

IN THE MATTER OF
THE TORRINGTON COMPANY, ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT

Docket C-3330. Complaint, May 10, 1991—Decision, May 10, 1991

This consent order prohibits, among other things, two producers of needle rollers, The Torrington Company, of Connecticut, and Universal Bearings, Inc., of Indiana, from implementing or otherwise providing for any consolidation of the business or assets of the entity to be acquired and the acquiring entity prior to the consummation of any proposed acquisition.

Appearances

For the Commission: *Casey R. Triggs* and *Steven A. Newborn*.

For the respondents: *Joseph F. Tringali, Simpson, Thatcher & Bartlett*, New York, N.Y. *James H. Neu, Kizer & Neu*, Plymouth, IN.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, (15 U.S.C. 41 *et seq.*), and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that The Torrington Company ("Torrington"), a corporation, and Universal Bearings, Inc. ("Universal"), a corporation, hereinafter sometimes referred to as respondents, have violated the provisions of Section 5 of the Federal Trade Commission Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

RESPONDENTS

PARAGRAPH 1. Respondent Torrington 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 59 Field Street, Torrington, Connecticut.

PAR. 2. Respondent Universal is a corporation organized, existing and doing business under and by virtue of the laws of the State of

Indiana, with its office and principal place of business located at 431 N. Birkey Drive, Bremen, Indiana.

PAR. 3. Respondents each manufacture and sell cylindrically shaped component parts of anti-friction devices, including rollers, pins, and axle shafts, throughout the United States.

JURISDICTION

PAR. 4. Respondents each maintain, and have maintained a substantial course of business and engage in acts or practices, including the acts or practices as hereinafter set forth, which are in or affect commerce, as "commerce" is defined in the Federal Trade Commission Act.

ANTICOMPETITIVE ACTS OR PRACTICES

PAR. 5. On April 11, 1990, Torrington's parent and Universal filed premerger notification with the Federal Trade Commission pursuant to the Hart-Scott-Rodino Antitrust Improvements Act ("H-S-R"), 18 U.S.C. 18(a), in connection with the proposed acquisition of Universal by Torrington's parent. On May 11, 1990, the Commission issued Requests for Additional Information and Documentary Materials to each filing party.

PAR. 6. During May, 1990, (during the H-S-R waiting period for the proposed acquisition of Universal), officials from Universal and Torrington discussed a particular customer's business and whether Torrington could supply axle shafts to that customer to meet the customer's immediate production schedules.

PAR. 7. Universal decided in May, 1990 that it would exit the manufacture of axle shafts as soon as possible and so advised its customer. Universal advised Torrington of its plans and suggested to the customer that it purchase the product from Torrington. Universal's president knew from information acquired from Torrington's officials that Torrington planned to consolidate Universal's production of the axle shafts in a Torrington plant after the consummation of the merger, and he believed that if this axle shaft customer acquired axle shafts from Torrington, it would "speed up" the consolidation of the two companies' axle shaft business and "keep the business in the family." The customer, however, requested that Universal continue to supply it with this particular axle shaft, and Universal agreed to do so.

PAR. 8. On or before May 11, 1990, the customer asked Universal for a quotation for the sale of different axle shafts. On May 11, 1990,

Universal returned the customer's request with a "No Quote" pursuant to its May, 1990 plan "to get out of the axle business as soon as it is possible."

ANTICOMPETITIVE EFFECTS

PAR. 9. By engaging in the acts or practices described above, respondents may have unreasonably restrained competition among suppliers of rollers, pins, and axle shafts and may have injured consumers in the following ways, among others:

(a) The prices of rollers, pins, and axle shafts may have been stabilized, fixed, or otherwise interfered with; and

(b) Competition between Torrington and Universal may have been hindered, restrained, foreclosed and frustrated.

PAR. 10. The acts or practices of the respondents described above constitute unfair methods of competition in or affecting commerce in violation of Section 5 of the Federal Trade Commission Act. These acts or practices are continuing and will continue or recur in the absence of the relief requested.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of The Torrington Company ("Torrington"), a corporation, and Universal Bearings, Inc. ("Universal"), a corporation, hereinafter collectively referred to as "respondents", and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Competition proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with a violation of the Federal Trade Commission Act; and

The respondents, their attorneys, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents 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 thereafter considered the matter and having determined that it had reason to believe that the respondents

have violated the said act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, now in further conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondent Torrington 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 59 Field Street, Torrington, Connecticut.

