0710063

UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION

COMMISSIONERS: **Deborah Platt Majoras, Chairman**
Pamela Jones Harbour
Jon Leibowitz
William E. Kovacic
J. Thomas Rosch

In the Matter of	)	
ACTAVIS GROUP, HF., **a corporation;**	)	**Docket No. C-**
and	)	
ABRIKA PHARMACEUTICALS, INC., **a corporation.**	)	

COMPLAINT

Pursuant to the Clayton Act and the Federal Trade Commission Act, and its authority thereunder, the Federal Trade Commission ("Commission"), having reason to believe that Respondent Actavis Group, hf. ("Actavis"), a corporation subject to the jurisdiction of the Commission, has agreed to acquire Abrika Pharmaceuticals, Inc., including the voting securities of Abrika Pharmaceuticals, Inc. owned by Alan P. Cohen (known collectively as "Abrika"), a corporation subject to the jurisdiction of the Commission, in violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act ("FTC Act"), as amended, 15 U.S.C. § 45, and it appearing to the Commission that a proceeding in respect thereof would be in the public interest, hereby issues its Complaint, stating its charges as follows:

I. DEFINITIONS

1. "Commission" means the Federal Trade Commission.

2. "FDA" means the United States Food and Drug Administration.

3. "Respondents" means Actavis and Abrika, individually and collectively.

II. RESPONDENTS

4. Respondent Actavis is a corporation organized, existing, and doing business under and by virtue of the laws of Iceland, with its headquarters address at Dalshraun 1, 220 Hafnarfjordur, Iceland.. Actavis's principal subsidiary in the United States, Actavis U.S., is located at 14 Commerce Drive, Suite 301, Cranford, New Jersey 07016. Actavis is engaged in the research, development, manufacture, and sale of generic pharmaceutical products.

5. Respondent Abrika is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its headquarters address at 13800 N.W. 2nd Street, Suite 190, Sunrise, Florida 33325. Abrika is engaged in the research, development, manufacture, and sale of generic pharmaceutical products.

6. Respondents are, and at all times relevant herein have 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.

III. THE PROPOSED ACQUISITION

7. On November 20, 2006, Actavis and Abrika entered into an Agreement and Plan of Merger (the "Merger Agreement") whereby Actavis proposes to acquire 100 percent of the issued and outstanding voting securities of Abrika in a transaction valued at approximately $235 million (the "Acquisition").

IV. THE RELEVANT MARKET

8. For the purposes of this Complaint, the relevant line of commerce in which to analyze the effects of the Acquisition is the manufacture and sale of generic isradipine capsules.

9. For the purposes of this Complaint, the United States is the relevant geographic area in which to analyze the effects of the Acquisition in the relevant line of commerce.

V. THE STRUCTURE OF THE MARKET

10. The market for the manufacture and sale of generic isradipine capsules is highly concentrated with a pre-acquisition Herfindahl-Hirschman Index ("HHI") of 8,872 points. Isradipine capsules are calcium channel blockers that relax blood vessels and reduce the workload on the heart. Currently, Actavis and Abrika are the only suppliers of generic isradipine in the United States with market shares of 6 percent and 94 percent, respectively. The Acquisition would create a monopoly in this market and increase the HHI concentration by 1,128 points, resulting in a post-acquisition HHI of 10,000 points.

VI. ENTRY CONDITIONS

11. Entry into the relevant product market described in Paragraph 8 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 market is relatively small and in decline, limiting sales opportunities for any potential new entrant.

VII. EFFECTS OF THE ACQUISITION

12. The effects of the Acquisition, if consummated, may be to substantially lessen competition and to create a monopoly in the relevant market 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, by eliminating actual, direct, and substantial competition between Actavis and Abrika. The merger of Actavis and Abrika eliminates price competition between these two generic drug companies, thereby: (1) increasing the likelihood that Actavis 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.

VIII. VIOLATIONS CHARGED

13. The Merger Agreement described in Paragraph 7 constitutes a violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.

14. The Acquisition described in Paragraph 7, 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 _____ day of _____ issues its Complaint against said Respondents.

By the Commission.

Donald S. Clark
Secretary

SEAL: