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Hamilton College Prevails in Fraternity Antitrust Suit

July 6, 2000 -- A U.S. District Court judge has ruled that Hamilton College did not violate the antitrust laws in implementing a residential policy forbidding its students to live off campus, concluding an unusual battle between the college and four of its fraternities over the application of the Sherman Act to the college's decision..

In response to a new residential policy proposed by Hamilton in 1995 requiring its students to live in college-owned housing and purchase college-sponsored meal plans, four fraternities -- Alpha Delta Phi, Psi Upsilon, Sigma Phi, and Delta Kappa Epsilon -- filed suit alleging that the college was trying to monopolize the market for room and board. The fraternities also moved for a preliminary injunction to prohibit implementation of the new policy. Judge Rosemary Pooler of the U.S. District Court for the Northern District of New York dismissed the suit in April 1996, but the decision was reversed and remanded by the Second Circuit Court of Appeals. Citing the plaintiff's proposed definition of the relevant market as Hamilton College students as legally incorrect, District Judge Norman Mordue ruled in favor of the college, granting its motion for summary judgment and dismissing the fraternities' complaint in its entirety on June 29, 2000.

Robert Bell, now a partner with Wilmer, Cutler & Pickering, assisted the college with its antitrust defense. "We think Judge Mordue was clearly right when he ruled that Hamilton competes with a number of other colleges to enroll students and that a market definition that fails to take account of that is legally insufficient. If the plaintiffs' proposed market definition were allowed to stand, virtually every educational decision a college makes would potentially be subject to antitrust scrutiny," Bell said. Also representing the college were David M. Lascell of Harter, Secrest & Emery and John Simon, now Assistant General Counsel of TeleTech Holdings, Inc. Clark Silcox of Steele, Silcox & Browning, PC, served as counsel for the fraternities.

For further information on this matter, please contact Robert B. Bell of Wilmer, Cutler & Pickering at 202-663-6533.