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UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

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

In the Matter of	)	
SUN PHARMACEUTICAL INDUSTRIES LTD., **a corporation;**	)	
RANBAXY LABORATORIES LTD., **a corporation;**	)	**Docket No. C-4506**
and	)	
DAIICHI SANKYO CO., LTD. **a corporation.**	)	

ORDER TO MAINTAIN ASSETS

The Federal Trade Commission ("Commission"), having initiated an investigation of the proposed acquisition by Respondent Sun Pharmaceutical Industries Ltd. ("Sun") of the voting securities of Respondent Ranbaxy Laboratories Ltd. ("Ranbaxy"), a subsidiary of Daiichi Sankyo Co., Ltd. ("Daiichi Sankyo"), collectively "Respondents," and Respondents having been furnished thereafter with a copy of a draft of Complaint that the Bureau of Competition proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge Respondents with violations 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

Respondents, their attorneys, and counsel for the Commission having thereafter executed an Agreement Containing Consent Orders ("Consent Agreement"), containing an admission by Respondents of all the jurisdictional facts set forth in the aforesaid draft of Complaint, a statement that the signing of said Consent Agreement is for settlement purposes only and does

not constitute an admission by Respondents that the law has been violated as alleged in such Complaint, or that the facts as alleged in such Complaint, other than jurisdictional facts, are true, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined to accept the executed Consent Agreement and to place such Consent Agreement on the public record for a period of thirty (30) days for the receipt and consideration of public comments, now in further conformity with the procedure described in Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission hereby issues its Complaint, makes the following jurisdictional findings, and issues this Order to Maintain Assets:

1. Respondent Sun is a corporation organized, existing, and doing business under and by virtue of the laws of the Republic of India, with its headquarters located at Acme Plaza, Andheri Kurla Road, East Andheri, Mumbai 400 059, India. The headquarters for Sun's U.S. subsidiary, Sun Pharmaceutical Industries, Inc., is located at 270 Prospect Plains Road, Cranbury, New Jersey, 08512, USA.

2. Respondent Ranbaxy is a corporation organized, existing, and doing business under and by virtue of the laws of the Republic of India with its headquarters located at Plot No. 90, Sector 32, Gurgaon-122001 (Haryana), India. The headquarters for Ranbaxy's U.S. subsidiary, Ranbaxy Inc., is located at 600 College Road East, Suite 2100, Princeton, New Jersey, 08540, USA.

3. Respondent Daiichi Sankyo is a corporation organized, existing, and doing business under and by virtue of the laws of Japan with its headquarters located at 3-5-1, Nihonbashi-honcho, Chuo-ku, Tokyo 103-8426, Japan. The headquarters for Daiichi Sankyo's U.S. subsidiary, Daiichi Sankyo, Inc., is located at Two Hilton Court, Parsippany, New Jersey, 07054, USA.

4. The Commission has jurisdiction of the subject matter of this proceeding and of the Respondents, and the proceeding is in the public interest.

ORDER

I.

IT IS ORDERED THAT, as used in this Order to Maintain Assets, the following definitions and the definitions used in the Consent Agreement and the proposed Decision and Order (and, when made final and effective, the Decision and Order), which are incorporated herein by reference and made a part hereof, shall apply:

A. "Sun" means: Sun Pharmaceutical Industries Ltd., its directors, officers, employees, agents, representatives, successors, and assigns; and its joint ventures, subsidiaries, divisions, groups and affiliates in each case controlled by Sun Pharmaceutical Industries Ltd., and the respective directors, officers, employees, agents, representatives, successors, and assigns of each. After the Acquisition Date, Sun shall include Ranbaxy.

B. "Ranbaxy" means: Ranbaxy Laboratories Ltd., its directors, officers, employees, agents, representatives, successors, and assigns; and its joint ventures, subsidiaries, divisions, groups and affiliates in each case controlled by Ranbaxy Laboratories Ltd. (including, without limitation, Ohm Laboratories, Inc.), and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.

