

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: Edith Ramirez, Chairwoman
Julie Brill
Maureen K. Ohlhausen
Joshua D. Wright
Terrell McSweeney

)	
In the Matter of)	
)	
ELI LILLY AND COMPANY)	
a corporation;)	
)	Docket No. C-4500
and)	
)	
NOVARTIS AG)	
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 Eli Lilly and Company d20.86 0 Td ()Tj EM3.36

application. ProHeart 6 is an injectable product that does not impact fleas. Thus, the Acquisition would consolidate the two closest competitors, would substantially increase concentration, and would produce a single firm controlling more than 43% of the relevant market.

V. ENTRY CONDITIONS

8. Entry into the relevant market 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. *De novo* entry would require significant investment to, among other things, develop products, obtain regulatory approval, and establish a recognized brand. Entry would be unlikely because the required investment would be difficult to justify given the sales opportunities in the affected market. Entry would also not be timely because drug development times and FDA approval requirements would be lengthy. In addition, no other entry is likely to occur such that it would be timely and sufficient to deter or counteract the competitive harm likely to result from the Acquisition.

VI. EFFECTS OF THE ACQUISITION

9. 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, by, among other things:

- a. combining the only two providers of oral canine heartworm parasiticides that also treat fleas in dogs, thereby eliminating actual, direct, and substantial competition between Eli Lilly and Novartis;
- b. increasing the likelihood that Eli Lilly would unilaterally exercise market power in the relevant market; and
- c. increasing the likelihood that customers would be forced to pay higher prices for the relevant product.

VII. VIOLATIONS CHARGED

10. The Stock and Asset Purchase Agreement described in Paragraph 4 constitutes a violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.

11. 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 nineteenth day of December, 2014 issues its Complaint against said Respondents.

By the Commission.

Donald S. Clark
Secretary

SEAL: