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13 UNITED STATES DISTRICT COURT
14 FOR THE CENTRAL DISTRICT OF CALIFORNIA

15 UNITED STATES OF AMERICA,)
16)
17 Plaintiff,) Civil Action No. 73-1036 WPG
18) ANITRUST COMPLAINT FOR
19 v.) EQUITABLE RELIEF - CLAYTON
20) ACT § 7
21 NORRIS INDUSTRIES, INC.,)
22)
23 Defendant.) Filed: June 13, 1974

24 AMENDED
25 COMPLAINT

26 The United States of America, plaintiff, by its
27 attorneys, acting under the direction of the Attorney General
28 of the United States, brings this civil action to obtain
29 equitable relief against the above-named defendant, and com-
30 plains and alleges as follows:

31 I
32 JURISDICTION AND VENUE

1. This complaint is filed and this action is
instituted against the defendant under Section 15 of the
Act of Congress of October 15, 1914 (15 U.S.C. § 25), as
amended, commonly known as the Clayton Act, in order to
prevent and restrain the violation by the defendant, as
hereinafter alleged, of Section 7 of the Clayton Act
(15 U.S.C. § 18), as amended.

1 dioxide at a service pressure of 1800 p.s.i.
2 and with capacities of 2400 cubic inches or
3 less;

4 (c) "Round-bottom cylinders" means high-pressure
5 compressed gas cylinders with rounded or
6 ellipsoidal bottoms, made for service pressures
7 of 1800 p.s.i. and above and with capacities
8 of less than 1600 cubic inches;

9 (d) "Industrial cylinders" means high-pressure
10 compressed gas cylinders, excluding round-
11 bottom cylinders, made for service pressures
12 of 2000 p.s.i. and above and with capacities
13 of 650 cubic inches to 4100 cubic inches;

14 (e) "Acetylene cylinder shells" means empty
15 cylindrical metal containers or their com-
16 ponents which are used in making acetylene
17 cylinders;

18 (f) "Acetylene cylinders" means acetylene
19 cylinder shells which contain a porous
20 filler and acetone; and

21 (g) "Accumulator shells" means pressure vessels
22 used in making high-pressure bladder type
23 accumulators (those with operating pressures of
24 1000 p.s.i. and above).

25
26 IV

27 TRADE AND COMMERCE

28 6. Compressed gas cylinders are metal containers used
29 to store and transport compressed and liquefiable gases such
30 as oxygen, argon, nitrogen, carbon dioxide, acetylene and
31 medical and refrigerant gases. High-pressure compressed gas
32

1 cylinders hold gas at pressures above 900 p.s.i. There
2 are three basic types of high-pressure compressed gas
3 cylinders: carbon dioxide cylinders, round-bottom cylinders
4 and industrial cylinders.

5
6 7. Acetylene gas, among other uses, is used as a heat
7 source in devices which cut, remove and shape metal. Because
8 of the explosive nature of acetylene gas, a special cylinder
9 is required to contain it. An acetylene cylinder consists
10 of an acetylene cylinder shell to which a porous filling and
11 acetone solvent have been added. Acetylene cylinders are
12 sold to vendors of acetylene gas who fill the cylinders with
13 gas.

14 8. High-pressure bladder type accumulators are used in
15 fluid power systems to store hydraulic energy, absorb shock,
16 compensate for changes in fluid pressure or volume, dispense
17 fluids and for other purposes. Applications of these accumulators
18 include use in hydraulic presses, on machine tools, in drilling
19 operations and in pumping installations. High-pressure bladder
20 type accumulators are composed of an accumulator shell into
21 which a rubber bladder is inserted. Compressible gas is con-
22 tained within the bladder, separated from the fluid in the
23 system which usually operates at pressures of 1000 p.s.i. and
24 above. As fluid is pumped into the accumulator the gas is
25 compressed in the bladder, thus storing hydraulic energy in
26 the accumulator.

27
28 9. As of December 2, 1970, Norris ranked fourth among
29 the six producers of high-pressure compressed gas cylinders
30 in the United States. It ranked third among the manufacturers
31 of carbon dioxide cylinders, second among the manufacturers
32

1 of round-bottom cylinders and fourth among the manufacturers
2 of industrial cylinders. Norris was also the second largest
3 of only two manufacturers of acetylene cylinder shells, and
4 the third largest of only three sellers of acetylene cylinders
5 in 1970. Norris was the second largest of six manufacturers
6 of accumulator shells in 1970.