2. Respondent Universal is a corporation organized, existing and doing business under and by virtue of the laws of the State of Indiana, with its office and principal place of business located at 431 N. Birkey Drive, Bremen, Indiana.

3. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

For purposes of this order, the following definitions shall apply:

A. "*Torrington*" means The Torrington Company and its successors and assigns, as well as its officers, employees, agents, divisions, subsidiaries, including their successors and assigns.

B. "*Universal*" means Universal Bearings, Inc. and its successors and assigns, as well as its officers, employees, agents, divisions, subsidiaries, and their successors and assigns.

C. "*The relevant product*" means rollers, pins, and axle shafts, each an assembly or component part of an assembly used to reduce the resistance to relative motion between two objects in contact.

I.

It is ordered, That respondents Torrington and Universal, in connection with any proposed acquisition of stock, share of capital, or production assets of any person manufacturing or selling the relevant product, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, as amended, shall each cease and desist from directing, implementing or otherwise providing for any

consolidation of the business or assets of the person to be acquired and the acquiring person prior to the consummation of the proposed acquisition.

II.

It is further ordered, That respondents Torrington and Universal shall each:

A. Within thirty (30) days following the date this order becomes final, provide a copy of this order to each officer of the respondent, each director of the respondent, and each relevant product salesman of the respondent;

B. File a verified written report with the Federal Trade Commission within sixty (60) days following the date this order becomes final and at such other times as the Federal Trade Commission or its staff may, by written notice to the respondent, require, setting forth in detail the manner and form in which it has complied and is complying with this order; and

C. Notify the Federal Trade Commission at least thirty (30) days prior to any proposed change in the respondent such as dissolution, assignment or sale resulting in the emergence of a successor, the creation or dissolution of subsidiaries, or any other change in the respondent which may affect compliance obligations arising out of this order.

III.

It is further ordered, That for the purposes of determining or securing compliance with this order, and subject to any legally recognized privilege, upon written request by the Commission or its staff and on reasonable notice to any respondent made to its principal office, such respondent shall permit duly authorized representatives of the Commission:

A. Reasonable access during respondent's office hours, in the presence of counsel, to all books, ledgers, accounts, correspondence, memoranda, and other records and documents in the possession or under the control of respondent relating to any matters contained in this order, for inspection and copying; and

B. An opportunity, subject to respondent's reasonable convenience, to interview, in the presence of counsel, officers or employees of respondent regarding such matters.

IN THE MATTER OF
AMERICAN STAIR-GLIDE CORPORATION, ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 7 OF THE CLAYTON ACT AND SEC. 5 OF THE
FEDERAL TRADE COMMISSION ACT

Docket C-3331. Complaint, May 17, 1991—Decision, May 17, 1991

This consent order requires, among other things, American Stair-Glide to grant a non-exclusive perpetual license to Cheney's technology involved in the production of curved stairway lifts, straight stairway lifts, and vertical wheelchair lifts, and a perpetual exclusive license to sell such products under the Cheney name and certain trade names, to a Commission-approved licensee, pursuant to a Commission-approved licensing agreement.

Appearances

For the Commission: *M. Howard Morse* and *Steven A. Newborn*.

For the respondents: *Michael Cooper, Bryan, Cave, McPheeters & McRoberts*, Washington, D.C.

COMPLAINT

The Federal Trade Commission, having reason to believe that respondents American Stair-Glide Corporation and Access Industries, Inc., both subject to the jurisdiction of the Federal Trade Commission, have acquired respondent The Cheney Company, Inc., also subject to the jurisdiction of the Federal Trade Commission, in violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. 18, and Section 5 of the Federal Trade Commission Act ("FTC Act"), as amended, 15 U.S.C. 45; and it appearing that a proceeding in respect thereof would be in the public interest, the Commission hereby issues its complaint, pursuant to Section 11 of the Clayton Act, 15 U.S.C. 21, and Section 5(b) of the Federal Trade Commission Act, 15 U.S.C. 45(b), stating its charges as follows:

I. RESPONDENTS

1. Respondent American Stair-Glide Corporation is a corporation organized, existing and doing business under and by virtue of the laws