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UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION

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

In the Matter of	)	
VALEANT PHARMACEUTICALS INTERNATIONAL, INC.	)	**Docket No. C-4343**
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 Valeant Pharmaceuticals International, Inc. ("Respondent"), a corporation subject to the jurisdiction of the Commission, has agreed to acquire Ortho Dermatologics from Johnson & Johnson, 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, 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. RESPONDENT

1. Respondent is a corporation organized, existing, and doing business under and by virtue of the laws of Canada, with its headquarters address at 7150 Mississauga Road, Mississauga, Ontario L5N 8M5 Canada. Respondent has offices in the United States at 14 Main Street, Suite 140, Madison, NJ 07940 and 700 Route 202/206, Bridgewater, NJ 08807, as well as locations in Irvine, CA, Petaluma, CA, Chantilly, VA and Durham, NC. Respondent develops, manufactures and markets branded, generic and over-the-counter pharmaceutical products, with an emphasis on dermatologic and neurologic therapeutic areas. Respondent employs

approximately 3700 employees worldwide and had worldwide 2010 revenues of $1.1 billion, the majority of which derived from U.S. sales.

2. Respondent is, and at all times relevant herein has been, engaged in commerce, as "commerce" is defined in Section 1 of the Clayton Act as amended, 15 U.S.C. § 12, and is a corporation 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.

II. PROPOSED ACQUISITION

3. On July 15, 2011, Respondent and Johnson & Johnson entered into an Asset Purchase Agreement ("the Acquisition Agreement") whereby Respondent proposes to acquire all rights, titles and interests of certain assets of the Ortho Dermatologics Division of Janssen Pharmaceuticals, Inc., a Johnson & Johnson company, in a transaction valued at approximately $345 million ("the Acquisition").

III. RELEVANT MARKET

4. 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 tretinoin emollient cream.

5. 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.

IV. STRUCTURE OF THE MARKET

6. The market for tretinoin emollient cream in the United States is highly concentrated. Respondent markets branded Refissa tretinoin emollient cream and generic tretinoin emollient cream pursuant to a licensing agreement between Respondent and Spear Pharmaceuticals. Johnson & Johnson's branded Renova is the only other tretinoin emollient cream product on the market. The Acquisition would create a monopoly in the market for tretinoin emollient cream in the United States.

V. ENTRY CONDITIONS

7. Entry into the relevant market 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 topical generic drug development times and the U.S. Food and Drug Administration's approval requirements take more than two years. Moreover, entry is not likely because the relevant market is relatively small, providing limited sales opportunities relative to the cost of entry for any potential entrant.

VI. EFFECTS OF THE ACQUISITION

8. The effects of the Acquisition, if consummated, may be to substantially lessen competition and to tend 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 Respondent and Johnson & Johnson in the relevant market, thereby (1) increasing the likelihood that Respondent will be able to exercise unilaterally market power in this market, and (2) increasing the likelihood that customers would be forced to pay higher prices.

VII. VIOLATIONS CHARGED

9. The Acquisition Agreement described in Paragraph 3 constitutes a violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.

10. The Acquisition described in Paragraph 3, 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 ninth day of December, 2011, issues its Complaint against said Respondent.

By the Commission.

Donald S. Clark
Secretary

SEAL: