

**UNITED STATES OF AMERICA  
BEFORE THE FEDERAL TRADE COMMISSION**

**COMMISSIONERS:**      **Jon Leibowitz, Chairman**  
                                  **J. Thomas Rosch**  
                                  **Edith Ramirez**  
                                  **Julie Brill**  
                                  **Maureen K. Ohlhausen**

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 In the Matter of

**MAGNESIUM ELEKTRON NORTH AMERICA, INC.**  
 a corporation.

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**Docket No. C-4381**

**COMPLAINT**

Pursuant to the provisions of the Federal Trade Commission Act and the Clayton Act, and by virtue of the authority vested by said Acts, the Federal Trade Commission (the “Commission”), having reason to believe that respondent Magnesium Elektron North America, Inc. (“MEL”), acquired Revere Graphics Worldwide, Inc. (“Revere”), 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, as amended, 15 U.S.C. § 45, and it appearing to the Commission that a proceeding in respect thereof would be in the public interest, hereby issues its Complaint, stating its charges as follows:

**I. RESPONDENT MAGNESIUM ELEKTRON**

1. MEL is a division of the Luxfer Group, which is an international group of businesses specializing in the design, manufacture, and supply of high performance materials. MEL is a company organized and existing under the laws of the State of Delaware, with its principal place of business at 1001 College Street, Madison, Illinois, 62060. MEL specializes in the development, manufacture, and supply of magnesium products, including magnesium plates for photoengraving.

**II. REVERE GRAPHICS WORLDWIDE**

2. Prior to its acquisition by Respondent, Revere was engaged in the manufacture and sale of metal plates used for photoengraving, with its principal place of business located at 5

Boundary Street, Plymouth, Massachusetts, 02366. Revere rolled and coated zinc, copper, brass, and magnesium plates which were used by customers for photoengraving.

### **III. JURISDICTION**

3. MEL is, and at all times relevant herein, has been engaged in commerce as “commerce” is defined in Section 1 of the Clayton Act, as amended, 15 U.S.C. § 12, and is a corporation whose business is in or affects commerce as “commerce” is defined in Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 44.

### **IV. THE ACQUISITION**

4. In September 2007, MEL acquired the worldwide assets of Revere for approximately \$15 million. At the time of the acquisition, both MEL and Revere manufactured magnesium plates for photoengraving. While Revere also manufactured and sold zinc, copper, and brass plates for photoengraving, prior to its acquisition of Revere, MEL only sold magnesium plates for photoengraving applications.

### **V. THE RELEVANT PRODUCT MARKET**

5. For purposes of this Complaint, the relevant line of commerce within which to analyze the effects of the transaction is the market for magnesium plates for photoengraving.

### **VI. THE RELEVANT GEOGRAPHIC MARKET**

6. For purposes of this Complaint, the relevant geographic market within which to analyze the effects of the transaction is the world.

### **VII. MARKET STRUCTURE**

7. The market for photoengraving magnesium plates is highly concentrated. Prior to the transaction, MEL and Revere were the only suppliers of magnesium plates for photoengraving in the world, and thus, the acquisition resulted in a merger-to-monopoly in the relevant market.

### **VIII. CONDITIONS OF ENTRY**

8. Entry into the relevant market has not been, and would not be, timely, likely, or sufficient in magnitude, character, and scope to deter or counteract the anticompetitive effects of the acquisition. Magnesium alloy must be rolled to precise specifications in order to be used for photoengraving applications, and thus, substantial expertise is necessary for entry into this market. Further, the relevant market is small, which deters potential entrants from investing in the skill and expertise required for entry.

## **IX. EFFECTS OF THE ACQUISITION**

9. The effects of the acquisition have been a substantial lessening of competition, and the creation of a monopoly in the relevant market in violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. § 45. Specifically, the acquisition has:

- a. Eliminated actual, direct, and substantial competition between MEL and Revere in the relevant market;
- b. Substantially increased the level of concentration in the relevant market; and
- c. Increased MEL's ability to exercise market power unilaterally in the relevant market.

## **X. VIOLATIONS CHARGED**

10. The allegations contained in Paragraphs 1 through 9 above are hereby incorporated by reference as though fully set forth here.

11. The agreement described in Paragraph 4 constitutes a violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.

12. The transaction described in Paragraph 4 constitutes a violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45, and Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18.

**WHEREFORE, THE PREMISES CONSIDERED**, the Federal Trade Commission on this twenty-first day of December, 2012, issues its Complaint against said Respondent.

By the Commission.

Donald S. Clark  
Secretary