



ANTITRUST POLICY

Introduction

The purpose of NAPIM's Antitrust Policy is to assist all members, officers, participants and staff in gaining an insight into those portions of the Federal antitrust laws applicable to the day-to-day business and activities of the National Association of Printing Ink Manufacturers and how it copes with them.

Antitrust laws are generally thought applicable to the private business community. However, they also apply to trade associations and their members to a particular degree. A trade association by nature is a combination of competitors, which has the capacity of being a conduit for collusive action resulting in an illegal restraint of trade. Being continually cognizant of this, it is the policy of NAPIM to comply strictly and in all respects with the antitrust laws. As a practical matter such compliance is almost always a safeguard against violation of state antitrust statutes.

Basic Antitrust Laws

Portions of two of the principal antitrust laws are applicable to trade associations: Sections 1 and 2 of the Sherman Act which prohibit contracts, combinations and conspiracies in restraint of trade and the prohibition of monopolization and attempts and conspiracies to monopolize; and Section 5 of the Federal Trade Commission Act, which establishes broad prohibitions against unfair methods of competition and unfair or deceptive business acts or practices. Because these laws speak in general philosophic terms, it is oftentimes difficult to know whether a certain course of action or an association practice specifically violates the law. It is for this very reason that NAPIM feels it is imperative to publish at least the basic principles it follows in the conduct of its business, with the intention of having a living document to be amended and updated when a particular principle needs to be added or an existing one needs to be restated to comply with new statutory or case law.

Principles of NAPIM's Antitrust Policy

1. Price-fixing and boycotts, express or implied, are in and of themselves (per se) violations of the law. This includes discounts, freight allowances, terms of warranties, etc. Price-fixing may be between competitors or between suppliers and customers as to re-sale price. NAPIM will not knowingly countenance any discussion of prices at any Association meeting or other meetings of competitors to which it is a party. Pricing agreements may be inferred; thus, even an appearance of such agreements must be avoided.

2. NAPIM will not deny membership to a person or firm if such denial unreasonably restrains trade, nor will a member be expelled for reasons that would be insufficient to deny him membership. The Association will not discriminate unreasonably among participants at its trade shows in allocation of space, nor limit participation in them on the condition that there be no participation in other, similar trade shows.
3. Whenever NAPIM becomes involved in statistical reporting, it will clearly spell out its purposes and uses as designed to provide information to assist members in business decisions and not to restrict competition. Participation will always be voluntary and deal with past transactions and be reported in composite form.
4. Since antitrust problems arise when the effect of a standardization is to deprive customers of legitimate choices, to discriminate against competitors, or to fix prices or boycott suppliers, all standards or guidelines participated in or developed by NAPIM will offer wide participation in their development by affected parties. In all cases, there shall be no agreement to adhere to any standard or guideline, and each shall be free to follow or reject it as he sees fit.
5. Whenever collective research is undertaken by NAPIM, care will be exercised so as not to unreasonably restrain competition. Attention also will be taken to see that no significant anti-competitive effects are realized.
6. NAPIM will not sponsor or knowingly be a party to agreements, express or implied, which restrict the members' freedom in any way to make independent decisions in matters that affect competition.
7. Doubts about NAPIM programs or activities can be discussed with Association staff and counsel, and also may be the subject of consultation with the members' own counsel.

Conclusion

While it is impossible to cover every contingency that might arise, it is essential that Association members, the Board of Directors, officers and staff have at least a basic understanding of the Federal antitrust laws. We commend these principles to you as a basic commitment to the concept that competition is the lifeline of a healthy and continuing business community.