IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA, Plaintiff, v. GENERAL BINDING CORPORATION, and VELOBIND INCORPORATED, Defendants.	91 1822 Civil Action No. Entered: October 31, 1991

CLERK, U.S. DISTRICT COURT
DISTRICT OF COLUMBIA

FINAL JUDGMENT

WHEREAS plaintiff, United States of America, having filed its Complaint herein on July 24, 1991, and plaintiff and defendants, by their respective attorneys, having consented to the entry of this Final Judgment without trial or adjudication of any issue of fact or law herein and without this Final Judgment constituting any evidence against or an admission by any party with respect to any such issue;

AND WHEREAS defendants have agreed to be bound by the provisions of this Final Judgment pending its approval by the Court;

AND WHEREAS defendant General Binding Corporation proposes to acquire defendant VeloBind Incorporated;

AND WHEREAS the essence of this Final Judgment is prompt and certain remedial action to ensure that after the acquisition the number of viable firms competing in the sale of high-volume

binding machines and related supplies in the United States is not reduced;

AND WHEREAS General Binding Corporation has agreed to supply Gestetner Corporation with high-volume plastic strip binding machines and related supplies until the year 2000 and to license Gestetner Corporation under U.S. Patent No. 4,369,013, the basic patent covering plastic strips for use in such binding machines, which expires in that year;

AND WHEREAS defendants have represented to plaintiff that the remedial action required below can be undertaken and that they will later raise no claim of financial hardship arising out of this Final Judgment or the supply agreement or the license agreement as grounds for asking the Court to modify any of the provisions contained below;

NOW, THEREFORE, before the taking of any testimony and without trial or adjudication of any issue of fact or law herein, and upon consent of the parties hereto, it is hereby

ORDERED, ADJUDGED, AND DECREED as follows:

I.

This Court has jurisdiction of the subject matter of this action and of each of the parties hereto. The Complaint states a claim upon which relief may be granted against defendants under Section 7 of the Clayton Act, as amended (15 U.S.C. § 18).

II.

As used in this Final Judgment:

A. "GBC" means defendant General Binding Corporation, each subsidiary and division thereof, and each officer, director, employee, agent, and other person acting for or on behalf of any of them.

B. "VeloBind" means defendant VeloBind Incorporated, each subsidiary and division thereof, and each officer, director, employee, agent, and other person acting for or on behalf of any of them.

C. "Gestetner" means Gestetner Corporation, each subsidiary and division thereof, and each officer, director, employee, agent, and other person acting for or on behalf of any of them.

D. "Supply agreement" means the contract dated as of April 10, 1991, between GBC and Gestetner entitled "OEM Distribution Agreement, Hot Knife Process Products," which provides, among other things, for the sale by GBC to Gestetner of high-volume plastic strip-binding machines and related plastic strips.

E. "License agreement" means the contract dated May 24, 1991, between GBC and Gestetner entitled "License Agreement," which provides, among other things, for the grant of an exclusive license from GBC to Gestetner to manufacture or have manufactured plastic strips of the type that are the subject of the supply agreement.

F. "Addendum No. 1" means the contract dated July 15, 1991, between GBC and Gestetner entitled "Addendum No. 1 to OEM Distribution Agreement," which provides, among other things, that should Gestetner exercise the license agreement it will be under no obligation to purchase any machines from GBC.

III.

A. The provisions of this Final Judgment shall apply to defendants, to each of their successors and assigns, and to all other persons in active concert or participation with any of them who shall have received actual notice of this Final Judgment by personal service or otherwise.

B. Nothing herein contained shall suggest that any portion of this Final Judgment is or has been created for the benefit of any third party and nothing herein shall be construed to provide any rights to any third party.

C. GBC shall require, as a condition of the sale or other disposition of all or substantially all of its assets or stock, that the acquiring party agree to be bound by the provisions of this Final Judgment.

IV.

