

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF MISSOURI
SOUTHWESTERN DIVISION

UNITED STATES OF AMERICA,)
)
 Plaintiff,)
)
 v.) Civil Action No. 74-CV 18-SW
)
 LEGGETT & PLATT, INCORPORATED,) Filed: June 28, 1974
)
 Defendant.)

COMPLAINT

The United States of America, plaintiff, by its attorneys, acting under the direction of the Acting Attorney General of the United States, brings this civil action to obtain equitable relief against the defendant named herein and complains and alleges as follows:

I

JURISDICTION AND VENUE

1. This complaint is filed and this action is instituted against the defendant named herein under Section 15 of the Act of Congress of October 15, 1914, c. 323, 38 Stat. 736 (15 U.S.C. § 25), as amended, commonly known as the Clayton Act, in order to prevent and restrain the continuing violation by the defendant, as hereinafter alleged, of Section 7 of said Act.

2. The defendant is found, has its principal offices, and transacts business within the Southwestern Division of the Western District of Missouri.

II

DEFINITIONS

3. As used herein:

- (a) "East of the Rocky Mountains" means the geographic area of the Continental United

general technology and manufacturing process employed in the production of metal bed frames are distinct and substantially different from the equipment, raw materials, general technology and manufacturing process employed in the production of other products which can be used as a platform upon which to place a bedding ensemble.

7. The geographic area within which manufacturers of metal bed frames can effectively sell their product is limited, primarily because of high costs of transporting metal bed frames and by the number and location of their manufacturing and warehousing facilities, including the proximity of these facilities to potential customers. While many of the manufacturers of metal bed frames are limited in this respect to smaller geographic areas of competition, several manufacturers, including L&P, have a sufficient number of facilities located so as to enable them to economically sell metal bed frames throughout the area east of the Rocky Mountains. Rarely, however, because of transportation difficulties and expense, do metal bed frame manufacturers with facilities located east of the Rocky Mountains ship their metal bed frames across those mountains for sale. Similarly, metal bed frame manufacturers with facilities located west of the Rocky Mountains do not ship their metal bed frames across those mountains for sale.

8. In 1971, there were approximately \$28.3 million in metal bed frame sales made east of the Rocky Mountains by metal bed frame manufacturers with facilities located in that area. The manufacture and sale of metal bed frames is a concentrated industry. In 1971, in the area east of the Rocky Mountains, the four leading metal

13. Many bedding manufacturers and case goods manufacturers that purchase metal bed frames operate multiplant facilities throughout the country. These purchasers prefer to be supplied by one source and to receive these supplies in mixed truckloads (truckloads with a variety of distinct components, e.g., metal bed frames, innersprings, box springs, headboards, etc.). By expanding its geographic coverage and by broadening its product line, L&P has secured competitive advantages. L&P has broadened its product line primarily through its acquisition program.

14. Manufacturers east of the Rocky Mountains, including L&P, sell a substantial quantity of metal bed frames in states other than those in which the metal bed frame is produced. These manufacturers also purchase substantial quantities of raw materials and other merchandise in states other than those in which the raw materials and other merchandise is utilized. L&P is engaged in interstate commerce in the manufacture and sale of metal bed frames.

V

VIOLATION ALLEGED

15. L&P acquired all of the stock of Metal Bed Rail on October 10, 1972. This acquisition may substantially lessen competition or tend to create a monopoly in the above described trade and commerce in violation of Section 7 of the Clayton Act in the following ways, among others:

- (a) actual and potential competition between L&P and Metal Bed Rail in the manufacture and sale of metal

5. That plaintiff recover the costs of this action.

L. N. Silberman

LAURENCE H. SILBERMAN
Acting Attorney General

ROBERT A. McNEW

Thomas E. Kauper

THOMAS E. KAUPER
Assistant Attorney General

WILLIAM A. LeFAIVER

Baddia J. Rashid

BADDIA J. RASHID

DIANE RUBIN WILLIAMS

JOHN A. WEEDON

Attorneys, Department of
Justice

Attorneys, Department of Justice
Antitrust Division
727 Celebrezze Federal Building
Cleveland, Ohio 44199
Telephone: (216) 522-4082

United States Attorney