



Department of Justice

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AT
(202) 616-2771
TDD (202) 514-1888

**DEPARTMENT OF JUSTICE AGREES TO TERMINATE 1968 CONSENT
DECREE AGAINST SELLER OF STENCIL DUPLICATING MACHINES**

WASHINGTON, D.C. -- The Department of Justice's Antitrust Division said today that it has approved a request to terminate a 1968 consent decree that imposed restrictions on a Greenwich, Connecticut, seller of stencil duplicating machines in connection with the sales of its products since the market for these types of machines has nearly disappeared. Stencil duplicators are paper reproduction machines that use a stencil master and inking system to make copies of documents.

The Department, in documents filed in U.S. District Court in New York City, tentatively agreed to terminate a consent decree against Gestetner Corporation, the seller of stencil duplicators, printers, digital duplicators, printers, xerographic printers, offset printers, fax machines, and related products.

The Department decided to tentatively terminate the consent decree since there have been dramatic changes in the industry, the company no longer has market dominance, and a competitor was recently released from a more restrictive consent decree.

The 1968 judgment had settled a civil antitrust action filed in 1964 which had alleged that Gestetner:

- Required each of its dealers to sell Gestetner products only in territories, and to customers, allocated to it.
- Required each dealer to sell its products at prices and terms and conditions of sale fixed by the defendant.
- Prevented its dealers from competing for sales to the United States Government or to any other specific customers designated by Gestetner as "National Accounts", and from leasing Gestetner's machines without its permission.

Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, said the Department agreed to terminate the decree because it was no longer necessary to prevent the competitive harm that brought about the original suit.

Bingaman noted that Gestetner does not have a dominant position in the sale of the only commercially significant product covered by the decree. Bingaman also said that one of Gestetner's principal competitors, A.B. Dick Company, was released in 1989 with the government's consent from a final judgment that imposed more comprehensive prohibitions than those imposed on Gestetner.

Bingaman stressed that both companies would continue to be governed by the normal operation of the antitrust laws.

The final judgment, among other things, prohibited Gestetner from imposing various vertical territorial or customer restraints on dealers that sell its stencil duplicating machines, electronic scanning machines, and any related products, and from disseminating material that suggests or recommends the prices at which Gestetner products shall be resold, unless that material also makes clear that the products may be resold at any price.

The Department reserved the right to withdraw its consent for at least 10 days after the close of the 60-day public comment period which it has requested the court to establish.

Comments to the Department and the court regarding the proposed termination of the judgment are invited from the public. Such comments should be addressed to Craig W. Conrath, Chief, Merger Task Force, Antitrust Division, Department of Justice, 1401 H Street, N.W., Suite 4816, Washington, D.C. 20530. Comments must be received within the 60-day period to be established by court order.

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