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UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: **Jon Leibowitz, Chairman**
J. Thomas Rosch
Edith Ramirez
Julie Brill

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8. Cephalon developed and markets the branded formulation of extended release cyclobenzaprine hydrochloride, called Amrix, an extended release muscle relaxant. No companies currently market a generic version in the United States. Teva and Cephalon are two of a limited number of suppliers capable of entering with a generic version of the product in a timely manner.

9. Cephalon's branded modafinil product, Provigil, is used to treat excessive sleepiness caused by narcolepsy or shift work sleep disorder. No companies currently market a generic version in the United States. Teva and Cephalon are two of a limited number of suppliers capable of entering with a generic version of the product in a timely manner.

V. ENTRY CONDITIONS

10. Entry into the relevant markets described in Paragraphs 5 and 6 would not be timely, likely, or sufficient in 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 drug development times and U.S. Food and Drug Administration approval requirements take at least two years. In addition, entry is not likely because the relevant markets are relatively small, limiting sales opportunities for any potential new entrant.

VI. EFFECTS OF THE ACQUISITION

11. 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 Teva and Cephalon, and reducing the number of competitors, in the market for transmucosal fentanyl citrate lozenges thereby: (1) increasing the likelihood that Teva will be able to unilaterally exercise market power in these markets; (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;

b. by eliminating potential competition between Teva and Cephalon and reducing the number of generic competitors in the future

c. by eliminating potential competition between Teva and Cephalon and reducing the number of generic competitors in the future thereby: (1) increasing the likelihood that the combined entity would forego or delay the launch of one of the modafinil products, and (2) increasing the likelihood that the combined entity would delay or eliminate the substantial additional price competition that would have resulted from an additional supplier of modafinil products.

VII. VIOLATIONS CHARGED

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

13. The Acquisition described in Paragraph 4, 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.

WHEREFORE, THE PREMISES CONSIDERED, the Federal Trade Commission on this seventh day of October, 2011 issues its Complaint against said Respondents.

By the Commission.

Donald S. Clark
Secretary

SEAL: