

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF CONNECTICUT

UNITED STATES OF AMERICA,
Plaintiff,
v.
CUISINARTS, INC.,
Defendant.

Civil Action No.: H-80-559

Filed: 9/17/80

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 against the defendant named herein and complains and alleges as follows:

I

JURISDICTION AND VENUE

1. This complaint is filed and these proceedings are instituted against the defendant named herein under Section 4 of the Sherman Act, as amended (15 U.S.C. §4), in order to prevent and restrain the continuing violation by the defendant, as herein alleged, of Section 1 of that Act (15 U.S.C. §1).

2. Cuisinarts, Inc. maintains its offices, transacts business and is found within the District of Connecticut.

II

DEFENDANT

3. Cuisinarts, Inc. (hereinafter referred to as "Cuisinarts"), is made the defendant herein. Cuisinarts is a corporation organized and existing under the laws of the State of Connecticut, with its principal place of business in Greenwich, Connecticut.

III

CO-CONSPIRATORS

4. Numerous individuals and business entities, not made defendants in this complaint, have participated with the defendant in the offense charged herein and performed acts and made statements in furtherance of it.

IV

TRADE AND COMMERCE

5. A food processor is an electric appliance for use in home kitchens, that combines in a single unit requiring a minimum of accessories the functions, among others, of shredding, chopping, slicing, grating, and kneading food. Cuisinarts is, and at all times relevant to this complaint has been, the exclusive distributor in the United States of several models of food processors which it imports from France or Japan and sells under the "Cuisinart" trademark. Cuisinart food processors were the first appliances of their type to be widely marketed in the United States, and have enjoyed a high degree of consumer acceptance.

6. Cuisinarts sells substantial quantities of Cuisinarts food processors to retail stores which in turn sell them to consumers. Cuisinarts takes orders for its food processors from retail stores primarily through sales representatives who communicate information to Cuisinarts about current and potential accounts, service existing accounts, and disseminate product information such as prices, promotions and model changes. Cuisinart food processors are shipped by Cuisinarts directly to retail stores. In 1979 Cuisinarts' sales of food processors and related accessories to retail stores totaled approximately \$40 million.

7. During the time period covered in this complaint, there has been a continuous flow in interstate commerce of Cuisinart food processors from Cuisinarts' warehouse in Connecticut to retail stores located throughout the United States. The activities of defendant and its co-conspirators, as hereinafter described, have been within the flow of, and have substantially affected, interstate commerce.

V

VIOLATION ALLEGED

8. Beginning at least as early as 1974 and continuing at least through August 1979, the defendant and its co-conspirators engaged in a combination and conspiracy in unreasonable restraint of the aforesaid interstate trade and commerce in violation of Section 1 of the Sherman Act, as amended (15 U.S.C. § 1). This unlawful combination and conspiracy will continue or may be renewed unless the relief prayed for herein is granted.

9. The aforesaid combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among the defendant and co-conspirators to fix, stabilize, and maintain the retail prices of Cuisinart food processors at the prices set by defendant Cuisinarts.

10. In furtherance of the aforesaid combination and conspiracy, the defendant and co-conspirators did those things which, as hereinabove alleged, they combined and conspired to do, including:

- (a) establishing and communicating to retail stores suggested retail prices for Cuisinart food processors;

- (b) reporting, complaining of, monitoring, and investigating instances of retail sales of Cuisinart food processors at less than Cuisinarts' suggested retail prices;
- (c) obtaining agreements from retail stores to maintain the suggested retail prices as a condition of receiving or continuing to receive Cuisinart food processors;
- (d) reducing, suspending, terminating, or threatening to reduce, suspend, or terminate shipments of Cuisinart food processors to retail stores that did not maintain the suggested retail prices; and
- (e) reducing, suspending, terminating, or threatening to reduce, suspend, or terminate shipments of Cuisinart food processors to retail stores that sold them to stores or distributors that were not Cuisinarts accounts, in order to prevent sales of Cuisinart food processors at less than Cuisinarts' suggested retail prices.

VI

EFFECTS

11. The aforesaid combination and conspiracy has had the following effects, among others:

- (a) retail prices of Cuisinart food processors have been fixed, stabilized, and maintained at non-competitive levels;
- (b) consumers have had to pay fixed and artificially high prices for Cuisinart food processors; and
- (c) competition in retail sales of Cuisinart food processors has been restrained, suppressed, and eliminated.

VII

PRAYER FOR RELIEF

WHEREFORE, the plaintiff prays:

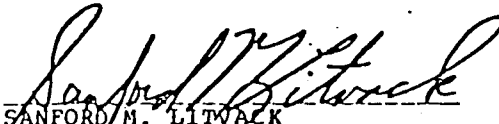
1. That the Court adjudge and decree that the defendant has combined and conspired to restrain interstate trade and commerce in violation of Section 1 of the Sherman Act.


2. That the defendant, its officers, directors, agents, employees and successors and all other persons acting or claiming to act on its behalf be enjoined and restrained from, in any manner, directly or indirectly, continuing, maintaining, or renewing the combination and conspiracy hereinbefore alleged, or from engaging in any other combination, conspiracy, contract, agreement, understanding or concert of action having a similar purpose or effect, and from adopting or following any practice, plan, program, or device having a similar purpose or effect.

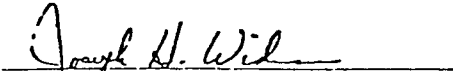
3. That the defendant be required to notify and advise, in writing, all its present accounts, all future accounts as they are acquired for a term of years, and all persons, involved in the sale of its products to retail stores, that all retailers may sell Cuisinart food processors at such prices and to such persons as they may choose.

4. That plaintiff have such other and further relief as the nature of the case may require and the Court may deem just and proper.

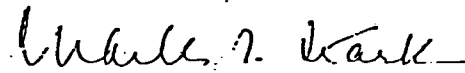
5. That the plaintiff recover the costs of this suit.


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Assistant Attorney General

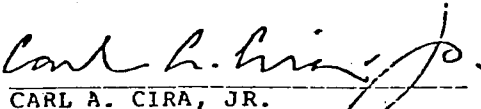

JANE C. LUXTON

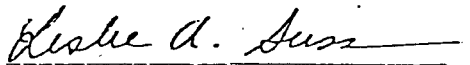

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