

**ANALYSIS OF THE AGREEMENT CONTAINING CONSENT ORDER  
TO AID PUBLIC COMMENT**

*In the Matter of Valeant Pharmaceuticals International, Inc.*

*File No. 111-0216*

**I. Introduction**

The Federal Trade Commission (“Commission”) has accepted, subject to final approval, an Agreement Containing Consent Order (“Consent Agreement”) from Valeant Pharmaceuticals International, Inc. (“Valeant”), which is designed to remedy the anticompetitive effects of Valeant’s acquisition of the Ortho Dermatologics division of Janssen Pharmaceuticals, Inc. (“Janssen”), a wholly owned subsidiary of Johnson & Johnson.

### **III. Entry**

As with most pharmaceutical products, entry into the manufacture and sale of tretinoin emollient cream is difficult, expensive and time consuming. Developing and obtaining U.S. Food and Drug Administration (“FDA”) approval for the manufacture and sale of topical pharmaceuticals takes at least two years due to substantial regulatory, technological and intellectual property barriers. Moreover, entry is not likely because the relevant market is relatively small, providing limited sales opportunities relative to the cost of entry for any potential entrant.

### **IV. Effects of the Acquisition**

The proposed acquisition would cause significant anticompetitive harm in the U.S. market for tretinoin emollient cream by eliminating actual, direct and substantial competition between Valeant and Johnson & Johnson. The evidence indicates that the loss of head to head competition between Renova and the products co-marketed by Valeant ( Refissa and generic tretinoin emollient cream) would result in higher prices for tretinoin emollient cream.

### **V. The Consent Agreement**

The proposed Consent Agreement would remedy the competitive concerns raised by the proposed acquisition by requiring that (1) Valeant terminate its agreement with Spear Pharmaceuticals, returning all its marketing rights to Refissa and generic tretinoin emollient cream and allowing Spear to take over its role in the market and (2) Valeant and Johnson & Johnson take steps to ensure that confidential business information relating to Refissa and generic tretinoin emollient cream will not be obtained or used by Valeant.

The purpose of this analysis is to facilitate public comment on the proposed Consent Agreement, and it is not intended to constitute an official interpretation of the proposed Consent Agreement or to modify its terms in any way.