IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

FEDERAL TRADE COMMISSION
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Plaintiff,

v. Case Number:

TEIKOKU PHARMA USA, INC.,
1718 Ringwood Avenue
San Jose, California 95131; and

TEIKOKU SEIYAKU CO., LTD.,
567 Sanbonmatsu, 173d,kfiin 1 Tf0 -1.14 90 -1001K3

Introduction

1. On March 30, 2016, the FTC filed its Complaint against Teikoku and others pursuant to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b). The Complaint alleges that Teikoku, Endo Pharmaceuticals Inc., and Watson Laboratories, Inc. violated Section 5 of the FTC Act by entering into a reverse-payment settlement agreement that induced Watson to abandon its patent challenge and forgo entering the market with its lower-cost generic version of Lidoderm until September 2013. Lidoderm is a transdermal lidocaine patch indicated for relief of pain associated with post-herpetic neuralgia.

2. In its Complaint, the FTC seeks a permanent injunction to prevent Teikoku and the other Defendants from engaging in similar and related conduct in the future and “such other equitable relief as the Court finds necessary to redress and prevent recurrence of defendants' violations.”

3. Teikoku has reached a settlement with the FTC. In doing so, Teikoku admits only the facts necessary to establish the personal and subject matter jurisdiction of this Court in this matter. Moreover, Teikoku denies that it engaged in any conduct violating Section 5 of the FTC Act.

4. On February 16, 2016, Teikoku executed a Stipulated Order for Permanent Injunction in settlement of all claims against it in the above-captioned case. On March 29, 2016, the Commission voted unanimously to approve the proposed Stipulated Order. Thus, Teikoku

Order includes certain

6. The remaining paragraphs of the proposed

pulated Order contain reporting and other standard requirements designed to assist the Commission in monitoring compl

and Teikoku jointly request that the Court enter

Federal Trade Commission

/s/ Joseph A. Meckes

joseph.meckes@squirepb.com

tc.gov

March 30, 2016