
IN THE MATTER OF
ART METAL-KNOLL CORPORATION

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF SEC.
2(a) OF THE CLAYTON ACT

*Docket C-1643. Complaint, Dec. 8, 1969—Decision, Dec. 8, 1969 **

Consent order requiring a furniture products manufacturer of Jamestown, N.Y., to cease discriminating in price among competing resellers of its products of the Knoll Division in violation of Sec. 2(a) of the Clayton Act.

* See related proceeding Docket No. 8549, *In the Matter of Knoll Associates, Inc.*, dated Dec. 8, 1969, p. 835 herein.

Complaint

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COMPLAINT

The Federal Trade Commission, having reason to believe that Art Metal-Knoll Corporation, the party respondent named in the caption hereof and hereinafter more particularly designated and described, has violated and is now violating the provisions of subsection (a) of Section 2 of the Clayton Act (U.S.C., Title 15, Section 13) as amended by the Robinson-Patman Act, approved June 19, 1936, hereby issues its complaint, stating its charges with respect thereto as follows:

PARAGRAPH 1. Respondent Art Metal-Knoll Corporation, a subsidiary of Walter E. Heller & Company, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its principal office and place of business located at Jones and Gifford Avenues, Jamestown, New York.

PAR. 2. Respondent is now, and for some years last past has been, engaged in the manufacture, sale and distribution of furniture and furniture products through its Knoll Division. These products are sold to a large number of customers located throughout the United States. Its sales of these products are substantial, and in excess of \$9 million per annum.

PAR. 3. In the course and conduct of its business, respondent through its Knoll Division has engaged and is now engaged in commerce as "commerce" is defined in the Clayton Act. Respondent employs interstate means of communication with its customers in the consummation of sales and in the settling of accounts. Respondent ships, or causes to be shipped, its products from the States in which said products are manufactured to its customers, or to purchasers from its customers, located in other States of the United States and the District of Columbia. Thus, there is and has been, at all times mentioned herein, a continuous course of trade in commerce in said products across State lines between respondent and its customers.

PAR. 4. In the course and conduct of its business in commerce through its Knoll Division, respondent has been and now is discriminating in price, directly or indirectly, between different purchasers of its furniture and furniture products of like grade and quality by selling said products at higher prices to some purchasers than it sells said products to other purchasers, many of whom have been and now are in competition with the purchasers paying the higher prices.

PAR. 5. Included among, but not limited to, the aforesaid discriminations in price as above alleged, are the following:

For several years last past respondent through its Knoll Division has priced its line of products in terms of list prices. One class of respondent's customers purchases at said list prices less a discount of 40 percent while other classes of customers purchase at list prices less discounts of 50 percent. Various members of each class of customers compete with each other and with various members of each of the other classes.

PAR. 6. The effect of respondent's discriminations in price through its Knoll Division as alleged herein has been or may be substantially to lessen competition or tend to create a monopoly in the line of commerce in which respondent's customers are engaged, or to injure, destroy, or prevent competition with purchasers from respondent's Knoll Division who receive the benefit of such discriminations.

PAR. 7. The aforesaid acts and practices constitute violations of the provisions of subsection (a) of Section 2 of the Clayton Act (U.S.C., Title 15, Section 13) as amended by the Robinson-Patman Act, approved June 19, 1936.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondent named in the caption hereof with violation of subsection (a) of Section 2 of the Clayton Act, as amended, and the respondent having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having considered the agreement and having accepted same, and the agreement containing consent order having thereupon been placed on the public record for a period of

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thirty (30) days, now in further conformity with the procedure prescribed in § 2.34 (b) of its Rules, the Commission hereby issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Art Metal-Knoll Corporation, (a wholly owned subsidiary of Walter E. Heller & Company) is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at Jones and Gifford Avenues, Jamestown, New York.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent.

ORDER

It is ordered, That with respect to the products of its Knoll Division respondent Art Metal-Knoll Corporation (the successor to Knoll Associates, Inc.) and its officers, representatives, agents and employees, directly or through any corporate or other device, in the sale of furniture and furniture products in commerce, as "commerce" is defined in the Clayton Act, as amended, do on and after January 1, 1970, cease and desist from:

Discriminating directly or indirectly in the price of such products of like grade and quality by selling such products to any purchaser at net prices higher than the net prices charged any other purchaser who, in fact, competes in the resale of such products with the purchaser paying the higher price.

It is further ordered, That the respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions and to its parent corporation, Walter E. Heller & Company.

It is further ordered, That respondent notify the Commission at least thirty (30) days prior to any proposed change in its or its parent's corporate structure which materially affects its Knoll Division such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any other change in the corporation which may affect compliance obligations arising out of the order.

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It is further ordered, That the respondent herein shall, within sixty (60) days after January 1, 1970, file with the Commission a report in writing setting forth in detail the manner and form in which it has complied with this order.