A. GBC shall not, without first providing plaintiff with sixty (60) days prior written notification, cancel, rescind, modify, or amend the supply agreement or the license agreement. In the event that plaintiff does not object within sixty (60)

days of receiving such notice, GBC may proceed with such cancellation, rescission, modification, or amendment. In the event that plaintiff does object within sixty (60) days of receiving such notice, GBC shall not proceed with such cancellation, rescission, modification, or amendment without plaintiff's prior written permission.

B. GBC shall not offer or give Gestetner, directly or indirectly, any payment or other consideration for eliminating or reducing its orders from GBC during the term of the supply agreement, or for altering, amending, or adjusting the prices at which Gestetner sells binding machines or related supplies, or the quantities, terms, or manner of such sales.

V.

GBC is enjoined and restrained, except when acting pursuant to the supply or license agreements, from:

A. Entering into, directly or indirectly, any contract, agreement, understanding, arrangement, plan, program, combination, or conspiracy with Gestetner to fix, establish, raise, stabilize, or maintain the prices at which Gestetner or GBC sells or will sell binding machines or related supplies;

B. Discussing with or suggesting to Gestetner the prices at which Gestetner or GBC sells or will sell binding machines or related supplies; and

C. Communicating with, requesting from, or exchanging with Gestetner any information concerning any prices at which Gestetner or GBC sells or will sell binding machines or related supplies.

VI.

For the purpose of determining or securing compliance with this Final Judgment, and subject to any legally recognized privilege, from time to time:

A. Duly authorized representatives of the Department of Justice shall, upon written request of the Attorney General or the Assistant Attorney General in charge of the Antitrust Division, and on reasonable notice made to any defendant at its principal offices, be permitted:

(1) Access during office hours of the defendant to inspect and copy all books, ledgers, accounts, correspondence, memoranda, and other records and documents in the possession or under the control of the defendant, who may have counsel present, relating to any matters contained in this Final Judgment; and

(2) Subject to the reasonable convenience of the defendant and without restraint or interference from it, to interview officers, directors, employees, agents, or other persons acting for or on behalf of the defendant, who may have counsel present, regarding any such matters.

B. Upon the written request of the Attorney General or of the Assistant Attorney General in charge of the Antitrust Division, made to any defendant's principal office, the defendant shall submit such written reports, under oath if requested, with respect to any of the matters contained in this Final Judgment as may be requested.

C. No information or documents obtained by the means provided in this Section VI shall be divulged by any representatives of the Department of Justice to any person other than a duly authorized representative of the Executive Branch of the United States, except in the course of legal proceedings to which the United States is a party (including grand jury proceedings), or for the purpose of securing compliance with this Final Judgment, or as otherwise required by law.

D. If at the time information or documents are furnished by any defendant to plaintiff, the defendant represents and identifies in writing the material in any such information or documents to which a claim of protection may be asserted under Rule 26(c)(7) of the Federal Rules of Civil Procedure, and the defendant marks each pertinent page of such material, "Subject to claim of privilege under Rule 26(c)(7) of the Federal Rules of Civil Procedure," then ten (10) days notice shall be given by plaintiff to the defendant prior to divulging such material in any legal proceeding (other than grand jury proceedings) to which the defendant is not a party.

VII.

GBC shall, within ninety (90) days after entry of this Final Judgment and annually thereafter, give copies of this Final Judgment, together with a statement from GBC as to the importance of and procedures for complying with this Final Judgment, to all then-current GBC distributors of high-volume binding machines and to all GBC marketing and sales executives and sales persons.

VIII.

Jurisdiction is retained by this Court for the purpose of enabling plaintiff and defendants to apply to this Court at any time for such further orders and directions as may be necessary or appropriate for the construction, implementation, or modification of any of the provisions of this Final Judgment, for the enforcement or compliance herewith, and for the punishment of any violations hereof.

IX.

This Final Judgment will expire at 12:01 a.m., central standard time, on January 18, 2000.

X.

Entry of this Final Judgment is in the public interest.

Stanley S. Harris

UNITED STATES DISTRICT JUDGE

Dated: OCT 31 1991