

UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

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UNITED STATES OF AMERICA,	:	
	:	
Plaintiff,	:	
	:	Civil Action No. B-285
v.	:	
	:	Filed: April 28, 1971
HARVEY HUBBELL, INCORPORATED,	:	
	:	
Defendant.	:	

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COMPLAINT

The United States of America, plaintiff, by its attorneys, acting under the direction of the Attorney General of the United States, brings this action and complains and alleges as follows:

I

JURISDICTION AND VENUE

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

2. Harvey Hubbell, Incorporated transacts business and is found within the District of Connecticut.

II

THE DEFENDANT

3. Harvey Hubbell, Incorporated ("Hubbell"), is named as the defendant herein. It is a corporation organized and existing under the laws of the State of Connecticut and maintains its principal offices in Bridgeport, Connecticut.

III

TRADE AND COMMERCE

4. Manufacturers of electrical and related products are engaged in the production, distribution and sale to electrical contractors and commercial and industrial concerns of products designed to transmit and regulate the flow of electrical current in buildings and other structures. Among those items manufactured and sold by the electrical products industry are specification grade electrical wiring devices ("specification grade devices") and pin and sleeve power plugs, connectors and receptacles ("pin and sleeve devices").

5. Specification grade devices are a cluster of products usually installed in commercial and industrial buildings to control electrical current and enable it to function effectively and efficiently. They consist primarily of blade plugs, connectors and receptacles, and switches, but also include sockets, wall outlets and similar apparatus.

6. Pin and sleeve devices are engineered items designed to speed and simplify the physical connection and disconnection of two segments of an electrical system. They are designed to handle current levels of up to 600 volts and 600 amperes. Such devices are usually installed

in areas where equipment is subject to severe physical use and in corrosive, wet or otherwise unfavorable environments such as processing plants, steel mills, coal mines, railroads, and in missile launch and aircraft ground service sites. Explosion proof items for installation in highly combustible areas, designed to contain any sparks due to malfunction, are also included. Generally, the electrical contractor or end user planning to purchase pin and sleeve devices also requires specification grade devices at about the same time.

7. Manufacturers of specification grade devices and of pin and sleeve devices sell them principally to electrical distributors, who in turn sell them to electrical contractors or directly to commercial and industrial end users. The manufacturers employ salesmen and manufacturer representatives to contact electrical contractors, consulting engineers, end users and others in order to promote their companies' products. A sound distribution system is essential for the successful marketing of electrical and related products, including specification grade devices and pin and sleeve devices. Hubbell's distribution system is considered to be one of the best in the electrical products industry.

8. Hubbell is engaged primarily in the manufacture and sale of specification grade devices. It also manufactures other types of electrical and related products including insulated wire and cable, industrial controls and communications equipment. In 1969, it had total sales of approximately \$78,000,000 and, on December 31, 1969, had total assets of approximately \$56,600,000. Hubbell

has, since 1958, acquired nine domestic and two European companies engaged in the manufacture of electrical and related products.

9. The specification grade device market is highly concentrated. The two largest manufacturers account for approximately 45 percent of total industry sales, and the six largest manufacturers account for about 75 percent. Annual total industry sales of specification grade devices are approximately \$100,000,000. Hubbell is the leading manufacturer of such devices with annual sales of approximately \$30,000,000 -- representing approximately 30 percent of total industry sales and about double those of its nearest competitor.

10. The pin and sleeve device market is also highly concentrated. The two largest manufacturers account for approximately 57 percent of total industry sales and the four largest manufacturers account for about 93 percent. Annual total industry sales are approximately \$26,900,000. Prior to its acquisition by Hubbell, The Pyle-National Company ("Pyle-National") was the leading manufacturer with sales in 1970 of such devices of approximately \$8,300,000 -- representing almost 31 percent of total industry sales. Pyle-National also manufactured and sold other electrical and related products. In 1969, it had total sales from all sources of approximately \$35,000,000 and, on December 31, 1969, had total assets of approximately \$23,300,000.

11. Prior to the acquisition of Pyle-National, Hubbell also manufactured and sold some pin and sleeve devices. Marketing and other advantages that would

result from the manufacture and sale of a full line of both specification grade devices and pin and sleeve devices would have provided a strong incentive for Hubbell to substantially expand its operations in the pin and sleeve device market if it had not acquired Pyle-National. Hubbell's excellent distribution system, reputation for quality products, and knowledge of pin and sleeve device manufacturing and marketing as a result of its own activity in that market, would also have provided Hubbell with the ability to substantially expand its pin and sleeve device operations.

12. Similarly, Pyle-National manufactured and sold some specification grade devices (blade plugs, connectors and receptacles), prior to its acquisition by Hubbell. Generally, the electrical distributors and manufacturer representatives who carried Hubbell specification grade devices carried pin and sleeve devices manufactured by companies other than Pyle-National.

13. At the time of the acquisition, Hubbell and Pyle-National were both engaged in the sale and distribution, throughout the United States, of substantial amounts of electrical and related products, including specification grade devices and pin and sleeve devices.

IV

OFFENSE ALLEGED

14. On or about September 1, 1970, Hubbell and Pyle-National entered into an Agreement and Plan Of Merger providing for the acquisition by Hubbell of all of the outstanding capital stock of Pyle-National.

the acquisition was consummated on November 10, 1970 and Pyle-National was merged into Hubbell.

15. The effect of the acquisition, and merger of Pyle-National into Hubbell, may be substantially to lessen competition or tend to create a monopoly in the aforesaid interstate trade and commerce in violation of Section 7 of the Clayton Act in the following ways, among others:

- (a) Actual and potential competition between Hubbell and Pyle-National in the manufacture and sale of specification grade devices, and pin and sleeve devices, has been eliminated;
- (b) Competition generally in the manufacture and sale of specification grade devices, and pin and sleeve devices, may be substantially lessened;
- (c) Hubbell and Pyle-National may be entrenched in their respective dominant positions in the manufacture and sale of specification grade devices, and pin and sleeve devices, to the detriment of actual and potential competition; and
- (d) Similar acquisitions by and mergers among and between companies engaged in the manufacture and sale of specification grade devices, and pin and sleeve devices, may be triggered to the detriment of actual and potential competition.

PRAYER

WHEREFORE, the plaintiff prays:

1. That the aforesaid acquisition and merger of Pyle-National into Hubbell be adjudged a violation of Section 7 of the Clayton Act.


2. That the Court, pending final adjudication of this litigation, issue a preliminary injunction enjoining Hubbell from further consolidating or intermingling the manufacturing, business and marketing operations of Pyle-National with those of its own, and from taking any action that would impair its ability to comply with any Court Order that required divestiture of Pyle-National.

3. That Hubbell be ordered to divest itself of all interests in and control over Pyle-National and to take all additional action necessary to insure that Pyle-National will be reestablished as a viable, independent operation.

4. That Hubbell be enjoined for a period of ten years from acquiring the stock or assets of any other firm engaged in the manufacture and sale of specification grade devices or pin and sleeve devices.

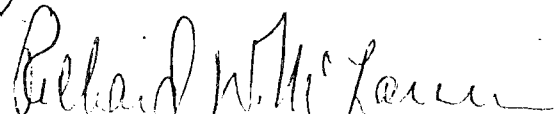
5. That the plaintiff have such other and further relief as the Court may deem just and proper.

6. That the plaintiff recover the costs of
this suit.



JOHN N. MITCHELL
Attorney General

RALPH T. GIORDANO



RICHARD W. McLAREN
Assistant Attorney General

RAYMOND BRENNER



BADDIA J. RASHID

Attorneys, Department of
Justice

NORMAN H. SEIDLER

Attorneys, Department of Justice

United States Attorney