DEcision


Respondents and the Bureau of Competition executed an Agreement Containing Consent Order (“Consent Agreement”) containing (1) an admission by Respondents of all the jurisdictional facts set forth in the Draft Complaint, (2) 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 the Draft Complaint, or that the facts as alleged in the Draft Complaint, other than jurisdictional facts, are true, (3) waivers and other provisions as required by the Commission’s Rules, and (4) a proposed Decision and Order.

The Commission considered the matter and determined that it had reason to believe that Respondents have violated the said Act, and that a complaint should issue stating its charges in that respect. The Commission accepted the Consent Agreement and placed it on the public record for a period of 30 days for the receipt and consideration of public comments; at the same time, it issued and served its Complaint. The Commission duly considered any comments
received from interested persons pursuant to Commission Rule 2.34, 16 C.F.R. § 2.34. Now, in further conformity with the procedure described in Rule 2.34, the Commission makes the following jurisdictional findings:

1. Respondent Ardagh Group S.A. is a corporation organized, existing, and doing business under, and by virtue of, the laws of Luxembourg, with its executive offices and principal place of business at 56, rue Charles Martel, L-2134, Luxembourg, Luxembourg.

2. Respondent Ardagh Glass Inc. is a corporation organized, existing, and doing business under, and by virtue of, the laws of Delaware, with its executive offices and principal place of business at 10194 Crosspoint Blvd #410, Indianapolis, IN 46256.

3. Respondent Ardagh Glass Packaging Inc. is a corporation organized, existing, and doing business under, and by virtue of, the laws of Delaware, with its executive offices and principal place of business at 10194 Crosspoint Blvd #410, Indianapolis, IN 46256.

4. The Commission has jurisdiction of the subject matter of this proceeding and over Respondents, and the proceeding is in the public interest.

ORDER

1. Definitions

IT IS HEREBY ORDERED that, as used in this Order, the following definitions shall apply:

A. “Ardagh Group” means Ardagh Group S.A., its directors, officers, employees, agents, representatives, successors, and assigns; the joint ventures, subsidiaries, partnerships, divisions, groups, and affiliates controlled by Ardagh Group S.A., and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.

B. “AGI” or “Respondent AGI” means Ardagh Glass Inc., its directors, officers, employees, agents, representatives, successors, and assigns; the joint ventures, subsidiaries, partnerships, divisions, groups, and affiliates controlled by Ardagh Glass Inc., and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.

C. “AGPI” or “Respondent AGPI” means Ardagh Glass Packaging Inc., its directors, officers, employees, agents, representatives, successors, and assigns; the joint ventures, subsidiaries, partnerships, divisions, groups, and affiliates controlled by Ardagh Glass Packaging Inc., and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.

E. “Agreement” means any agreement, contract, understanding, or provision or term thereof, whether express or implied, written or unwritten.

F. “Employee” means a Person employed by, previously employed by, or in the process of being employed by, Respondents in the United States as specified in Appendix A.

G. “Noncompete Agreement” means an Agreement between Respondents and an Employee that restricts or restrains the right or ability of the Employee to seek or accept employment with any Person, to operate a business, or otherwise to compete with Respondents for any period of time after the conclusion of the Employee’s employment with Respondents.

H. “Person” means both natural and artificial persons, including corporations, partnerships, and unincorporated entities.

II. Injunction

IT IS FURTHER ORDERED that Respondents, in connection with their activities in or affecting commerce, as “commerce” is defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44, shall cease and desist from, directly or indirectly, entering or attempting to enter into, maintaining or attempting to maintain, enforcing or attempting to enforce, or threatening to enforce a Noncompete Agreement or communicating to an Employee or any prospective or current employer of that Employee that the Employee is subject to, a Noncompete Agreement.

III. Notice to Employees

IT IS FURTHER ORDERED that Respondents shall:

A. No later than 30 days from the date this Order is issued, deliver to each Employee that is, or as of November 23, 2021, was, party to a Noncompete Agreement a letter in the form of Appendix B and a copy of this Order. Respondents shall deliver Appendix B to each Employee by name, either:

1. By U.S. Mail, return receipt requested; or

2. Via email transmittal with a proof of a read-receipt.

B. No later than 30 days from the date this Order is issued, and continuing for the duration of this Order, post a clear and conspicuous notice in the documentation, electronic or otherwise, provided to each new Employee upon hire that states:

“IMPORTANT: Your employment with Ardagh in this position is not and will not be subject to a noncompete provision. This means that once you stop working for Ardagh:
• You may seek or accept a job with any company or person – even if they compete with Ardagh.
• You may run your own business – even if it competes with Ardagh.
• You may compete with Ardagh at any time following your employment with Ardagh.
• We can still enter or enforce other agreements, such as agreements that prevent current or former employees from using or disclosing Ardagh’s confidential business information and trade secrets – for example, if the employee goes to work for someone else.”

IV. Compliance Obligations

IT IS FURTHER ORDERED that Respondents shall:

A. No later than 30 days after the date on which this Order is issued: (1) take all steps necessary to void and nullify all existing Noncompete Agreements and notify Commission staff in writing that all existing Noncompete Agreements are voided and nullified, once completed; and (2) not require any Employee who is party to an existing Noncompete Agreement to pay back any remuneration or otherwise to be penalized as a result of the voided and nullified Noncompete Agreement.

B. No later than 30 days after the date on which this Order is issued, provide a copy of this Order and the Complaint to each of Respondents’ directors, officers, and employees with responsibility for hiring or recruitment of Employees in the United States.

C. For a period of 10 years from the date this Order is issued, provide a copy of this Order and the Complaint to any Person who becomes a director, officer, or employee of Respondents with responsibility for hiring or recruitment of Employees in the United States, and provide such copies within 30 days of the commencement of such Person’s employment or term as a director or officer.

D. Require each Person to whom a copy of this Order is furnished pursuant to Paragraph IV.B and IV.C above to sign and submit to Respondents within 30 days of the receipt thereof a statement that (1) represents that the undersigned has read the Order, and (2) acknowledges that the undersigned has been advised and understands that non-compliance with the Order may subject Respondents to penalties for violation of the Order.

E. For a period of 5 years after taking each action obligated by Paragraphs IV.A-D of this Order, Respondents shall retain documents and records sufficient to record Respondents’ compliance with said obligations.
V. Compliance Reports

IT IS FURTHER ORDERED that Respondents AGI and AGPI shall file verified written reports ("Compliance Reports") in accordance with the following:

A. Respondents AGI and AGPI shall submit:
   1. Interim Compliance Reports 30 days after the date this Order is issued, and then 150 days thereafter for the first year;
   2. Annual Compliance Reports one year after the date this Order is issued, and annually for the next 9 years on the anniversary of that date; and
   3. Additional Compliance Reports from any Respondent as the Commission or its staff may request.

B. Each Compliance Report shall contain sufficient information and documentation to enable the Commission to determine independently whether Respondents are in compliance with this Order. Conclusory statements that Respondents have complied with their obligations under the Order are insufficient. Respondents shall include in their reports, among other information or documentation that may be necessary to demonstrate compliance, (1) a full description of the measures Respondents have implemented and plan to implement to comply with each paragraph of this Order, including a list of all persons who received the notice required by Section III.A of this Order, together with proof of service of the notice (which service may be satisfied by sending the notice via email, as described in Paragraph III.A) and (2) upon the Commission’s request, a copy of any employment agreement (apart from a collective bargaining agreement) that Respondents AGI or AGPI enter or implement after execution of the Consent Agreement.

C. For a period of 5 years after filing a Compliance Report, Respondents shall retain all material written communications with each party identified in each Compliance Report as required by Paragraph IV.B and all non-privileged internal memoranda, reports, and recommendations concerning fulfilling Respondents’ obligations under this Order during the period covered by such Compliance Report. Respondents shall provide copies of these documents to Commission staff upon request.

D. Respondents shall verify each Compliance Report in the manner set forth in 28 U.S.C. § 1746 by the Chief Executive Officer or another officer or employee specifically authorized to perform this function. Respondents shall file their Compliance Reports with the Secretary of the Commission at ElectronicFilings@ftc.gov and the Compliance Division at bccompliance@ftc.gov; as required by Commission Rule 2.41(a), 16 C.F.R. § 2.41(a).

