



Department of Justice

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JUSTICE SUES TO BLOCK INDUSTRIAL GLOVE MERGER

The Department of Justice today filed a civil antitrust suit against Pacific Dunlop Holdings Inc. of Chicago, Illinois, and Edmont Inc. of Coshocton, Ohio, challenging Pacific Dunlop's proposed acquisition of Edmont. The suit also named Edmont's parent company, Becton, Dickinson and Company of Franklin Lakes, New Jersey, as a defendant. A consent decree settling the suit was filed simultaneously.

Michael Boudin, Acting Assistant Attorney General in charge of the Antitrust Division, said that the complaint, filed in U.S. District Court in Philadelphia, Pennsylvania, alleges that the proposed acquisition is likely to be anticompetitive in the U.S. markets for five types of industrial gloves. These types are: (1) unsupported nitrile gloves; (2) liquid proof dipped supported latex gloves; (3) liquid proof dipped supported nitrile gloves; (4) liquid proof dipped supported neoprene gloves; and (5) liquid proof dipped supported PVC gloves.

Industrial gloves are used to protect hands from cuts and abrasions and environmental, chemical, and biological agents, and/or to protect products from hand contamination.

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Both Edmont and Pacific Dunlop are major producers of various types of industrial gloves. Edmont's total 1988 U.S. sales of all types of industrial gloves were approximately \$65 million. Pacific Dunlop's total 1988 U.S. sales of all types of industrial gloves were approximately \$26 million.

Total sales in all five U.S. industrial glove markets alleged in the complaint were at least \$60 million in 1988. The complaint alleges that each of the markets is highly concentrated and would become substantially more concentrated as a result of the proposed acquisition; in each market, Edmont is among the largest of only a few competitors, and Pacific Dunlop is a smaller but significant competitor.

The consent decree settling the suit provides that Pacific Dunlop will sell Edmont's unsupported nitrile glove production facility in Canton, Ohio, and its own dipped supported glove production facility in Snow Hill, North Carolina.

Boudin said that the new competitors operating these plants will have market positions comparable to those held by Pacific Dunlop prior to the acquisition. The settlement thus will preserve the competition that would have been eliminated by the acquisition.

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