

II. JURISDICTION

2. Flow is, and at all times relevant herein has been, engaged in commerce as “commerce” is defined in Section ~~101~~ **JURISDICTION** ~~101~~ **Eng**

- The cutting table holds the material to be cut and can utilize either a gantry or cantilever system to move the cutting

of improving cutting speed and have the further virtue of reducing set-up time if they are easily programmable. Controllers can also improve the quality of the cut by, among other things, automatically adjusting the speed of the cut.

V. COMPETITION BETWEEN FLOW AND OMAX

9. Flow is the largest manufacturer of waterjet cutting systems in the United States. OMAX is the second largest.

10. OMAX has received U.S. Patent Nos. 5,508,596 and 5,892,345 relating, among other things, to controllers that may include a personal computer for determining appropriate machining commands to control velocity, acceleration and/or jerk for a cutting head. These commands help compensate for the unique characteristics of how the waterjet cuts, including taper and lag.

11. Both Flow and OMAX produce waterjet cutting systems that feature relatively inexpensive yet sophisticated PC-based controllers. Flow and OMAX are each other's closest competitors because they are the only two competitors that manufacture comparably priced waterjet cutting systems with the most advanced and efficient controllers.

VI. RELEVANT MARKET

12. For the purposes of this Complaint, the relevant line of commerce in which to analyze the effects of the Acquisition is the development, manufacture, marketing, and sale of waterjet cutting systems.

13. For the purposes of this Complaint, the rele

IX. EFFECTS OF THE ACQUISITION

16. The effects of the acquisition, if consummated, may be substantially to lessen competition and to tend to create 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 would:

a. Eliminate actual, direct, and substantial competition between Flow and OMAX in the relevant market by eliminating competition for the development, manufacture, and sale of waterjet cutting systems that utilize PC-based controllers; and

b. Increase Respondent's ability to exercise market power unilaterally in the relevant market.

X. VIOLATIONS CHARGED

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

18. The transaction described in Paragraph 4, if consummated, would constitute 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 day of _____, 2008, issues its Complaint against said Respondent.

By the Commission.

Donald S. Clark
Secretary

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