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4. "Taro" means Taro Pharmaceutical Industries Ltd., its directors, officers, employees, agents, representatives, successors, and assigns; and its joint ventures, subsidiaries, divisions, groups and affiliates in each case controlled by Taro (including, but not limited to, Taro Pharmaceuticals U.S.A., Inc.), and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.

II. E NDEN

5. Respondent Sun Pharmaceutical Industries Ltd., is a corporation organized, existing and doing business under and by virtue of the laws of Republic of India, with its headquarters address at Acme Plaza, Andheri Kurla Road, Andheri (East), Mumbai 400 059 India, and registered office of its United States subsidiary, Sun Pharmaceutical Industries Inc., at 29714 Orion Court, Farmington Hills, Michigan 48334-4144.

6. Respondent, through its majority-owned U.S. subsidiary Caraco Pharmaceutical Laboratories, Ltd., is engaged in the research, development, manufacture, and sale of generic pharmaceutical products in the United States.

7. Respondent 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.

III. AC I ED C M AN

8. Taro is a corporation organized, existing, and doing business under and by virtue of the laws of Israel with its headquarters address at Italy House, Euro Park, Yakum 60972, Israel. Taro, among other things, is engaged in the research, development, manufacture, and sale of generic pharmaceutical products. Taro markets and sells generic products in the United States through its U.S. subsidiary, Taro Pharmaceuticals USA, Inc., located at 3 Skyline Drive, Hawthorne, New York 10532.

9. Taro 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 are corporations 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.

I . HE . ED AC I I I N

10. On May 18, 2007, Taro and subsidiaries of Sun entered into an Agreement of Merger (the "Merger Agreement") whereby a subsidiary of Sun would acquire Taro via a merger. On May 28, 2008, Taro attempted to terminate the Merger Agreement. Sun has challenged the termination and has announced that it will exercise options, through its subsidiary Alkaloida

II. ENTRY

16. Entry into the relevant product markets described in Section V would not be timely, likely, or sufficient in its magnitude, character, and scope to deter or counteract the anticompetitive effects of the Acquisition. Entry would not take place in a timely manner because the combination of generic drug development times and FDA drug approval requirements takes at least two years. Entry would not be likely because the relevant markets are relatively small and in decline, limiting sales opportunities for any potential new entrant.

III. EFFECTS OF THE ACQUISITION

17. The effects of the Acquisition, if consummated, may be to substantially lessen competition and to tend to create a monopoly in the relevant markets 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, in the following ways, among others:

- a. by eliminating actual, direct, and substantial competition between Sun and Taro in the markets for the manufacture and sale of generic immediate-release carbamazepine tablets and chewable carbamazepine tablets, thereby: (1) increasing the likelihood that Sun will be able to unilaterally exercise market power in this market, (2) increasing the likelihood and degree of coordinated interaction between or among the remaining competitors, and (3) increasing the likelihood that customers would be forced to pay higher prices; and
- b. by eliminating the expected actual, direct, and substantial competition between Sun and Taro upon their respective approvals in the market for the manufacture and sale of extended-release carbamazepine tablets, thereby: (1) increasing the likelihood that Sun will be able to unilaterally exercise market power in this market, and (2) increasing the likelihood that customers would be forced to pay higher prices.

I . I L A I N C H A G E D

18. The Acquisition described in Paragraph 10 constitutes a violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.

19. The Acquisition described in Paragraph 10, if consummated, would constitute a 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.

▼ **THE EFFECT, THE IMPLEMENTATION**, the Federal Trade Commission on this twelfth day of August, 2008, issues its Complaint against said Respondent.

By the Commission.

Donald S. Clark
Secretary

SEAL: