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8 UNITED STATES DISTRICT COURT
9 FOR THE CENTRAL DISTRICT OF CALIFORNIA

10 UNITED STATES OF AMERICA,)
11)
Plaintiff,)
12) Civil Action No. 73-1036 WPG
v.) ANTITRUST COMPLAINT FOR
13) EQUITABLE RELIEF - CLAYTON ACT
NORRIS INDUSTRIES, INC.,) FILED: May 9, 1973 § 7
14)
Defendant.)
15

16 COMPLAINT

17 The United States of America, plaintiff, by its attorneys,
18 acting under the direction of the Attorney General of the United
19 States, brings this civil action to obtain equitable relief
20 against the above-named defendant, and complains and alleges
21 as follows:
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23 I

24 JURISDICTION AND VENUE

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

31 2. The defendant, Norris Industries, Inc. transacts business
32 and may be found within the Central District of California.

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II

DEFENDANT

3. Norris Industries, Inc. (hereinafter referred to as "Norris") is made the defendant herein. Norris is a corporation organized and existing under the laws of the State of California and maintains its principal place of business in Los Angeles, California.

4. Norris, with its wholly owned subsidiary, Pressed Steel Tank Company, Inc. (hereinafter referred to as "PST"), is engaged in the manufacture of acetylene cylinder shells, acetylene cylinders and high-pressure compressed gas cylinders.

III

DEFINITIONS

5. As used in this complaint, the term:

(a) "High-pressure compressed gas cylinders" means seamless, one-piece compressed gas cylinders made according to Department of Transportation standards which hold compressed and liquefiable gases at service pressures of 900 pounds per square inch ("p.s.i.") and above, and include carbon dioxide cylinders, round-bottom cylinders and industrial cylinders;

(b) "Carbon dioxide cylinders" means high-pressure compressed gas cylinders made to hold carbon dioxide at a service pressure of 1800 p.s.i. and with capacities of 2400 cubic inches or less;

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

1 (d) "Industrial cylinders" means high-pressure
2 compressed gas cylinders, excluding round-
3 bottom cylinders, made for service pressures
4 of 2000 p.s.i. and above and with capacities
5 of 650 cubic inches to 4100 cubic inches;

6 (e) "Acetylene cylinder shells" means empty
7 cylindrical metal containers or their com-
8 ponents which are used in making acetylene
9 cylinders; and

10 (f) "Acetylene cylinders" means acetylene
11 cylinder shells which contain a porous
12 filler and acetone.

13 IV

14 TRADE AND COMMERCE

15 6. Compressed gas cylinders are metal containers used to
16 store and transport compressed and liquefiable gases such as
17 oxygen, argon, nitrogen, carbon dioxide, acetylene and medical
18 and refrigerant gases. High-pressure compressed gas cylinders
19 hold gas at pressures above 900 p.s.i. There are three basic
20 types of high-pressure compressed gas cylinders: carbon dioxide
21 cylinders, round-bottom cylinders and industrial cylinders.

22 7. Acetylene gas, among other uses, is used as a heat
23 source in devices which cut, remove and shape metal. Because of
24 the explosive nature of acetylene gas, a special cylinder is
25 required to contain it. An acetylene cylinder consists of an
26 acetylene cylinder shell to which a porous filling and acetone
27 solvent have been added. Acetylene cylinders are sold to vendors
28 of acetylene gas who fill the cylinders with gas.

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

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

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

15 10. Prior to the acquisition, Norris and PST engaged in
16 substantial competition in the manufacture and sale of high-
17 pressure compressed gas cylinders. In 1970 PST accounted for
18 approximately 25.8 percent of total shipments of high-pressure
19 compressed gas cylinders and Norris accounted for approximately
20 8.2 percent, for a combined total of 34 percent. At that time,
21 Norris accounted for approximately 17.6 percent, and PST approxi-
22 mately 10.9 percent of total shipments of carbon dioxide cylinders,
23 for a combined total of 28.5 percent. In the market for round-
24 bottom cylinders Norris accounted for approximately 31.1 percent
25 of total shipments and PST approximately 66.8 percent, for a
26 combined total of 97.9 percent, and in the market for industrial
27 cylinders, Norris accounted for approximately 1.4 percent and
28 PST approximately 30.4 percent of total 1970 shipments. At the
29 time of the acquisition Norris and PST were the only manufacturers
30 of acetylene cylinder shells in the United States.

31 11. Norris manufactures acetylene cylinders, and Norris and
32 PST manufacture high-pressure compressed gas cylinders and

1 acetylene cylinder shells in Los Angeles, California and Milwaukee,
2 Wisconsin, respectively, and regularly sell and ship substantial
3 quantities of such cylinders to customers located throughout
4 the United States. Norris and PST have been and are engaged in
5 interstate commerce.

6
7 V

8 VIOLATION ALLEGED

9 12. On or about December 2, 1970, Norris entered into and
10 simultaneously consummated an agreement for the purchase by
11 Norris from RCM Corporation of all of the capital stock of PST.

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

- 17 (a) Actual and potential competition between Norris
18 and PST in the production and sale of acetylene
19 cylinder shells, high-pressure compressed gas
20 cylinders, carbon dioxide cylinders, round-
21 bottom cylinders and industrial cylinders has
22 been eliminated;
- 23 (b) Concentration in the production and sale of
24 acetylene cylinder shells, high-pressure
25 compressed gas cylinders, carbon dioxide
26 cylinders, round-bottom cylinders and in-
27 dustrial cylinders, has been substantially
28 increased; and
- 29 (c) Competition generally in the production and
30 sale of acetylene cylinder shells, acetylene
31 cylinders, high-pressure compressed gas
32 cylinders, carbon dioxide cylinders,

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round-bottom cylinders and industrial cylinders
may be substantially lessened.

PRAYER

WHEREFORE, plaintiff prays:

1. That the acquisition of the capital stock of PST by Norris be adjudged to be a violation of Section 7 of the Clayton Act.
2. That Norris be ordered and directed to divest itself of all of the stock or assets of PST.
3. That plaintiff have such other and further relief as the Court may deem just and proper.
4. That the plaintiff recover the costs of this action.

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