

1 KATRINA ROUSE (CABN 270415)  
2 katrina.rouse@usdoj.gov  
3 ALBERT B. SAMBAT (CABN 236472)  
4 albert.sambat@usdoj.gov  
5 Attorneys for the United States  
6 Antitrust Division  
7 U.S. Department of Justice  
8 450 Golden Gate Avenue  
9 Box 36046, Room 10-0101  
10 San Francisco, CA 94102  
11 Telephone: (415) 934-5300  
12 Facsimile: (415) 934-5399  
13

11 UNITED STATES DISTRICT COURT  
12 CENTRAL DISTRICT OF CALIFORNIA  
13

14 UNITED STATES OF AMERICA,  
15 Plaintiff,

16 v.  
17

18 RICHFIELD OIL CORP., CITIES  
19 SERVICE CO., EMPIRE GAS &  
20 FUEL CO., SINCLAIR OIL CORP.,  
21 SINCLAIR DELAWARE CORP., H.L.  
22 O'BRIEN, B.S. WATSON, J.E.  
23 WARREN, P.C. SPENCER, AND E.L.  
24 STEINIGER,  
25 Defendants.

Misc. No. 2:19-MC-00074

**UNITED STATES' MOTION TO  
TERMINATE LEGACY  
ANTITRUST JUDGMENT AND  
MEMORANDUM IN SUPPORT  
THEREOF**

26  
27  
28

1 **I. INTRODUCTION**

2 The United States respectfully moves to terminate the judgment in the above-  
3 captioned antitrust case pursuant to Rule 60(b) of the Federal Rules of Civil Procedure.  
4 The judgment was entered by this Court 53 years ago.<sup>1</sup> The United States has concluded  
5 that because of its age and changed circumstances since its entry, the judgment no longer  
6 serves to protect competition. The United States gave the public notice and the  
7 opportunity to comment on its intent to seek termination of the judgment; it received no  
8 comments opposing termination. For this and other reasons explained below, the United  
9 States requests that the judgment be terminated.<sup>2</sup>

10 **II. BACKGROUND**

11 From 1890, when the antitrust laws were first enacted, until the late 1970s, the  
12 United States frequently sought entry of antitrust judgments whose terms never expired.<sup>3</sup>  
13 Such perpetual judgments were the norm until 1979, when the Antitrust Division of the  
14 United States Department of Justice (“Antitrust Division”) adopted the practice of  
15 including a term limit of ten years in nearly all of its antitrust judgments. Perpetual

---

16  
17 <sup>1</sup> This case was originally filed as Civil No. 62-1374-JWC in the former Southern  
18 District of California prior to the establishment of the Central District of California in  
1966.

19 <sup>2</sup> The United States notes that it makes identical arguments for judgment  
20 termination in the following nine merger cases where the required relief has been  
21 accomplished: (1) *United States v. Suburban Gas*, No. 885-61-S (S.D. Cal. Sept. 17,  
22 1962); (2) *United States v. Richfield Oil Corp., et al.*, No. 62-1374-JWC (S.D. Cal. Jan.  
23 11, 1966); (3) *United States v. Von’s Grocery Co., et al.*, No. 336-60-CC (C.D. Cal. Jan.  
24 30, 1967); (4) *United States v. Times Mirror Co.*, Civil No. 65-366-WJF (C.D. Cal. June  
25 27, 1968); (5) *United States v. Am. Pipe & Constr. Co., et al.*, No. 64-1775-MP (C.D.  
26 Cal. Feb 26, 1970); (6) *United States v. Norris Indus., Inc.*, Civil No. 73-1036-WPG  
27 (C.D. Cal. May 5, 1975); (7) *United States v. Phillips Petrol. Co., et al.*, No. 66-1154-  
28 WJF (C.D. Cal. Sept. 3, 1975); (8) *United States v. Parker-Hannifin Corp., et al.*, No. 71-  
1011-LTL (C.D. Cal. Sept. 29, 1976); and (9) *United States v. Coca-Cola Bottling Co. of  
L.A., et al.*, No. 76-3988-LTL (C.D. Cal. Sept. 18, 1978).

