



Department of Justice

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JUSTICE DEPARTMENT TAKES ACTION TO STOP SOUTHERN FLORIDA OUTDOOR UMBRELLA COMPANY FROM FIXING RESALE PRICES

WASHINGTON, D.C. -- The Department of Justice reached a settlement today with a southern Florida outdoor umbrella company that will stop the company from fixing the resale price of umbrellas used on boats to provide protection against sun and inclement weather. The Department said that the Jupiter, Florida-based company eliminated competition among dealers selling its product by setting the prices at which its umbrellas could be resold.

The Department's Antitrust Division filed a civil suit in U.S. District Court in Ft. Lauderdale, Florida, against AnchorShade Inc. At the same time, the Department filed a proposed consent decree, that if approved by the court, would settle the suit.

Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, said, "Just as an umbrella on a boat protects passengers from harsh weather, we at the Antitrust Division protect consumers from anticompetitive behavior."

According to the complaint, AnchorShade conspired from December 1992 through February 1995 to fix and maintain the resale price of its outdoor umbrellas at an amount set by the company. In some instances, AnchorShade required its dealers to get written permission before offering a discount.

AnchorShade sells its outdoor umbrellas through independently owned dealers which, in turn, resell them to consumers.

"This case demonstrates the Antitrust Division's continuing commitment to investigate and prosecute vertical agreements, such as resale price maintenance, that violate the antitrust laws and raise prices for consumers," said Bingaman.

The proposed consent decree prohibits AnchorShade from:

- Agreeing to fix resale prices for its umbrellas.
- Establishing a policy under which AnchorShade will sell only to distributors that set their price at or above a suggested resale price.
- Threatening to terminate or terminating a distributor for pricing below a suggested resale price.

The consent decree also requires AnchorShade to:

- Institute a comprehensive antitrust compliance program.
- Submit annual written certifications regarding decree compliance throughout the ten-year decree.

This matter was handled by the Antitrust Division's New York Field Office. Public comment on the proposed decree is invited within the statutory sixty-day comment period. Interested persons may address comments to Ralph T. Giordano, Chief, New York Field Office, U.S. Department of Justice, Antitrust Division, 26 Federal Plaza, Room 3630, New York, New York 10278, 212-264-0390.

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