VI. Change in Respondents

IT IS FURTHER ORDERED that Respondents shall notify the Commission at least 30 days prior to:

A. The dissolution of Ardagh Group S.A., Ardagh Glass Inc., or Ardagh Glass Packaging, Inc.;
B. The acquisition, merger, or consolidation of Ardagh Group S.A., Ardagh Glass Inc., or Ardagh Glass Packaging, Inc.; or

C. Any other change in Respondents, including assignment and the creation, sale, or dissolution of subsidiaries, if such change might affect compliance obligations arising out of this Order.

VII. Access

IT IS FURTHER ORDERED that, for the purpose of determining or securing compliance with this Order, and subject to any legally recognized privilege, and upon written request and upon 5 days’ notice to Respondents, that Respondents shall, without restraint or interference, permit any duly authorized representative of the Commission:

A. Access, during business office hours of Respondents and in the presence of counsel, to all facilities and access to inspect and copy all books, ledgers, accounts, correspondence, memoranda and all other records and documents in the possession, or under the control, of Respondents related to compliance with this Order, which copying services shall be provided by Respondents at their expense; and

B. To interview directors, officers, or employees of Respondents, who may have counsel present, regarding such matters.

VIII. Purpose

IT IS FURTHER ORDERED that the purpose of this Order is to remedy the harm to competition the Commission alleged in its Complaint and to prevent Respondents from entering into, attempting to enter into, maintaining or attempting to maintain, enforcing or attempting to enforce, or threatening to enforce a Noncompete Agreement.

IX. Term

IT IS FURTHER ORDERED that this Order shall terminate 20 years from the date it is issued.

By the Commission, Commissioner Wilson dissenting.

April J. Tabor
Secretary

SEAL:
ISSUED: February 21, 2023
APPENDIX A

Employees of Respondents AGI and AGPI

1. Accountant, AIS
2. Accountant, Corporate
3. Accountant, Plant
4. Accounting Clerk
5. Administrative Assistant
6. AIE Maintenance Lead
7. Analyst, Business Intelligence
8. Analyst, Compliance
9. Analyst, Pricing
10. Apprentice, Furnace
11. Apprentice, General Maintenance
12. Apprentice, Machine Repair
13. Apprentice, Maintenance
14. Apprentice, Mechanic
15. Apprentice, Mold Maker
16. Apprentice, Mold Runner
17. Apprentice, Operator
18. Apprentice, Operator Selector
19. Apprentice, Operator Sweeper
20. Asset Reliability Maintenance Planner
21. Assistant Finish Manager
22. Assistant Mold Shop Supervisor
23. Assistant Plant Manager
24. Batch & Furnace Basement Driver
25. Batch & Furnace Batch Mixer
26. Batch & Furnace Crew Leader
27. Batch & Furnace Forklift
28. Batch & Furnace Lead
29. Batch & Furnace Maintenance
30. Batch & Furnace Supervisor
31. Batch & Furnace Unloader
32. Batch & Furnace Utility
33. Box Shop Crew Leader
34. Box Shop Driver
35. Box Shop Worker
36. Bulk to Case Handler
37. Bulk to Case Lead
38. Bulk to Case Lift Truck Operator
39. Business Analyst
40. Carton Unloader
41. Carton Utility
42. Case Packer
43. Cleaner/Janitor
44. Clerk/Swing Selector
45. Cold End Cleanup/Painting
46. Cold End Crew Leader
47. Cold End Forklift Driver
48. Cold End Forklift Truck Driver
49. Cold End Heat Relief
50. Cold End Line Upkeep
51. Cold End Relief Supervisor
52. Cold End Reliever
53. Cold End Trainer
54. Cold End Utility
55. Controller, Distribution Center
56. Controller, Plant
57. Controller, Regional
58. Coordinator, Customer Accounts
59. Debulk Operator/Reseller
60. Director, Capital Planning
61. Director, Capital Planning & Project Management Office
62. Director, Facilities, Engineering & Asset Reliability
63. Director, Financial Analysis & Pricing
64. Director, Financial Operational Excellence
65. Director, Forming Engineering
66. Director, Glass & Furnace Engineering
67. Director, Human Resources
68. Director, Human Resources Operations
69. Director, Process Improvement
70. Director, Product Design & New Product Development
71. Director, Production Planning
72. Director, Quality & Technical Services - Beer & Beverage
73. Director, Quality & Technical Services - Food & Spirits
74. Director, Quality Systems
75. Director, Regional Quality & Technical Services
76. Director, Sales - Ardagh Direct
77. Director, Sales - Beer
78. Director, Sales - Food & Spirits
79. Director, Sales - Wine
80. Director, Sustainability
81. Electrician
82. Electro Mechanic
83. Electronic Technician
84. Employee Experience Leader
85. Engineer, Environmental
86. Engineer, Environmental Operations
87. Engineer, Environmental Project
88. Engineer, Forming Technologies & Process Improvement
89. Engineer, Furnace Design & Construction
90. Engineer, Furnace Operations
91. Engineer, Glass Technology
92. Engineer, Mechanical
93. Engineer, Mold Design
94. Engineer, Paper Packaging
95. Engineer, Process Food Safety
96. Engineer, Process Improvement
97. Engineer, Project Electrical
98. Engineer, Quality Process
99. Engineer, Reliability and Energy Manager
100. Engineer, Technical Services
101. Engineering Assistant
102. Executive Assistant
103. Executive Secretary
104. Financial Analyst
105. Fork Lift Driver
106. Fork Truck Driver
107. Fork Truck Mechanic
108. Forming Trainer
109. Furnace Operator
110. Furnace Technician
111. General Maintenance Crew Leader
112. General Maintenance Journeyman
113. General Maintenance Utility
114. General Plant Maintenance Lead
115. General Utility
116. Glass Technician
117. Groundskeeper
118. Hot End Floor Helper
119. Hot End Group Lead
120. Hot End Job Changer
121. Hot End Lead Changer
122. Hot End Trainer
123. Hot End Utility
124. Human Resources Administrator
125. Human Resources Assistant
126. Human Resources Generalist
127. Import/Export Administrator
128. IS AP Operator
129. IS Journeyman
130. IS Journeyman Operator
131. IS Upkeep
132. Job Matrix Operator
133. Journeyman Electric Automation Specialist
134. Journeyman Electro Mechanic
135. Journeyman Machine Operator
136. Journeyman Maintenance
137. Journeyman Maintenance Cold End
138. Journeyman Maintenance Hot End
139. Journeyman Maintenance Hot End Group Leader
140. Journeyman Mechanic
141. Journeyman Mechanic Cold End
142. Journeyman Mold Maker
143. Journeyman Operator Hot End
144. Journeyman Upkeep
145. Lab Technician
146. Line Upkeep
147. Load Center Crew Leader
148. Load Center Driver
149. Machine Repairman
150. Machinist
151. Maintenance Mechanic Crew Leader
152. Manager, Abatement Operations
153. Manager, Account Sales-Ardagh Direct
154. Manager, Asset Reliability Maintenance
155. Manager, Batch and Furnace
156. Manager, Carton Production & Scheduling
157. Manager, Cold End & Inspection Equipment
158. Manager, Cold End Job Change
159. Manager, Cold End Tank
160. Manager, Customer Service
161. Manager, Customer Service - Food & Beverage Services
162. Manager, Customer Service - Wine
163. Manager, Customer Service & Technical Specifications
164. Manager, Energy
165. Manager, Engineering
166. Manager, Environmental, Health & Safety
167. Manager, Facilities Engineering
168. Manager, Finance
169. Manager, Finish
170. Manager, Finished Process Improvement
171. Manager, Finished Products
172. Manager, Forming
173. Manager, Forming/Forehearth
174. Manager, Furnace Design & Construction
175. Manager, Furnace Operations
176. Manager, Health & Safety
177. Manager, Hot Tank
178. Manager, Human Resources
179. Manager, IS Machine & Forming
180. Manager, Job Change
181. Manager, Leave & Disability
182. Manager, Load Center
183. Manager, Load Center, Carton & Heldware
184. Manager, Logistics & Planning
185. Manager, Machine Repair
186. Manager, Maintenance Finish
187. Manager, Marketing & Communication
188. Manager, Master Data Management
189. Manager, Mold
190. Manager, Mold Repair
191. Manager, National Accounts
192. Manager, Operational Process
193. Manager, Operations
194. Manager, Packaging Quality
195. Manager, Packing & Carton
196. Manager, Parts & Distribution
197. Manager, People Development
198. Manager, Planning
199. Manager, Plant Engineering
200. Manager, Plant Environmental, Health & Safety
201. Manager, Plant Human Resources
202. Manager, Plant Job Change
203. Manager, Pricing
204. Manager, Process Improvement
205. Manager, Production
206. Manager, Production Planning
207. Manager, Project Engineering
208. Manager, Quality
209. Manager, Quality & Technical Services - Beer & Beverages
210. Manager, Quality & Technical Services - Food & Beverage
211. Manager, Quality & Technical Services - Food & Spirits
212. Manager, Quality Analysis
213. Manager, Quality Control
214. Manager, Quality System
215. Manager, Regional Quality & Technical Services
216. Manager, Risk
217. Manager, Sales Support
218. Manager, Sales Support - Beer
219. Manager, Senior Health & Safety - Beer & Beverages
220. Manager, Senior Health & Safety - Food & Spirits
221. Manager, Senior Health & Safety - Wine
222. Manager, Senior Projects
223. Manager, Shipping & Warehouse
224. Manager, Supplier Quality
225. Manager, Tank
226. Manager, Technical
227. Manager, Technical & Operational Development
228. Manager, Warehouse & Shipping
229. Mechanic
230. Mix & Melt Technician
231. Mold Clean & Storage
232. Mold Cleaners Group Lead
233. Mold Hanger Repair
234. Mold Maker
235. Mold Maker Crew Leader
236. Mold Runner
237. Mold Runner - Clean & Polish Leader
238. Mold Runner - Cleaner
239. Mold Runner - Cleaner & Polisher
240. Mold Runner Crew Leader
241. Mold Runner Journeyman
242. Mold Runner Utility
243. Mold Shop Crew Leader
244. Mold Shop Lead
245. Mold Storage JC Coordinator
246. Mold Support
247. Oiler
248. Packaged Ware Auditor
249. Palletizer Attendant
250. Palletizer Operator
251. Planner, Customer
252. Plant Clerk
253. Process Crew Leader
254. Process Handler
255. Process Lead
256. Product Designer
257. Production Scheduler
258. Production Worker
259. Project Manager
260. Quality Check Bid to Reselect
261. Quality Check Lab Crew Leader
262. Quality Check Labor Leader
263. Quality Check Line
264. Quality Check to Batch and Furnace Utility
265. Quality Inspector
266. Raw Material Unloaded Crew Leader
267. Regional Security Operations Analyst
268. Reselect Forklift Driver
269. Reselect Packed Ware Auditor
270. Reselect Team Lead
271. Reselector
272. Reselector/Restacker
273. Resident Engineer
274. Resort Group Leader
275. Selector
276. Senior Accountant, Corporate
277. Senior Electronic Technician
278. Senior Engineer, Furnace Operations
279. Senior Engineer, Furnace Design
280. Senior Engineer, Project
281. Senior Engineer, Project Electrical
282. Senior Engineer, Project Mechanical
283. Senior Engineer, Technical Services
284. Senior Manager, Cold End Tank
285. Senior Manager, Compliance
286. Senior Manager, Financial Planning & Analysis
287. Senior Manager, Glass Technology & Batch and Furnace
288. Senior Manager, Human Resources
289. Senior Manager, Mold Engineering
290. Senior Manager, People Development
291. Senior Manager, Process & Electrical Engineering
292. Senior Planner, Customer
293. Senior Planner, Customer - Food & Beverage Services
294. Senior Product Designer
295. Shipping - Box Shop Haul Glass
296. Shipping Coordinator
297. Shipping Crew Leader
298. Single Line Mechanic Change Coordinator
299. Specialist, Feeder
300. Specialist, Glass
301. Specialist, Human Resources
302. Specialist, IS Parts & Sales
303. Specialist, MRO
304. Specialist, Packaging
305. Specialist, Pricing
306. Specialist, Process
307. Specialist, Product Cost & Master Data
308. Specialist, Production Planning & Reporting
309. Specialist, Quality
310. Specialist, Quality Control
311. Specialist, Talent Acquisition
312. Specialist, Technical Service
313. Specialist, Trucker
314. Stockroom Attendant
315. Storeroom Clerk
316. Supervisor, Accounting
317. Supervisor, Batch & Furnace
318. Supervisor, Cold End
319. Supervisor, Electrical
320. Supervisor, Finish
321. Supervisor, Finishing
322. Supervisor, Forming
323. Supervisor, Hot End
324. Supervisor, Maintenance
325. Supervisor, Mold Runner
326. Supervisor, Mold Shop
327. Supervisor, Production, Planning, and Procurement
328. Supervisor, Quality
329. Supervisor, Quality Control
330. Supervisor, SAP Master Data
331. Supervisor, Shift
332. Supervisor, Shipping & Warehouse
333. Supervisor, Stockroom
334. Supervisor, Stores
335. Sweeper Driver
336. Talent Acquisition Coordinator
337. Talent Acquisition Leader
338. Unitizer
339. Utility Driver
340. Ware Gauger
341. A position that has a functionally equivalent job description to a position listed above.
Dear [name of Employee]:

