

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: Maureen K. Ohlhausen, Acting Chairman
Terrell McSweeney

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In the Matter of)
)
BAXTER INTERNATIONAL INC.,)
a corporation;)
)
CLARIS LIFESCIENCES LIMITED,)
a corporation;	Docket No. C-4620)
and)
)
ARJUN HANDA,)
an individual.)
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COMPLAINT

Pursuant to the Clayton Act and the Federal Trade Commission Act (“FTC Act”), and its authority thereunder, the Federal Trade Commission (“Commission”), having reason to believe that Respondent Baxter International Inc. (“Baxter”), a corporation subject to the jurisdiction of the Commission, has agreed to acquire voting securities of certain entities and related assets from Respondents Claris Lifesciences Limited (“Claris”) and its ultimate parent entity Mr. Arjun Handa, corporations subject to the jurisdiction of the Commission, in violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45, that such acquisition, if consummated, would violate 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, 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. RESPONDENTS

1. Respondent Baxter is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware with its principal executive offices located at One Baxter Parkway, Deerfield, Illinois 60015.
2. Respondent Claris is a corporation organized, existing, and doing business under and by virtue of the laws of the Republic of India with its principal executive offices located at 1 Corporate Towers Nr. Parimal Crossing, Ellisbridge, Ahmedabad, 380006, India, and its United States address for service of process and the Complaint, the Decision and Order, and the Order to Maintain Assets, as follows: Chief Legal Officer, Claris Lifesciences

Ltd., c/o Claris Life Sciences Inc., 1445 US Highway 130, North Brunswick, New Jersey 08902.

3. Respondent Arjun Handa is an individual with an address of Sharanya, Judges Banglow Road, Bodakdev, Ahmedabad, Gujarat, India 380054.
4. Each 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 engages in business that is in or affects commerce, as “commerce” is defined in Section 4 of the FTC Act, as amended, 15 U.S.C. § 44.

II. THE PROPOSED ACQUISITION

5. Pursuant to agreements dated December 15, 2016, Baxter proposes to acquire voting securities of certain entities and related assets from Claris in two related transactions valued at approximately \$625 million (the “Acquisition”). The Acquisition is subject to Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18.

III. THE RELEVANT MARKETS

6. The relevant lines of commerce in which to analyze the effects of the Acquisition are the development, license, manufacture, marketing, distribution, and sale of the following pharmaceutical products:
 - a. fluconazole in saline intravenous bags; and
 - b. milrinone in dextrose intravenous bags.
7. The United States is the relevant geographic area in which to assess the competitive effects of the Acquisition in the relevant lines of commerce.

IV. THE STRUCTURE OF THE MARKETS

8. Fluconazole is an antifungal agent used to treat a variety of fungal and yeast infections. Only five companies currently sell generic intravenous fluconazole bags in the United States: Baxter, Claris, Pfizer Inc. (“Pfizer”), Sagent Pharmaceuticals, and Hikma Pharmaceuticals PLC (“Hikma”). Only four of the companies are significant competitors.
9. Intravenous milrinone is a vasodilator that dilates the blood vessels, lowering blood pressure and allowing blood to flow more easily through the cardiovascular system. The product is used as a short-term treatment for life-threatening heart failure. Three companies—Baxter, Hikma, and Pfizer—currently sell the product in the United States. Claris is one of a limited number of suppliers capable of entering the milrinone in

dextrose intravenous bags market in the near future.

V. ENTRY CONDITIONS

10. Entry into the relevant markets described in Paragraphs 6 and 7 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 not take place in a timely manner because the combination of 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

11. The effects of the Acquisition, if consummated, may be to substantially lessen competition 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, in the following ways, among others:
 - a. by eliminating actual, direct, and substantial competition between Baxter and Claris and reducing the number of independent significant competitors in the market for fluconazole in saline intravenous bags, thereby likely increasing consumer prices through either Baxter's unilateral exercise of market power, or coordinated interaction among the remaining competitors; and
 - b. by eliminating future competition between Baxter and Claris in the market for milrinone in dextrose intravenous bags, thereby: (1) increasing the likelihood that the combined entity would forego or delay the launch of Claris's milrinone in dextrose intravenous bags in development; and (2) increasing the likelihood that the combined entity would delay, reduce, or eliminate the substantial additional price competition that would have resulted from an additional supplier of these products.

VII. VIOLATIONS CHARGED

12. The Acquisition described in Paragraph 5 constitutes a violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.
13. The Acquisition described in Paragraph 5, 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 twentieth day of July, 2017 issues its Complaint against said Respondents.

By the Commission.

April J. Tabor
Acting Secretary

SEAL: