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9 UNITED STATES DISTRICT COURT  
10 CENTRAL DISTRICT OF CALIFORNIA

11 UNITED STATES OF AMERICA,  
12 Plaintiff,

13 v.

14 R & G SLOANE MANUFACTURING  
15 COMPANY, INC.;  
16 THE SUSQUEHANNA CORPORATION;  
17 CELANESE CORPORATION;  
18 BORG-WARNER CORPORATION; and  
19 PLASTILINE, INCORPORATED,

20 Defendants.

Civil Action No. 71-1522-ALS

Filed: June 29, 1971

(Title 15 U.S.C. § 1; Conspiracy in  
Restraint of Interstate Trade and  
Commerce)

21 COMPLAINT

22 The United States of America, plaintiff, by its attorneys,  
23 acting under the direction of the Attorney General of the United  
24 States, brings this action against the defendants named herein  
25 and complains and alleges as follows:

26 I

27 JURISDICTION AND VENUE

28 1. This complaint is filed and these proceedings are  
29 instituted under Section 4 of the Act of Congress of July 2,  
30 1890, as amended (15 U.S.C. § 4), commonly known as the Sherman  
31 Act, in order to prevent and restrain the continuing violation  
32 by the defendants, as hereinafter alleged, of Section 1 of said  
Act (15 U.S.C. § 1).



1           5. Celanese Corporation (hereinafter referred to as  
2 "Celanese") is hereby made a defendant herein. Celanese is  
3 a corporation organized as The American Cellulose and Chemical  
4 Manufacturing Company, Ltd. in 1918 under the laws of the State  
5 of Delaware. In 1927, its corporate title was changed to  
6 Celanese Corporation of America and, on or about April 13,  
7 1966, its title was again changed to Celanese Corporation.  
8 Said defendant's principal place of business is in New York,  
9 New York. During the period of time covered by this complaint,  
10 Celanese has engaged in the business of manufacturing and  
11 distributing DWV plastic pipe fittings. Celanese's sales  
12 of DWV plastic pipe fittings for the year 1970 amounted to  
13 approximately \$5,000,000.

14           6. Borg-Warner Corporation (hereinafter referred to as  
15 "Borg-Warner") is hereby made a defendant herein. Borg-Warner  
16 is a corporation organized on September 20, 1967 and existing  
17 under the laws of the State of Delaware, with its principal  
18 place of business in Chicago, Illinois. Borg-Warner is the  
19 successor corporation of Borg-Warner Corporation, a corporation  
20 organized in 1928 under the laws of the State of Illinois, and  
21 each reference hereinafter to Borg-Warner includes its predecessor  
22 corporation. During the period of time covered by this complaint,  
23 Borg-Warner has engaged in the business of manufacturing and  
24 distributing DWV plastic pipe fittings. In March 1971, Borg-  
25 Warner discontinued engaging in such business. Borg-Warner's  
26 sales of DWV plastic pipe fittings for the year 1970 amounted  
27 to approximately \$2,800,000.

28           7. Plastiline, Incorporated (hereinafter referred to as  
29 "Plastiline") is hereby made a defendant herein. Plastiline is  
30 a corporation organized in 1946 and existing under the laws of  
31 the State of New York, with its principal place of business in  
32

1 Pompano Beach, Florida. During the period of time covered by  
2 this complaint, Plastiline has engaged in the business of manu-  
3 facturing and distributing DWV plastic pipe fittings. Plastiline's  
4 sales of DWV plastic pipe fittings for the year 1970 amounted to  
5 approximately \$2,300,000.

### 6 III

#### 7 CO-CONSPIRATORS

8 8. Atlantic Research Corporation, a corporation organized  
9 in 1949 under the laws of the Commonwealth of Virginia, and  
10 various other corporations, companies and individuals not made  
11 defendants in this complaint participated as co-conspirators  
12 with the defendants in the offense alleged herein and performed  
13 acts and made statements in furtherance thereof.

### 14 IV

#### 15 TRADE AND COMMERCE

16 9. DWV plastic pipe fittings are used as a means of  
17 providing turns, connections, branches, traps, splits and the  
18 like in drainage, waste or vent systems in fixed residential,  
19 modular and mobile homes and other structures. In the United  
20 States, DWV plastic pipe fittings are generally made from one  
21 of two types of thermoplastics, varying proportions of acry-  
22 lonitrile, butadiene and styrene monomers (ABS) and from  
23 polyvinyl chloride (PVC). The principal types of DWV plastic  
24 pipe fittings include adapters, bushings, cleanouts, flanges,  
25 couplings, elbows, plugs, bends, tees, traps and Y's. DWV  
26 plastic pipe fittings have, to a substantial degree, replaced  
27 fittings made of cast iron, steel, copper and other materials  
28 during recent years.

29 10. During the period of time covered by this complaint,  
30 substantial quantities of DWV plastic pipe fittings manufactured  
31 by defendants Sloane, Inc., Susquehanna, Celanese, Borg-Warner  
32

1 and Plastiline, and by co-conspirator Atlantic Research  
2 Corporation, at plants in California, Florida, Missouri and  
3 Ohio were shipped and sold by such defendants and co-conspirator  
4 to customers located in states other than the states in which  
5 such DWV plastic pipe fittings were manufactured. During the  
6 year 1970, the total dollar volume of sales of DWV plastic  
7 pipe fittings in the United States was approximately \$32,000,000,  
8 of which defendants Sloane, Inc., Celanese, Borg-Warner and  
9 Plastiline accounted for approximately 54 percent.

10 V

11 OFFENSE ALLEGED

12 11. Beginning at least as early as January 1966, the  
13 exact date to the plaintiff being unknown, and continuing  
14 thereafter up to and including the date of the filing of  
15 this complaint, the defendants and co-conspirators have engaged  
16 in a combination and conspiracy in unreasonable restraint of  
17 the aforesaid interstate trade and commerce in DWV plastic  
18 pipe fittings, in violation of Section 1 of the Act of Congress  
19 of July 2, 1890, as amended (15 U.S.C. § 1), commonly known  
20 as the Sherman Act. Said offense is continuing and will  
21 continue unless the relief hereinafter prayed for in this  
22 complaint is granted.

23 12. The aforesaid combination and conspiracy has con-  
24 sisted of a continuing agreement and concert of action among  
25 the defendants and co-conspirators to fix, maintain and  
26 stabilize discounts and prices in connection with the sale  
27 of DWV plastic pipe fittings.

28 13. For the purpose of forming and effectuating the  
29 aforesaid combination and conspiracy, the defendants and  
30 co-conspirators have done those things which, as herein-  
31 before alleged, they have combined and conspired to do.

1 VI

2 EFFECTS

3 14. The aforesaid combination and conspiracy has had,  
4 among others, the following effects:

5 (a) discounts and prices on DWV plastic pipe  
6 fittings sold by the corporate defendants and co-  
7 conspirators have been fixed, maintained and stabilized;

8 (b) price competition among the corporate de-  
9 fendants and co-conspirators in the sale of DWV plastic  
10 pipe fittings has been suppressed; and

11 (c) customers of the corporate defendants and  
12 co-conspirators have been deprived of the opportunity  
13 to purchase DWV plastic pipe fittings at competitive  
14 prices.

15 VII

16 PRAYER

17 WHEREFORE, the plaintiff prays:

18 1. That the aforesaid combination and conspiracy be  
19 adjudged and decreed to be unlawful and in violation of  
20 Section 1 of the Sherman Act.

21 2. That each of the corporate defendants, its successors,  
22 assignees and transferees, and the respective officers,  
23 directors, agents and employees thereof, and all persons  
24 acting or claiming to act on behalf thereof, be perpetually  
25 enjoined and restrained from continuing to carry out, directly  
26 or indirectly, the combination and conspiracy hereinbefore  
27 alleged, or from engaging in any other combination or conspiracy  
28 having a similar purpose or effect, or from adopting or following  
29 any practice, plan, program or device having a similar purpose  
30 or effect.

1           3. That the corporate defendants, their successors,  
2 assignees and transferees, and their respective officers,  
3 directors, agents and employees, and all persons acting or  
4 claiming to act on behalf thereof, be perpetually enjoined and  
5 restrained from exchanging or divulging to any competitor in-  
6 formation concerning prices, discount terms, pricing intentions,  
7 pricing methods or any term or condition affecting the price of  
8 DWV plastic pipe fittings and related products which they sell,  
9 except upon such terms as the Court may deem necessary to the  
10 legitimate conduct of their businesses.

11           4. That the Court, where appropriate, enter an order  
12 requiring each of the corporate defendants within sixty (60)  
13 days following entry of a final judgment in this action, to:

14           (a) withdraw its presently effective price list  
15 and prevailing prices and discount terms for DWV  
16 plastic pipe fittings;


17           (b) individually review its prices and discount  
18 terms for DWV plastic pipe fittings on the basis of its  
19 individual cost figures and individual judgment as to  
20 profit; and

21           (c) adopt new prices and discount terms and  
22 issue a new price list and discount sheet for DWV  
23 plastic pipe fittings on the basis of such independent  
24 review.

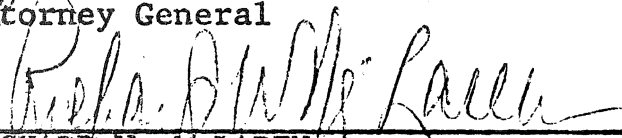
25           5. That the defendants be required to take such further  
26 action as the Court may deem necessary and appropriate to  
27 terminate and dissipate the effects of the unlawful activities  
28 hereinabove alleged, and to permit and restore competition in  
29 the sale of DWV plastic pipe fittings.  
30  
31  
32

1           6. That the plaintiff have such other, further and  
2 different relief as the Court may deem just and appropriate  
3 in the premises.

4           7. That the plaintiff recover the costs of this suit.

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6   
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