7
8 10. On or about December 2, 1970, Norris acquired all of
9 the shares of the capital stock of PST. At the time of the
10 acquisition, PST ranked second among the six producers of high-
11 pressure compressed gas cylinders in the United States. It
12 ranked fourth among the manufacturers of carbon dioxide
13 cylinders, first among the manufacturers of round-bottom
14 cylinders and second among the manufacturers of industrial
15 cylinders. At that time PST was the nation's largest
16 manufacturer of acetylene cylinder shells. It was also the
17 largest manufacturer of accumulator shells.

18 11. Prior to the acquisition, Norris and PST engaged
19 in substantial competition in the manufacture and sale of
20 high-pressure compressed gas cylinders. In 1970 PST
21 accounted for approximately 25.8 percent of total shipments
22 of high-pressure compressed gas cylinders and Norris accounted
23 for approximately 8.2 percent, for a combined total of 34
24 percent. At that time, Norris accounted for approximately
25 17.6 percent, and PST approximately 10.9 percent of total
26 shipments of carbon dioxide cylinders, for a combined total
27 of 28.5 percent. In the market for round-bottom cylinders
28 Norris accounted for approximately 31.1 percent of total
29 shipments and PST approximately 66.8 percent, for a combined
30 total of 97.9 percent, and in the market for industrial
31 cylinders, Norris accounted for approximately 1.4 percent and
32 PST approximately 30.4 percent of total 1970 shipments. At

1 the time of the acquisition Norris and PST were the only
2 manufacturers of acetylene cylinder shells in the
3 United States. In the market for accumulator shells in 1970,
4 Norris accounted for approximately 34.4 percent of total
5 shipments and PST accounted for approximately 47.5 percent.

6 12. Norris manufactures acetylene cylinders, and
7 Norris and PST manufacture high-pressure compressed gas
8 cylinders, acetylene cylinder shells and accumulator shells
9 in Los Angeles, California and Milwaukee, Wisconsin,
10 respectively, and regularly sell and ship substantial
11 quantities of such cylinders and accumulator shells to
12 customers located throughout the United States. Norris and
13 PST have been and are engaged in interstate commerce.
14

15 V

16 VIOLATION ALLEGED

17 13. On or about December 2, 1970, Norris entered into
18 and simultaneously consummated an agreement for the purchase
19 by Norris from RCM Corporation of all of the capital stock
20 of PST.
21

22 14. The effect of the aforesaid acquisition by Norris
23 of the capital stock of PST may be substantially to lessen
24 competition or to tend to create a monopoly in the aforesaid
25 interstate trade and commerce in violation of Section 7 of
26 the Clayton Act in the following ways, among others:

- 27 (a) Actual and potential competition between Norris
28 and PST in the production and sale of acetylene
29 cylinder shells, high-pressure compressed gas
30 cylinders, carbon dioxide cylinders, round-
31 bottom cylinders, industrial cylinders and
32 accumulator shells has been eliminated;

1 (b) Concentration in the production and sale of
2 acetylene cylinder shells, high-pressure
3 compressed gas cylinders, carbon dioxide
4 cylinders, round-bottom cylinders, industrial
5 cylinders and accumulator shells has been
6 substantially increased; and

7 (c) Competition generally in the production and
8 sale of acetylene cylinder shells, acetylene
9 cylinders, high-pressure compressed gas cylinders,
10 carbon dioxide cylinders, round-bottom cylinders,
11 industrial cylinders and accumulator shells may
12 be substantially lessened.

13 PRAYER

14
15 WHEREFORE, plaintiff prays:

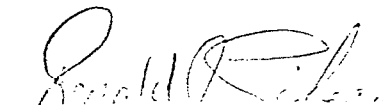
16 1. That the acquisition of the capital stock of PST by
17 Norris be adjudged to be a violation of Section 7 of the
18 Clayton Act.

19 2. That Norris be ordered and directed to divest
20 itself of all of the stock or assets of PST.

21 3. That plaintiff have such other and further relief
22 as the Court may deem just and proper.

23 4. That the plaintiff recover the costs of this
24 action.

25
26 
27 FRANK N. BENTKOVER

28
29 
30 RONALD J. SILVERMAN

31 Attorneys, Department of Justice
32

CERTIFICATE OF SERVICE

This is to certify that the undersigned served the attached Plaintiff's Amended Complaint on the attorneys of record for defendant by placing true copies thereof in the United States mails, postage prepaid, addressed as follows:

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FRANK N. BENIKOVER
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Dated: June 12, 1974