

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

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UNITED STATES OF AMERICA, :  
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Plaintiff, :  
 :  
v. :  
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E. I. du PONT de NEMOURS and COMPANY; :  
VERONA CORPORATION; :  
ALLIED CHEMICAL CORPORATION; : Civil No. 74-1086  
AMERICAN COLOR & CHEMICAL CORPORATION; :  
AMERICAN CYANAMID COMPANY; : Filed: July 18, 1974  
BASF WYANDOTTE CORPORATION; :  
CIBA-GEIGY CORPORATION; :  
CROMPTON & KNOWLES CORPORATION; and :  
GAF CORPORATION, :  
 :  
Defendants. :  
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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 civil action to obtain equitable relief against the defendants named herein and complains and alleges as follows:

I

JURISDICTION AND VENUE

1. This complaint is filed and this action is instituted 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 defendants, as hereinafter alleged, of Section 1 of that Act, as amended (15 U.S.C. § 1).

2. Each of the defendants either transacts business or is found within the District of New Jersey.

II

DEFENDANTS

3. The corporations named below in this paragraph are made defendants herein. Each of these corporations is

organized and exists under the laws of the state, and has its principal place of business in the city, indicated below:

<u>Name of Corporation</u>	<u>State of Incorporation</u>	<u>Principal Place of Business</u>
E. I. du Pont de Nemours and Company (hereinafter referred to as "du Pont")	Delaware	Wilmington, Delaware
Verona Corporation	New Jersey	Union, New Jersey
Allied Chemical Corporation	New York	Morristown, New Jersey
American Color & Chemical Corporation	Delaware	Paterson, New Jersey
American Cyanamid Company	Maine	Wayne, New Jersey
BASF Wyandotte Corporation	Michigan	Parsippany, New Jersey
CIBA-GEIGY Corporation	New York	Ardsley, New York
Crompton & Knowles Corporation	Massachusetts	New York, New York
GAF Corporation	Delaware	New York, New York

Within the period of time covered by this complaint, each of the defendants, either directly or through affiliated corporations, has engaged in the business of manufacturing and selling dyes.

### III

#### CO-CONSPIRATORS

4. Various corporations, firms, and individuals, not made defendants in this complaint, have participated as co-conspirators in the violation alleged herein and have performed acts and made statements in furtherance thereof.

### IV

#### TRADE AND COMMERCE

5. Dyes are soluble colored compounds for which fibers have an affinity. Dyes are used for the coloring of men's, women's, and children's clothing, rugs and carpets, draperies,

home and automotive upholstery, commercial and household sheets, tablecloths and linens, consumer paper products, packaging paper and boxes, printing paper, stationery, leather goods, shoes, cosmetics, foods, drugs and some inks.

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6. Of the several thousand different dyes that are known, more than one thousand are manufactured by one or more producers. The need for such a large number of dyes arises from the many different types of materials to which dyes are applied, the different conditions of service to which dyes are subjected; and the costs that a particular use can bear. Dyes are sold as pastes, powders, lumps, and solutions at concentrations ranging from six percent to 100 percent. Approximately two-thirds of the dyes consumed in the United States are used by the textile industry to dye natural and synthetic fibers and fabrics; about one-sixth is used for coloring paper; and the rest is used chiefly in the production of organic pigments and in the dyeing of leather and plastics.

7. Total domestic production of dyes in 1971 amounted to 244 million pounds. Another 31 million pounds were imported, principally from Germany and Switzerland. In 1971, sales of dyes in the United States totaled approximately \$480 million, including imports valued at \$57 million. The defendants accounted for approximately \$300 million or some 60 percent of total dye sales in the United States in 1971.

8. Defendants' dye manufacturing plants are located in various states of the United States and substantial quantities of the dyes manufactured at these plants are shipped across state lines to customers located throughout the United States.

VIOLATION ALLEGED

9. Beginning some time early in 1970, the exact date being to the plaintiff unknown, and continuing thereafter up to and including the date of the filing of this complaint, the defendants and co-conspirators have engaged in a combination and conspiracy in unreasonable restraint of the aforesaid trade and commerce in violation of Section 1 of the Sherman Act, as amended (15 U.S.C. § 1). This combination and conspiracy will continue unless the relief hereinafter prayed for is granted.

10. The aforesaid combination and conspiracy consisted of a continuing agreement, understanding and concert of action among the defendants and co-conspirators, the substantial term of which was to fix, raise and maintain dye prices.

11. In formulating and effectuating the aforesaid combination and conspiracy, the defendants and co-conspirators did those things which, as hereinbefore alleged, they combined and conspired to do, including, among other things, the following:

- (a) beginning in 1970, officials of defendant du Pont undertook discussions of a proposed across-the-board increase in the price of dyes with each of the other defendants, at various times and places, and sought the reaction of each with respect to the proposed increase;
- (b) by the end of 1970, defendant du Pont had received reactions from the other defendants indicating that a price increase would be followed and accordingly, on January 7, 1971,

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defendant du Pont announced a ten percent  
across-the-board increase in the price of  
dyes to become effective on March 1, 1971; and  
(c) between January 12 and February 1, 1971,  
each of the other defendants announced price  
increases, effective March 1, 1971, which  
were substantially the same as those of the  
defendant du Pont.

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VI

EFFECTS

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

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- (a) prices of dyes have been raised, fixed and  
maintained at artificial and noncompetitive  
levels;
  - (b) buyers of dyes have been deprived of free  
and open competition in the purchase of  
dyes; and
  - (c) competition in the sale of dyes among  
defendants and co-conspirators has been  
restrained.
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PRAYER

WHEREFORE, plaintiff prays:

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1. That the Court adjudge and decree that the defen-  
dants and co-conspirators have engaged in an unlawful  
combination and conspiracy in restraint of the aforesaid  
interstate trade and commerce in violation of Section 1 of  
the Sherman Act.

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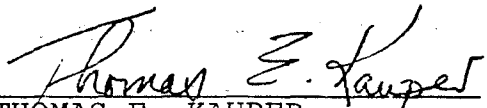
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2. That each of the defendants, its subsidiaries,  
successors, transferees, assigns, and the respective officers,  
directors, partners, agents, and employees thereof, and all

other persons acting or claiming to act on their 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 or conspiracy 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 plaintiff have such other, further, general and different relief as the case may require and the Court may deem just and proper under the circumstances.

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

  
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