed a director, the corporation may permit the director to serve in such capacity for one year thereafter, notwithstanding sub.

(1). This section shall not apply to any corporation chartered by the federal government if its selection of directors is exempt from state law, but a person may be deemed ineligible for the service on the board of any corporation not so exempt because of concurrent service on the board of an exempt corporation.

(3) Any corporation violating this section may be enjoined from permitting such person to serve as a director and from doing business in this state, so long as such violation continues.

133.07 Certain organizations and activities not forbidden. (1) This chapter shall not prohibit the existence and operation of labor, agricultural or horticultural organizations, instituted for the purpose of mutual help, and not having capital stock or conducted for profit, or organizations permitted under ch. 185; shall not forbid or restrain individual members of such organizations from lawfully carrying out the legitimate objects thereof; and such organizations, or the members thereof, shall not be held or construed to be illegal combinations or conspiracies in restraint of trade, under this chapter. The labor of a human being is not a commodity or article of commerce.

(2) This chapter does not prohibit activities of any public utility, as defined in s. 196.01, which are required by ch. 196 or rules or orders under ch. 196 or activities necessary to comply with that chapter or those rules or orders.

133.08 Working people may organize; injunction not to restrain certain acts. (1) Working people may organize themselves into or carry on labor unions and other associations or organizations to aid their members to become more skillful and efficient workers, the promotion of their general intelligence, the elevation of their character, the regulation of their wages and their hours and conditions of labor, the protection of their individual rights in the prosecution of their trade or trades, the raising of funds for the benefit of sick, disabled, or unemployed members, or the families of deceased members, or for such other object or objects for which working people may lawfully combine, having in view their mutual protection or benefit.

(2) No restraining order or injunction may be granted by any court of this state, in any case between an employer and employes, between employers and employes, between employes or between persons employed and persons seeking employment, involving or growing out of any dispute whatsoever concerning employment, unless necessary to pre-

vent irreparable injury to property or to a property right of the party making the application, for which injury there is no adequate remedy at law, and the property or property right must be described with particularity in the application, which must be in writing and sworn to by the applicant, or by the applicant's agent or attorney. No such restraining order or injunction may be granted except by the circuit court, and then only upon such reasonable notice of application therefor as the court directs by order to show cause, but in no case less than 48 hours, which shall be served upon the party or parties sought to be restrained or enjoined as shall be specified in the order to show cause.

(3) No such restraining order or injunction may prohibit any person or persons, whether singly or in concert, from terminating any relation of employment, or from ceasing to perform any work or labor, or from recommending, advising, or persuading others by peaceful means so to do; or from attending at any place where any such person or persons may lawfully be, for the purpose of peacefully obtaining or communicating information, or from peacefully persuading any person to work or to abstain from working; or from ceasing to patronize or to employ any party to such dispute, or from recommending, advising, or persuading others by peaceful and lawful means so to do; or from paying or giving to, or withholding from, any person engaged in such dispute, any strike benefits or other moneys or things of value; or from peaceably assembling in a lawful manner, and for lawful purposes; or from doing any act or thing which might lawfully be done in the absence of such dispute by any party thereto. Any of the acts specified in this paragraph shall not be considered or held to be violations of any laws of this state.

(4) Whenever in any matter relating to the violation of any such restraining order or injunction an issue of fact shall arise, such issue, whether presented in a civil or a criminal proceeding, shall be tried by a jury, in the same manner as provided for the trial of other cases. All contempt proceedings, whether civil or criminal, brought for the alleged violation of any such restraining order or injunction, are independent, original and special proceedings, and shall require a unanimous finding of the jury. The requirement for trial by jury shall not apply to direct contempts committed in the immediate presence of the court.

133.09 Collective bargaining. This chapter shall be so construed as to permit collective bargaining by associations of producers of agricultural products, by organizations permitted under ch. 185 and by associations of employes when such bargaining is actually and expressly done for the individual benefit of the separate members of each such association making such collective bargain.

133.10 Examination of adverse party. (1) The examination of any party, or if a corporation be a party, of the president, secretary, other principal officer or the general managing agent thereof, or of the person who was such president, secretary, officer or agent at the time of the occurrence of the facts made the subject of the examination, or of any person acting for another or for a corporation or partnership, other than as a witness on a trial, may be taken by deposition at the instance of the department of justice in any such action or proceeding at any time between the commencement thereof and final judgment. Such deposition shall be taken within the state before a judge at chambers or a court commissioner on previous notice to such party and any other adverse party or the attorney thereof of at least 5 days, and may be taken without the state.

(2) The attendance of the party to be examined may be compelled by subpoena, without prepayment of witness fees, and the examination is subject to the same rules as govern that of other witnesses; but such party shall not be compelled to disclose anything not relevant to the controversy.

(3) The examination may not be compelled in any other county than that of the party's residence except in the county of Dane; but the deposition of a defendant who is a nonresident of the state may be taken as in other cases.

133.11 Investigatory proceeding. (1) Whenever the attorney general files with any court commissioner a statement that the attorney general has reason to believe and does believe that a violation of this chapter has occurred, the commissioner shall issue a subpoena or subpoena duces tecum as requested by the department of justice. Mileage or witness fees are not required to be paid in advance but claims for such mileage and fees duly verified and approved by the department of justice shall be audited and paid out of the state treasury and charged to the appropriation provided by s. 20.455 (1) (d), and shall be at the same rates as witnesses in the circuit court.

(2) The testimony shall be taken by a stenographic reporter, transcribed, read to or by the witness and subscribed by the witness, unless the parties represented shall stipulate, upon the record, that the reading of the transcript of the testimony to or by the witness and the signature thereto are waived, and that the transcript may be used with like force and effect as if read and subscribed by the witness. The attendance of the witness for the purpose of reading and subscribing the transcript may be compelled in the same manner that attendance to be examined may be compelled.

(3) The commissioner shall be entitled to the fees as provided in s. 757.71 (2). All such fees and all other costs and expenses incident to the inquiry shall be paid out of the appropriation provided by s. 20.455 (1) (d).

133.12 Domestic and foreign corporations; cancellation of charters or certificates of authority for restraining trade; affidavit. Any corporation organized under the laws of this state or foreign corporation authorized to transact business in this state pursuant to a certificate of authority from the secretary of state which violates any provision of this chapter, may, upon proof thereof, in any circuit court have its charter or authority to transact business in this state suspended, canceled or annulled. Every corporation shall, in its annual report filed with the secretary of state, show whether it has entered into any contract, combination in the form of trust or otherwise, or conspiracy in restraint of trade or commerce. The department of justice shall enforce this section.

133.13 Interrogatories. (1) If the department of justice has reason to believe that any corporation has violated any provision of this chapter, the department of justice may address to any such corporation or to any director or officer interrogatories deemed necessary to determine whether or not the corporation has violated any provision of this chapter. The corporation, director or officer so addressed shall promptly and fully answer in writing under oath the interrogatories; the failure or neglect by any such corporation, director or officer to do so within 60 days from receipt of the interrogatories, unless the time is extended in writing by the department of justice, shall constitute grounds for suspension, cancellation or annulment of its corporate charter or authority to transact business in this state under s. 133.12.

(2) Any person providing information under this section may designate the information as confidential business information or a trade secret. The department of justice shall notify the person providing the information 15 days before any information designated as confidential or trade secret is disclosed to the legislature, a state agency, a local unit of government or any other person. The person furnishing the information may seek a court order limiting or prohibiting the disclosure. In such cases the court shall weigh the need for confidentiality of the information against the public interest in the disclosure. Confidentiality is waived if the person providing the information consents to disclosure or if disclosure is authorized by a court.

133.14 Illegal contracts void; recovery. All contracts or agreements made by any person while a member of any combination or conspiracy prohibited by s. 133.03, and which contract or agreement is founded upon, is the result of, grows out of or is connected with any violation of such section, either directly or indirectly, shall be void and no recovery thereon or benefit therefrom may be had by or for such person. Any payment made upon, under or pursuant to such contract or agreement to or for the benefit of any person may be recovered from any person who received or benefited from such payment in an

action by the party making any such payment or the heirs, personal representative or assigns of the party.

133.15 No privilege from self-accusation. No person may be excused from answering any of the interrogatories authorized under this chapter, nor from attending and testifying, nor from producing any books, papers, contracts, agreements or documents in obedience to a subpoena issued by any lawful authority in any action or proceeding based upon or growing out of any alleged violation of any provision of this chapter or of any law of this state in regard to trusts, monopolies or illegal combinations on the ground of or for the reason that the answer, testimony or evidence, documentary or otherwise, required may tend to incriminate or subject such person to a penalty or forfeiture. No person may be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter or thing concerning which the person may answer, testify or produce evidence, documentary or otherwise, in obedience to any request under this section or any subpoena, in any such action or proceeding, except that the charter of any corporation may be vacated and its corporate existence annulled or its certificate of authority to transact business in this state may be canceled and annulled as provided in this chapter, and except that no person testifying in any such action or proceeding may be exempt from punishment for perjury committed in so testifying.

133.16 Injunction; pleading; practice. Any circuit court may prevent or restrain, by injunction or otherwise, any violation of this chapter. The department of justice, any district attorney or any person by complaint may institute actions or proceedings to prevent or restrain a violation of this chapter, setting forth the cause and grounds for the intervention of the court and praying that such violation, whether intended or continuing be enjoined or prohibited. When the parties informed against or complained of have been served with a copy of the information or complaint and cited to answer it, the court shall proceed, as soon as may be in accordance with its rules, to the hearing and determination of the case; and pending the filing of the answer to such information or complaint may, at any time, upon proper notice, make such temporary restraining order or prohibition as is just. Whenever it appears to the court that the ends of justice require that other persons be made parties to the action or proceeding the court may cause them to be made parties in such manner as it directs. Where the action or proceeding is brought and maintained by a private party, that party may demand and recover the cost of suit including reasonable attorney fees. Copies of all pleadings filed under this section shall be served on the department of justice.

133.17 Prosecutions. (1) The department of justice or the district attorney shall institute, manage, control and direct, in the proper county, all prosecutions for violations of this chapter. When prosecuting violations of this chapter, the department of justice shall have and exercise all powers conferred upon district attorneys.

(2) Any district attorney bringing any action under this chapter shall serve copies of all pleadings on the department of justice within 3 days from the time of filing. If the department of justice brings any action under this chapter, it shall serve copies of all pleadings on the district attorney of the county where the action is brought within 3 days from the time of filing.

133.18 Treble damages; statute of limitations. (1) Any person injured, directly or indirectly, by reason of anything prohibited by this chapter may sue therefor and shall recover threefold the damages sustained by the person and the cost of the suit, including reasonable attorney fees. Any recovery of treble damages shall, after trebling, be reduced by any payments actually recovered under s. 133.14 for the same injury.

(2) A civil action for damages or recovery of payments under this chapter is barred unless commenced within 6 years after the cause of action accrued. When, in a civil class action, a class or subclass is decertified or a class or subclass certification is denied, the statute of limitations provided in this section is tolled as to those persons alleged to be

members of the class or subclass for the period from the filing of the complaint first alleging the class or subclass until the decertification or denial.

(3) Whenever any civil or criminal action or proceeding is instituted by the state under this chapter, the running of the statute of limitations in respect of every other right of action based in whole or in part on any matter complained of in the state's action or proceeding shall be suspended during the pendency thereof and for one year thereafter. The pendency of any such action or proceeding instituted by the state shall not be grounds for staying any other action or discovery in such other action.

(4) A cause of action arising under this chapter does not accrue until the discovery, by the aggrieved person, of the facts constituting the cause of action.

(5) Each civil action under this chapter and each motion or other proceeding in such action shall be expedited in every way and shall be heard at the earliest practicable date.

(6) In a civil action against a person or entity specified in s. 895.43, the amount recovered may not exceed the amount specified in s. 895.43 (3).

133.19 Statute superseded as to insurance business. The provisions of s. 133.04 as they relate to the business of insurance are superseded by the provisions of ch. 628.

SECTION 3. Program responsibility citations. In the list of program responsibility citations enumerated for the department of justice under section 15.251 (intro.) of the statutes, reference to sections "133.01 to 133.03, 133.06, 133.19, 133.20, 133.22, 133.23" is deleted and reference to chapter "133" is inserted.

SECTION 4. Cross reference changes. In the sections listed below in column A, the cross references shown in column B are changed to the cross references shown in column C:

| A | B | C |
|------------------|----------------------|----------------------|
| Statute Sections | Old Cross References | New Cross References |
| 100.201 (7) | 133.17 | 133.04 |
| 100.201 (7) | 133.185 | 133.05 |
| 757.69 (3) (e) | 133.06 (1) | 133.11 (1) |
