

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

101 0023

COMMISSIONERS: Jon Leibowitz, Chairman
J. Thomas Rosb
Edith Ramirez
Julie Brill
Maureen K. Ohlhausen

In the Matter of

IDEXX LABORATORIES, INC.,
a corporation.

Docket No. C-

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, as amended, 15 U.S.C. § 41 et seq. and by virtue of the authority vested in it by said Act, the Federal Trade Commission ("Commission"), having reason to believe that IDEXX Laboratories, Inc. ("IDEXX" or "Respondent") has violated Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45, and it appearing to the Commission that a proceeding

rival POC Diagnostic Products that the distributors would otherwise choose to sell. As a result, IDEXX has foreclosed its competitors from distributors that sell over 85% of all products purchased through distribution by companion animal veterinary clinics in the United States.

3. Veterinarians prefer to buy diagnostic products, equipment and supplies through top tier distributors because other purchasing options are less efficient and more costly. As a result, IDEXX's competitors are impeded from effectively and efficiently marketing competing POC Diagnostic Products to Veterinarians.

4. IDEXX's exclusionary practices have blocked rivals from the most efficient sales channels. IDEXX has used its exclusionary practices to successfully diminish

distributor if the distributor sells or promotes any competing product in the Relevant POC Market .

25. IDEXX's dominant market position, its practice of demanding exclusivity, and its imposition of an "all-or-nothing" policy give distributors of veterinary products powerful economic incentives that require them to deal with IDEXX on an exclusive basis.

26. IDEXX's exclusionary acts and practices require competing manufacturers to settle for less efficient means to sell their products to Veterinarians.

ANTICOMPETITIVE EFFECTS OF IDEXX'S CONDUCT

27. IDEXX's concerted action and exclusionary acts and practices erect significant barriers to entry for those manufacturers that have developed, would otherwise have developed, or offered for sale POC Diagnostic Products that would compete with IDEXX products.

28. The acts and practices of IDEXX as alleged herein have the purpose, capacity, tendency, and effect of impairing the competitive effectiveness of IDEXX's competitors in the relevant market.

29. The acts and practices of IDEXX as alleged herein are reasonably capable of making a significant contribution to the enhancement or maintenance of IDEXX's monopoly power.

30. IDEXX's conduct adversely affects competition and consumers by:

- A. reducing the output of POC Diagnostic Products;
- B. deterring, delaying and impeding the ability of IDEXX's actual or potential competitors to enter to expand their sales in the market for POC Diagnostic Products;
- C. reducing innovation; and
- D. reducing consumer choice among users of POC Diagnostic Products.

31. IDEXX's acts and practices as alleged herein were intended to, and have, restrained competition unfairly and unreasonably and enhanced or maintained IDEXX's monopoly power.

32. There are no legitimate procompetitive efficiencies that justify IDEXX's conduct or outweigh its substantial anticompetitive effects.

VIOLATION ALLEGED

33. The acts and practices of IDEXX, as alleged herein, contribute to the enhancement or maintenance of IDEXX's monopoly power, and constitute unfair methods of competition in or affecting commerce, all in violation of Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45.

34. Such acts and practices, or the effects thereof, will continue or recur in the absence of appropriate relief.

IDEXX'

WHEREFORE, THE PREMISES CONSIDERED, the Federal Trade Commission on this ____ d _____