C. "Daiichi Sankyo" means: Daiichi Sankyo Co., Ltd., its directors, officers, employees, agents, representatives, successors, and assigns; and its joint ventures, subsidiaries, divisions, groups and affiliates in each case controlled by Daiichi Sankyo Co., Ltd., and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.

D. "Respondents" means Sun, Ranbaxy and Daiichi Sankyo, individually and collectively. After the Acquisition Date, Respondents means Sun and Ranbaxy, individually and collectively.

E. "Commission" means the Federal Trade Commission.

F. "Decision and Order" means the:

1. Proposed Decision and Order contained in the Consent Agreement in this matter until the issuance of a final and effective Decision and Order by the Commission; and

2. Final Decision and Order issued by the Commission following the issuance and service of a final Decision and Order by the Commission in this matter.

G. "Minocycline Product Business(es)" means the Business of Respondents within the Geographic Territory specified in the Decision and Order related to each of the Minocycline Products to the extent that such Business is owned, controlled, or managed by the Respondents and the Assets related to such Business to the extent such Assets are owned by, controlled by, managed by, or

licensed to, the Respondents.

H. "Interim Monitor" means any monitor appointed pursuant to Paragraph III of this Order to Maintain Assets or Paragraph III of the Decision and Order.

I. "Orders" means the Decision and Order and this Order to Maintain Assets.

II.

IT IS FURTHER ORDERED THAT from the date this Order to Maintain Assets becomes final and effective:

A. Until Respondents fully transfer and deliver the Minocycline Product Assets to an Acquirer, Respondents shall take such actions as are necessary to maintain the full economic viability, marketability and competitiveness of each of the related Minocycline Product Businesses, to minimize any risk of loss of competitive potential for such Minocycline Product Businesses, and to prevent the destruction, removal, wasting, deterioration, or impairment of such Minocycline Product Assets except for ordinary wear and tear. Respondents shall not sell, transfer, encumber or otherwise impair the Minocycline Product Assets (other than in the manner prescribed in the Decision and Order) nor take any action that lessens the full economic viability, marketability or competitiveness of the related Minocycline Product Businesses.

B. Until Respondents fully transfer and deliver the Minocycline Product Assets to an Acquirer, Respondents shall maintain the operations of the related Minocycline Product Businesses in the regular and ordinary course of business and in accordance with past practice (including regular repair and maintenance of the assets of such business) and/or as may be necessary to preserve the full economic marketability, viability, and competitiveness of such Minocycline Product Businesses and shall use their best efforts to preserve the existing relationships with the following: suppliers; vendors and distributors; High Volume Accounts; end-use customers; Agencies; employees; and others having business relations with each of the respective Minocycline Product Businesses. Respondents' responsibilities shall include, but are not limited to, the following:

1. providing each of the respective Minocycline Product Businesses with sufficient working capital to operate at least at current rates of operation, to meet all capital calls with respect to such business and to carry on, at least at their scheduled pace, all capital projects, business plans and promotional activities for such Minocycline Product Business;

2. continuing, at least at their scheduled pace, any additional expenditures for each of the respective Minocycline Product Businesses authorized prior to the date the Consent Agreement was signed by Respondents including, but not limited to, all research, Development, manufacturing, distribution, marketing and sales expenditures;

3. providing such resources as may be necessary to respond to competition against each of the Minocycline Products and/or to prevent any diminution in sales of each of the Minocycline Products during and after the Acquisition process and prior to the complete transfer and delivery of the related Minocycline Product Assets to an Acquirer;

4. providing such resources as may be necessary to maintain the competitive strength and positioning of each of the Minocycline Products that were marketed or sold by Respondents prior to April 6, 2014, at the related High Volume Accounts;

5. making available for use by each of the respective Minocycline Product Businesses funds sufficient to perform all routine maintenance and all other maintenance as may be necessary to, and all replacements of, the assets related to such Minocycline Product Business; and

6. providing such support services to each of the respective Minocycline Product Businesses as were being provided to such Minocycline Product Business by Respondents as of the date the Consent Agreement was signed by Respondents.

C. Until Respondents fully transfer and deliver each of the respective Minocycline Product Assets to an Acquirer, Respondents shall maintain a work force that is (i) at least as large in size (as measured in full time equivalents) as, and (ii) comparable in training, and expertise to, what has been associated with the Minocycline Products for the relevant Minocycline Product's last fiscal year.

D. Respondents shall:

1. for a period of six (6) months from the Closing Date or until the hiring of ten (10) Minocycline Product Core Employees by the Acquirer or its Manufacturing Designee, whichever occurs earlier, provide the Acquirer or its Manufacturing Designee with the opportunity to enter into employment contracts with the Minocycline Product Core Employees related to the Minocycline Products and assets acquired by the Acquirer. Each of these periods is hereinafter referred to as the "Minocycline Product Core Employee Access Period(s);"

2. not later than the earlier of the following dates: (i) ten (10) days after notice by staff of the Commission to Respondents to provide the Product Employee Information; or (ii) ten (10) days after written request by an Acquirer, provide the Acquirer or Proposed Acquirer(s) with the Product Employee Information related to the Minocycline Product Core Employees. Failure by Respondents to provide the Product Employee Information for any Minocycline Product Core Employee within the time provided herein shall extend the Minocycline Product Core Employee Access Period(s) with respect to that employee in an amount equal to the delay; *provided, however*, that the provision of such

information may be conditioned upon the Acquirer's or Proposed Acquirer's written confirmation that it will (i) treat the information as confidential and, more specifically, (ii) use the information solely to consider whether to provide or continue providing to Minocycline Product Core Employees the opportunity to enter into employment contracts during a Minocycline Product Core Employee Access Period and not for any other purpose whatsoever, (iii) restrict access to the information to such of the Acquirer's or Proposed Acquirer's employees who need such access in connection with the specified and permitted use, and (iv) destroy or return the information without retaining copies at such time as the specified and permitted use ends;

3. during the Minocycline Product Core Employee Access Period(s), not interfere with the hiring or employing by the Acquirer or its Manufacturing Designee of the Minocycline Product Core Employees related to the Minocycline Products and assets acquired by the Acquirer, and remove any impediments within the control of Respondents that may deter these employees from accepting employment with the Acquirer or its Manufacturing Designee, including, but not limited to, any noncompete or nondisclosure provision of employment with respect to a Minocycline Product or other contracts with Respondents that would affect the ability or incentive of those individuals to be employed by the Acquirer or its Manufacturing Designee. In addition, Respondents shall not make any counteroffer to such a Minocycline Product Core Employee who has received a written offer of employment from the Acquirer or its Manufacturing Designee;

   provided, however, that, subject to the conditions of continued employment prescribed in this Order, this Paragraph shall not prohibit Respondents from continuing to employ any Minocycline Product Core Employee under the terms of that employee's employment with Respondents prior to the date of the written offer of employment from the Acquirer or its Manufacturing Designee to that employee;

4. until the Closing Date, provide all Minocycline Product Core Employees with reasonable financial incentives to continue in their positions and to research, Develop, manufacture and/or market the Minocycline Products consistent with past practices and/or as may be necessary to preserve the marketability, viability and competitiveness of the Minocycline Products and to ensure successful execution of the pre-Acquisition plans for the Minocycline Products. Such incentives shall include a continuation of all employee compensation and benefits offered by Respondents until the Closing Date(s) has occurred, including regularly scheduled raises, bonuses, and vesting of pension benefits (as permitted by Law); and

5. for a period of one (1) year from the Closing Date, not, directly or indirectly, solicit or otherwise attempt to induce any employee of the Acquirer or its Manufacturing Designee with any amount of responsibility related to a Minocycline Product ("Minocycline Product Employee") to terminate his or her employment relationship with the Acquirer or its Manufacturing Designee; or hire any Minocycline Product Employee;

provided, however, that Respondents may hire any former Minocycline Product Employee whose employment has been terminated by the Acquirer or its Manufacturing Designee or who independently applies for employment with a Respondent, as long as that employee was not solicited in violation of the nonsolicitation requirements contained herein;

provided further, however, that this Paragraph does not require nor shall be construed to require Respondents to terminate the employment of any employee or to prevent Respondents from continuing to employ the Minocycline Product Core Employees in connection with the Acquisition;

provided further, however, that any Respondent may do the following: (i) advertise for employees in newspapers, trade publications or other media not targeted specifically at the Minocycline Product Employees; or (ii) hire a Minocycline Product Employee who contacts any Respondent on his or her own initiative without any direct or indirect solicitation or encouragement from any Respondent.

E. Pending divestiture of the Minocycline Product Assets, Respondents shall:

1. not use, directly or indirectly, any Confidential Business Information other than as necessary to comply with the following:

   a. the requirements of this Order;

   b. Respondents' obligations to the Acquirer under the terms of any related Remedial Agreement; or

   c. applicable Law;

2. not disclose or convey any such Confidential Business Information, directly or indirectly, to any Person except (i) the Acquirer, (ii) other Persons specifically authorized by such Acquirer to receive such information, (iii) the Commission, or (iv) the Interim Monitor (if any has been appointed);

3. not provide, disclose or otherwise make available, directly or indirectly, any such Confidential Business Information that is exclusively related to the marketing or sales of the Minocycline Products to the employees associated with the Business related to those Retained Products that are the therapeutic equivalent (as that term is defined by the FDA) of the Minocycline Products; and

4. institute procedures and requirements to ensure that the above-described employees:

a. do not provide, disclose or otherwise make available, directly or indirectly, any Confidential Business Information in contravention of this Order to Maintain Assets; and,

b. do not solicit, access or use any Confidential Business Information that they are prohibited from receiving for any reason or purpose.

F. Not later than thirty (30) days from the earlier of (i) the Closing Date or (ii) the date this Order to Maintain Assets is issued by the Commission, Respondents shall provide written notification of the restrictions on the use and disclosure of the Confidential Business Information by Respondents' personnel to all of their employees who (i) may be in possession of such Confidential Business Information or (ii) may have access to such Confidential Business Information.

G. Respondents shall give the above-described notification by e-mail with return receipt requested or similar transmission, and keep a file of those receipts for one (1) year after the Closing Date. Respondents shall maintain complete records of all such notifications at Respondents' registered office within the United States and shall provide an officer's certification to the Commission stating that the acknowledgment program has been implemented and is being complied with. Respondents shall provide the Acquirer with copies of all certifications, notifications and reminders sent to Respondents' personnel.

H. Respondents shall monitor the implementation by its employees and other personnel of all applicable restrictions with respect to Confidential Business Information, and take corrective actions for the failure of such employees and personnel to comply with such restrictions or to furnish the written agreements and acknowledgments required by this Order to Maintain Assets.

I. The purpose of this Order to Maintain Assets is to maintain the full economic viability, marketability and competitiveness of the Minocycline Product Businesses within the Geographic Territory through their full transfer and delivery to an Acquirer, to minimize any risk of loss of competitive potential for the Minocycline Product Businesses within the Geographic Territory, and to prevent the destruction, removal, wasting, deterioration, or impairment of any of the Minocycline Product Assets except for ordinary wear and tear.

III.

IT IS FURTHER ORDERED THAT:

A. At any time after Respondents sign the Consent Agreement in this matter, the Commission may appoint a monitor ("Interim Monitor") to assure that Respondents expeditiously comply with all of their obligations and perform all of their responsibilities as required by the Orders and the Remedial Agreements.

B. The Commission shall select the Interim Monitor, subject to the consent of Respondents, which consent shall not be unreasonably withheld. If Respondents have not opposed, in writing, including the reasons for opposing, the selection of a proposed Interim Monitor within ten (10) days after notice by the staff of the Commission to Respondents of the identity of any proposed Interim Monitor, Respondents shall be deemed to have consented to the selection of the proposed Interim Monitor.

C. Not later than ten (10) days after the appointment of the Interim Monitor, Respondents shall execute an agreement that, subject to the prior approval of the Commission, confers on the Interim Monitor all the rights and powers necessary to permit the Interim Monitor to monitor Respondents' compliance with the relevant requirements of the Orders in a manner consistent with the purposes of the Orders.

D. If an Interim Monitor is appointed, Respondents shall consent to the following terms and conditions regarding the powers, duties, authorities, and responsibilities of the Interim Monitor:

1. The Interim Monitor shall have the power and authority to monitor Respondents' compliance with the divestiture and asset maintenance obligations and related requirements of the Orders, and shall exercise such power and authority and carry out the duties and responsibilities of the Interim Monitor in a manner consistent with the purposes of the Orders and in consultation with the Commission.

2. The Interim Monitor shall act in a fiduciary capacity for the benefit of the Commission.

3. The Interim Monitor shall serve until the date of completion by the Respondents of the divestiture of all Minocycline Product Assets and the transfer and delivery of the related Product Manufacturing Technology in a manner that fully satisfies the requirements of this Order and, with respect to each Minocycline Product, until the earliest of: (i) the date the Acquirer (or the Acquirer's Manufacturing Designee(s)) is approved by the FDA to manufacture that Minocycline Product and able to manufacture that Minocycline Product in commercial quantities, in a manner consistent with cGMP, independently of the Respondents; (ii) the date the Acquirer notifies the Commission and Respondents of its intention to abandon its efforts to manufacture that Minocycline Product; (iii) the date of written notification from staff of the Commission that the Interim Monitor, in consultation with staff of the Commission, has determined that the Acquirer has abandoned its efforts to manufacture that Minocycline Product;

provided, however, that, with respect to each Minocycline Product, the Interim Monitor's service shall not exceed five (5) years from the Order Date *unless* the Commission decides to extend or modify this period as may be necessary or appropriate to accomplish the purposes of the Orders.

E. Subject to any demonstrated legally recognized privilege, the Interim Monitor shall have full and complete access to Respondents' personnel, books, documents, records kept in the ordinary course of business, facilities and technical information, and such other relevant information as the Interim Monitor may reasonably request, related to Respondents' compliance with its obligations under the Orders, including, but not limited to, its obligations related to the relevant assets. Respondents shall cooperate with any reasonable request of the Interim Monitor and shall take no action to interfere with or impede the Interim Monitor's ability to monitor Respondents' compliance with the Orders.

F. The Interim Monitor shall serve, without bond or other security, at the expense of Respondents, on such reasonable and customary terms and conditions as the Commission may set. The Interim Monitor shall have authority to employ, at the expense of Respondents, such consultants, accountants, attorneys and other representatives and assistants as are reasonably necessary to carry out the Interim Monitor's duties and responsibilities.

G. Respondents shall indemnify the Interim Monitor and hold the Interim Monitor harmless against any losses, claims, damages, liabilities, or expenses arising out of, or in connection with, the performance of the Interim Monitor's duties, including all reasonable fees of counsel and other reasonable expenses incurred in connection with the preparations for, or defense of, any claim, whether or not resulting in any liability, except to the extent that such losses, claims, damages, liabilities, or expenses result from gross negligence, willful or wanton acts, or bad faith by the Interim Monitor.

H. Respondents shall report to the Interim Monitor in accordance with the requirements of the Orders and as otherwise provided in any agreement approved by the Commission. The Interim Monitor shall evaluate the reports submitted to the Interim Monitor by Respondents, and any reports submitted by the Acquirer with respect to the performance of Respondents' obligations under the Orders or the Remedial Agreement(s). Within thirty (30) days from the date the Interim Monitor receives these reports, the Interim Monitor shall report in writing to the Commission concerning performance by Respondents of their obligations under the Orders; *provided, however*, that, beginning one hundred twenty (120) days after Respondents have filed their final report pursuant to Paragraph VII.B. of the Decision and Order, and one hundred twenty (120) days thereafter, the Interim Monitor shall report in writing to the Commission concerning progress by the Acquirer toward obtaining FDA approval to manufacture each Minocycline Product and obtaining the ability to manufacture each Minocycline Product in commercial quantities, in a manner consistent with cGMP, independently of Respondents.

I. Respondents may require the Interim Monitor and each of the Interim Monitor's consultants, accountants, attorneys and other representatives and assistants to sign a customary confidentiality agreement; *provided, however,* that such agreement shall not restrict the Interim Monitor from providing any information to the Commission.

J. The Commission may, among other things, require the Interim Monitor and each of the Interim Monitor's consultants, accountants, attorneys and other representatives and assistants to sign an appropriate confidentiality agreement related to Commission materials and information received in connection with the performance of the Interim Monitor's duties.

K. If the Commission determines that the Interim Monitor has ceased to act or failed to act diligently, the Commission may appoint a substitute Interim Monitor in the same manner as provided in this Paragraph.

L. The Commission may on its own initiative, or at the request of the Interim Monitor, issue such additional orders or directions as may be necessary or appropriate to assure compliance with the requirements of the Orders.

M. The Interim Monitor appointed pursuant to this Order to Maintain Assets may be the same person appointed as a Divestiture Trustee pursuant to the relevant provisions of the Decision and Order.

IV.

IT IS FURTHER ORDERED THAT within thirty (30) days after the date this Order to Maintain Assets is issued by the Commission, and every sixty (60) days thereafter until Respondents have fully complied with this Order to Maintain Assets and the Paragraphs that are enumerated in Paragraph VII.B. of the related Decision and Order, Respondents shall submit to the Commission a verified written report setting forth in detail the manner and form in which they intend to comply, are complying, and have complied with the Orders. Respondents shall submit at the same time a copy of their report concerning compliance with the Orders to the Interim Monitor, if any Interim Monitor has been appointed. Respondents shall include in their reports, among other things that are required from time to time, a detailed description of their efforts to comply with the relevant paragraphs of the Orders, including:

A. a detailed description of all substantive contacts, negotiations, or recommendations related to (i) the divestiture and transfer of all relevant assets and rights, (ii) transitional services being provided by the Respondents to the Acquirer, and (iii) the agreement(s) to Contract Manufacture; and

B. a detailed description of the timing for the completion of such obligations.

provided, however, that, after the Decision and Order in this matter becomes final and effective, the reports due under this Order to Maintain Assets may be consolidated with, and submitted to the Commission at the same time as, the reports required to be submitted by Respondent pursuant to Paragraph VII of the Decision and Order.

V.

IT IS FURTHER ORDERED THAT Respondents shall notify the Commission at least thirty (30) days prior to:

A. any proposed dissolution of a Respondent;

B. any proposed acquisition, merger or consolidation of a Respondent; or

C. any other change in a Respondent including, but not limited to, assignment and the creation or dissolution of subsidiaries, if such change might affect compliance obligations arising out of the Orders.

VI.

IT IS FURTHER ORDERED THAT, for purposes of determining or securing compliance with this Order, and subject to any legally recognized privilege, and upon written request and upon five (5) days' notice to any Respondent made to its principal United States offices, registered office of its United States subsidiary, or its headquarters address, that Respondent shall, without restraint or interference, permit any duly authorized representative of the Commission:

A. access, during business office hours of the Respondent and in the presence of counsel, to all facilities and access to inspect and copy all books, ledgers, accounts, correspondence, memoranda and all other records and documents in the possession or under the control of the Respondent related to compliance with this Order, which copying services shall be provided by the Respondent at the request of the authorized representative(s) of the Commission and at the expense of the Respondent; and

B. to interview officers, directors, or employees of the Respondent, who may have counsel present, regarding such matters.

VII.

IT IS FURTHER ORDERED THAT this Order to Maintain Assets shall terminate on the later of:

A. three (3) days after the Commission withdraws its acceptance of the Consent Agreement pursuant to the provisions of Commission Rule 2.34, 16 C.F.R. § 2.34; or

B. the day after the divestiture of all of the Minocycline Product Assets, as required by and described in the Decision and Order, has been completed and the Interim Monitor, in consultation with Commission staff and the Acquirer, notifies the Commission that all

assignments, conveyances, deliveries, grants, licenses, transactions, transfers and other transitions related to such divestitures are complete, or the Commission otherwise directs that this Order to Maintain Assets is terminated.

By the Commission.

Donald S. Clark
Secretary

SEAL:
ISSUED: January 30, 2015