You are receiving this letter because you are an Employee affected by a consent Order that we have entered into with the Federal Trade Commission (“Commission”).

As you know, Ardagh Glass Inc., and Ardagh Glass Packaging, Inc. (collectively, “Ardagh Glass”), affiliates of Ardagh Group S.A., previously required certain categories of employees not to compete with Ardagh Glass for a period of time following their employment with Ardagh Glass. In the spring of 2022, we announced that we rescinded and would no longer enforce our Noncompete Agreement with you.

The Commission has been investigating the use of Noncompete Agreements by Ardagh Glass and other companies in the glass-manufacturing industry. As part of this investigation, Ardagh Glass has entered into a settlement agreement with the Commission. The Commission has alleged that Ardagh Glass’s use of Noncompete Agreements with you and other employees restricts job mobility, harms competition, and is unlawful. We have entered into a consent Order with the Commission under which we will not reinstate these Noncompete Agreements for 20 years. Consistent with our prior announcement, any Noncompete Agreement between you and Ardagh Glass is now null and void.

What is a Noncompete Agreement?

A Noncompete Agreement restricts an employee’s ability to seek or accept a job with another company, to operate their own business, or otherwise to compete with their former employer after they’ve left the company. These agreements sometimes (but not always) use words like “non-competition” or “non-compete.”

How the FTC Order affects you

The FTC Order requires us to:

1. Cancel all Noncompete Agreements with current or former Ardagh Glass employees in job positions identified in the Order;
2. Stop entering into Noncompete Agreements with employees in those positions, and
3. Release you from the Noncompete Agreement with us.

This means that once you stop working for Ardagh Glass:

- You may seek or accept a job with any company or person – even if they compete with Ardagh Glass.
• You may run your own business – even if it competes with Ardagh Glass.
• You may compete with Ardagh Glass at any time after you leave Ardagh Glass.

We can still enter or enforce agreements that prevent current or former employees from using or disclosing Ardagh Glass’s confidential business information and trade secrets – for example, if the employee goes to work for someone else.

Where to get more information

To learn more about this case, please read the attached FTC Order in *In re Ardagh Group S.A., Ardagh Glass Inc., and Ardagh Glass Packaging Inc.*, C-xxxx, or visit [URL that goes to the ftc.gov press release]. This letter summarizes the main points of the matter, but the only official source of information is the FTC Order. The FTC Order reflects an agreement between the FTC and Ardagh Glass that settles the FTC’s allegations. It does not constitute an admission by Ardagh Glass that it has violated the law or that any of the facts alleged by the FTC regarding Ardagh Glass’s conduct are true.

If you have concerns about whether Ardagh Glass or any Ardagh Glass employees are complying with their obligations under the Order – or how the Order applies to you or your colleagues – contact [________] in Ardagh Glass’s legal department at [phone number], [email address], or the FTC by contacting Danielle Sims, (202) 326-3241, dsims1@ftc.gov, or Ben Lorigo, (202) 326-3717, slorigo@ftc.gov.

Sincerely,

[name and title]