<sup>3</sup> The primary antitrust laws are the Sherman Act, 15 U.S.C. §§ 1–7, and the  
Clayton Act, 15 U.S.C. §§ 12–27. The judgment the United States seeks to terminate  
with this motion concerns violations of the Clayton Act and the Sherman Act.

1 judgments entered before the policy change, however, remain in effect indefinitely unless  
2 a court terminates them. Although a defendant may move a court to terminate a perpetual  
3 judgment, few defendants have done so. There are many possible reasons for this,  
4 including that defendants may not have been willing to bear the costs and time resources  
5 to seek termination, defendants may have lost track of decades-old judgments, individual  
6 defendants may have passed away, or company defendants may have gone out of  
7 business. As a result, hundreds of these legacy judgments remain open on the dockets of  
8 courts around the country. Originally intended to protect the loss of competition arising  
9 from violations of the antitrust laws, none of these judgments likely continues to do so  
10 because of changed circumstances.

11 The Antitrust Division has implemented a program to review and, when  
12 appropriate, seek termination of legacy judgments. The Antitrust Division's Judgment  
13 Termination Initiative encompasses review of all its outstanding perpetual antitrust  
14 judgments. The Antitrust Division described the initiative in a statement published in the  
15 Federal Register.<sup>4</sup> In addition, the Antitrust Division established a website to keep the  
16 public informed of its efforts to terminate perpetual judgments that no longer serve to  
17 protect competition.<sup>5</sup> The United States believes that its outstanding perpetual antitrust  
18 judgments presumptively should be terminated; nevertheless, the Antitrust Division is  
19 examining each judgment to ensure that it is suitable for termination. The Antitrust  
20 Division is giving the public notice of—and the opportunity to comment on—its intention  
21 to seek termination of its perpetual judgments.

22 ///

23 ///

24 ///

---

25  
26 <sup>4</sup> Department of Justice's Initiative to Seek Termination of Legacy Antitrust  
27 Judgments, 83 Fed. Reg. 19,837 (May 4, 2018), <https://www.gpo.gov/fdsys/granule/FR-2018-05-04/2018-09461>.

28 <sup>5</sup> *Judgment Termination Initiative*, U.S. DEP'T OF JUSTICE, <https://www.justice.gov/atr/JudgmentTermination>.

1 In brief, the process the United States is following to determine whether to move to  
2 terminate a perpetual antitrust judgment is as follows:

- 3 • The Antitrust Division reviews each perpetual judgment to determine whether it  
4 no longer serves to protect competition such that termination would be  
5 appropriate.
- 6 • If the Antitrust Division determines a judgment is suitable for termination, it  
7 posts the name of the case and the judgment on its public Judgment  
8 Termination Initiative website,  
9 <https://www.justice.gov/atr/JudgmentTermination>.
- 10 • The public has the opportunity to comment on each proposed termination  
11 within thirty days of the date the case name and judgment are posted to the  
12 public website.
- 13 • Following review of public comments, the Antitrust Division determines  
14 whether the judgment still warrants termination; if so, the United States moves  
15 to terminate it.

16 The United States followed this process for each judgment it seeks to terminate.<sup>6</sup>

17 The remainder of this motion is organized as follows: Section III describes the  
18 Court's jurisdiction to terminate the judgment and the applicable legal standards for  
19 terminating the judgment. Section IV argues that perpetual judgments rarely serve to  
20

---

21  
22 <sup>6</sup> The United States followed this process to move several dozen other district  
23 courts to terminate legacy antitrust judgments. *See, e.g., In re: Termination of Legacy*  
24 *Antitrust Judgments in the District of Idaho*, Case 1:19-mc-10427-DCN (D. Idaho Apr.  
25 18, 2019); *United States v. Inter-Island Steam Navigation Co., et al.*, Case 1:19-mc-  
26 00115 (D. Haw. April 9, 2019) (terminating five judgments); *United States v. Odom Co.,*  
27 *et al.*, Case 3:72-cv-00013 (D. Alaska Mar. 29, 2019) (terminating one judgment); *United*  
28 *States v. The Nome Retail Groceriesmen's Ass'n, et al.*, Case 2:06-cv-01449 (D. Alaska  
Mar. 7, 2019) (terminating one judgment); *United States v. Am. Amusement Ticket Mfrs.*  
*Ass'n, et al.*, Case 1:18-mc-00091 (D.D.C. Aug. 15, 2018) (terminating nineteen  
judgments); *In re: Termination of Legacy Antitrust Judgments*, No. 2:18-mc-00033 (E.D.  
Va. Nov. 21, 2018) (terminating five judgments).

1 protect competition and that those that are more than ten years old presumptively should  
2 be terminated. Section IV also discusses specific circumstances justifying termination.  
3 Section V concludes. Appendix A attaches a copy of the final judgment that the United  
4 States seeks to terminate with this motion. A proposed order terminating the final  
5 judgment accompanies this motion.

### 6 **III. APPLICABLE LEGAL STANDARDS FOR JUDGMENT TERMINATION**

7 This Court has jurisdiction and authority to terminate the judgment. The judgment  
8 provides that the Court retains jurisdiction. In addition, the Federal Rules of Civil  
9 Procedure grant the Court authority to terminate the judgment. According to  
10 Rule 60(b)(5) and (b)(6), “[o]n motion and just terms, the court may relieve a party . . .  
11 from a final judgment . . . (5) [when] applying it prospectively is no longer equitable; or  
12 (6) for any other reason that justifies relief.” Fed. R. Civ. P. 60(b)(5)–(6); *see also Frew*  
13 *ex rel. Frew v. Hawkins*, 540 U.S. 431, 441 (2004) (explaining that Rule 60(b)(5)  
14 “encompasses the traditional power of a court of equity to modify its decree in light of  
15 changed circumstances” and that “district courts should apply a ‘flexible standard’ to the  
16 modification of consent decrees when a significant change in facts or law warrants their  
17 amendment”) (citation omitted); *United States v. Asarco Inc.*, 430 F.3d 972, 979 (9th Cir.  
18 2005) (Under Rule 60(b), “a court may relieve a party from a final judgment when . . . it  
19 is no longer equitable that the judgment should have prospective application. . . . [This]  
20 Rule codifies the courts’ traditional authority, inherent in the jurisdiction of the chancery,  
21 to modify or vacate the prospective effect of their decrees.”) (citations and internal  
22 quotation marks omitted). Given its jurisdiction and authority, the Court may terminate  
23 the judgment for any reason that justifies relief, including that the judgment no longer  
24 serves its original purpose of protecting competition.<sup>7</sup> Termination of the judgment is  
25 warranted.

---

26  
27 <sup>7</sup> In light of the circumstances surrounding the judgment for which it seeks  
28 termination, the United States does not believe it is necessary for the Court to make an  
extensive inquiry into the facts of the judgment to terminate it under Fed. R. Civ. P.

1 **IV. ARGUMENT**

2 It is appropriate to terminate the judgment because it no longer serves its original  
3 purpose of protecting competition. The United States believes that this perpetual  
4 judgment presumptively should be terminated because its age alone suggests it no longer  
5 protects competition. Other reasons, however, also weigh in favor of terminating it.  
6 Under such circumstances, the Court may terminate the judgment pursuant to  
7 Rule 60(b)(5) or (b)(6) of the Federal Rules of Civil Procedure.

8 **A. The Judgment Presumptively Should Be Terminated Because of Age**

9 Permanent antitrust injunctions rarely serve to protect competition. The experience  
10 of the United States in enforcing the antitrust laws has shown that markets almost always  
11 evolve over time in response to competitive and technological changes. These changes  
12 may make the prohibitions of decades-old judgments either irrelevant to, or inconsistent  
13 with, competition. These considerations, among others, led the Antitrust Division in  
14 1979 to establish its policy of generally including in each judgment a term automatically  
15 terminating the judgment after no more than ten years.<sup>8</sup> The judgment—which is decades  
16 old—presumptively should be terminated for the reasons that led the Antitrust Division to  
17 adopt its 1979 policy of generally limiting judgments to a term of ten years.

18 ///

19 ///

20 ///

21 ///

22 ///

23  
24 \_\_\_\_\_  
25 60(b)(5) or (b)(6). The judgment would have terminated long ago if the Antitrust  
26 Division had the foresight to limit it to ten years in duration as under its policy adopted in  
27 1979. Moreover, the passage of decades and changed circumstance since its entry, as  
28 described in this memorandum, means that it is likely that the judgment no longer serves  
its original purpose of protecting competition.

<sup>8</sup> U.S. DEP'T OF JUSTICE, ANTITRUST DIVISION MANUAL at III-147 (5th ed. 2008),  
<https://www.justice.gov/atr/division-manual>.

**B. The Judgment Should Be Terminated Because It Is Unnecessary**

In addition to age, other reasons weigh heavily in favor of terminating the judgment. Based on its examination of the judgment, the Antitrust Division has determined that it should be terminated for the following reason:

- All requirements of the judgment have been met such that it has been satisfied in full. In such a case, termination of the judgment is a housekeeping action: it will allow the Court to clear its docket of a judgment that should have been terminated long ago but for the failure to include a term automatically terminating it upon satisfaction of its terms.

The judgment was entered in 1966. Jurisdiction was explicitly retained in Section 4 of the judgment. The judgment required two oil companies, Cities Service Co., and Sinclair Oil Corp, to divest the interest in Atlantic Refining Co. (“Atlantic”) that they acquired through the merger between Atlantic and Richfield Oil Corporation. The judgment required that the divestitures occur within seven years of the effective date of the merger. The judgment should be terminated because all requirements of the judgment have been met.

**C. There Has Been No Public Opposition to Termination**

The United States has provided adequate notice to the public regarding its intent to seek termination of the judgment. On April 25, 2018, the Antitrust Division issued a press release announcing its efforts to review and terminate legacy antitrust judgments.<sup>9</sup> On March 22, 2019, the Antitrust Division listed the judgment on its public website, describing its intent to move to terminate it.<sup>10</sup> The notice identified the case, linked to the

---

<sup>9</sup> Press Release, *Department of Justice Announces Initiative to Terminate “Legacy” Antitrust Judgments*, U.S. DEP’T OF JUSTICE (April 25, 2018), <https://www.justice.gov/opa/pr/department-justice-announces-initiative-terminate-legacy-antitrust-judgments>.

<sup>10</sup> *Judgment Termination Initiative*, U.S. DEP’T OF JUSTICE, <https://www.justice.gov/atr/JudgmentTermination>; *Judgment Termination Initiative: Central District of California*, U.S. DEP’T OF JUSTICE, <https://www.justice.gov/atr/judgment-termination-initiative-california-central-district> (last updated Mar. 22, 2019).

1 judgment, and invited public comment. No comments were received opposing  
2 termination.

3 **V. CONCLUSION**

4 For the foregoing reasons, the United States believes termination of the judgment  
5 in the above-captioned case is appropriate and respectfully requests that the Court enter  
6 an order terminating it. A proposed order terminating the judgment in the above-  
7 captioned case accompanies this motion.

8  
9 Respectfully submitted,

10 DATE: 6/5/2019

/s/

11 \_\_\_\_\_  
12 KATRINA ROUSE  
13 Assistant Chief  
14 San Francisco Office  
15 Antitrust Division  
16 United States Department of Justice

/s/

17 \_\_\_\_\_  
18 ALBERT B. SAMBAT  
19 Trial Attorney  
20 San Francisco Office  
21 Antitrust Division  
22 United States Department of Justice  
23  
24  
25  
26  
27  
28