

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

PPG INDUSTRIES, INC.,

Defendant.

Civil Action No. 70-1273

Filed: November 6, 1970

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 above-named defendant and complains and alleges as follows:

I

JURISDICTION AND VENUE

1. This complaint is filed under Section 4 of the Act of Congress of July 2, 1890 (15 U.S.C. §4), as amended, commonly known as the Sherman Act, in order to prevent and restrain the continuing violations by the defendant, as hereinafter alleged, of Sections 1 and 2 of said Act (15 U.S.C. §§ 1 and 2).

2. The defendant PPG Industries, Inc. maintains an office, transacts business and is found within the Western District of Pennsylvania.

II

THE DEFENDANT

3. PPG Industries, Inc. is made a defendant herein. It is a corporation organized and existing under the laws

of the State of Pennsylvania with its principal executive offices in Pittsburgh, Pennsylvania. For the purpose of this complaint, "PPG Industries" means PPG Industries, Inc., and its divisions and subsidiaries.

III

TRADE AND COMMERCE

4. PPG Industries is one of the two leading domestic producers of plate glass. It is one of the leading producers of soda ash and caustic soda. It also produces a variety of other chemicals for industrial use as well as various coatings and resins and fiber glass. In 1969, approximately 43 percent of its sales were glass, 27 percent were chemicals, 20 percent were coatings and resins, 6 percent were fiber glass, and 4 percent were other sales. Its domestic operations are located in several states, including Pennsylvania, Maryland, West Virginia, Ohio, Louisiana, Missouri, California, and North Carolina. PPG Industries' products are sold and shipped in interstate commerce to customers located throughout the United States. In 1969, PPG Industries had sales and assets of over \$1.1 billion.

5. PPG Industries purchases substantial quantities of numerous commodities, raw materials, equipment, supplies, and services from numerous other companies. PPG Industries makes substantial purchases from corporations which are purchasers of the type of products produced by PPG Industries.

6. Substantial portions of the commodities, raw materials, equipment, and supplies purchased by PPG Industries are shipped from their place of origin across state lines to their point of use by PPG Industries.

IV

OFFENSES CHARGED

7. Since at least as early as 1958, and continuing to the date of this complaint, PPG Industries has violated Section 1 of the Sherman Act by entering into combinations involving reciprocal purchasing arrangements with respect to a substantial amount of interstate commerce whereby PPG Industries purchased goods and services from suppliers upon the understanding that said suppliers would purchase goods of PPG Industries, in unreasonable restraint of the aforesaid trade and commerce.

8. Since at least as early as 1958, and continuing to the date of this complaint, PPG Industries, through the use of its purchasing power, has violated Section 2 of the Sherman Act by attempting to monopolize that part of the above described interstate trade and commerce consisting of the requirements of actual and potential supplier-customers of PPG Industries for the products of PPG Industries.

9. Pursuant to the aforesaid combinations and the attempt to monopolize, PPG Industries has done, among other things, the following:

- (a) Compiled and coordinated comparative purchase and sales data and other information relating to its customers and suppliers;
- (b) Utilized this information to determine which suppliers should be favored and the extent to which they should be permitted to participate in supplying PPG Industries' requirements of goods and services;
- (c) Discussed with actual and potential suppliers and customers their sales and purchase positions relative to PPG Industries;
- (d) Purchased goods and services from certain suppliers on the understanding that such suppliers would purchase goods from PPG Industries;
- (e) Refused to buy or reduced purchases from certain suppliers who did not purchase, maintain purchases, or increase purchases from PPG Industries; and
- (f) Used purchases from particular suppliers by one PPG Industries subsidiary or division to promote sales to such suppliers by another PPG Industries subsidiary or division.

V

EFFECTS

10. The aforesaid violations by PPG Industries have had the following effects, among others:

- (a) Competitors of PPG Industries in the sale of various goods have been foreclosed from selling substantial quantities thereof to firms that are supplier-customers of PPG Industries; and
- (b) Actual and potential suppliers of various goods and services purchased by PPG Industries have been foreclosed from selling substantial quantities of such goods and services to PPG Industries.

PRAYER

WHEREFORE, the plaintiff prays:

1. That the aforesaid combinations between the defendant and its suppliers involving reciprocal purchasing arrangements be adjudged and decreed to be in violation of Section 1 of the Sherman Act.
2. That the aforesaid attempt to monopolize be adjudged and decreed to be in violation of Section 2 of the Sherman Act.
3. That the defendant PPG Industries and its officers, directors, agents, and all other persons acting on behalf of said defendant, be perpetually enjoined from:
 - (a) Entering into or adhering to any contract, agreement, or understanding with any actual or potential customer or supplier involving reciprocal purchasing arrangements;
 - (b) Communicating to actual or potential customers or suppliers that it will place its purchases with or give preference to suppliers who purchase from the defendant;

- (c) Communicating to actual or potential customers or suppliers statistics comparing purchases of goods and services by the defendant from such companies with sales by the defendant to such companies;
- (d) Continuing the practice of compiling statistics which compare PPG Industries' purchase of goods or services from companies with sales by the defendant to such companies;
- (e) Transmitting to personnel with sales responsibilities information concerning purchases by the defendant from particular suppliers, transmitting to personnel with purchasing responsibilities information concerning sales by the defendant to particular companies, or otherwise implementing any program involving reciprocity; and
- (f) Utilizing purchases by one PPG Industries subsidiary or division from particular suppliers to promote sales to such suppliers by another PPG Industries subsidiary or division.

4. That this Court order the defendant to abolish any duties that are assigned to any of its officials or employees which relate to the conduct or effectuation of its reciprocity or trade relations program.

5. That this Court order the defendant to advise all of its suppliers, by written notice, that the defendant's reciprocity or trade relations program has been terminated

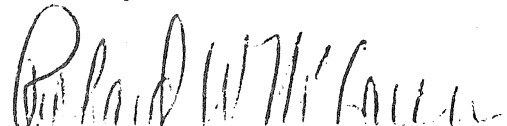
and to furnish a copy of the Final Order of this Court to such suppliers.

6. That Plaintiff have such other relief as the nature of the case may require and the Court may deem just and proper.

7. That the Plaintiff recover the costs of this action.


JOHN N. MITCHELL
Attorney General


EUGENE V. LINNOWITZ


RICHARD W. McLAREN
Assistant Attorney General


ALLAN S. HOFFMAN

Attorneys, Department of
Justice


BADDIA J. RASHID


CHARLES L. WHITTINGHILL

Attorneys, Department of Justice

RICHARD L. THORNBURGH
United States Attorney