

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              |  | ) |                   |
|                               |  | ) |                   |
| INTEGRA LIFESCIENCES HOLDINGS |  | ) |                   |
| CORPORATION,                  |  | ) |                   |
| a corporation;                |  | ) |                   |
|                               |  | ) |                   |
| and                           |  | ) | Docket No. C-4624 |
|                               |  | ) |                   |
| JOHNSON & JOHNSON,            |  | ) |                   |
| a corporation.                |  | ) |                   |
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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 Integra LifeSciences Holdings Corporation (“Integra”), a corporation subject to the jurisdiction of the Commission, has agreed to acquire certain assets of the Codman Neuro (“Codman”) division of Respondent Johnson & Johnson, a corporation 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 Integra 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 311 Enterprise Drive, Plainsboro, New Jersey 08536.

2. Respondent Johnson & Johnson is a corporation organized, existing, and doing business under and by virtue of the laws of the state of New Jersey, with its principal executive offices located at One Johnson & Johnson Plaza, New Brunswick, New Jersey 08933.

3. 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 is a company whose business 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**

4. Pursuant to an Asset Purchase Agreement signed on February 14, 2017, Integra will acquire Codman in a transaction valued at approximately \$1.0 billion (the “Acquisition”). The Acquisition is subject to Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18.

## **III. THE RELEVANT MARKETS**

5. The relevant lines of commerce in which to analyze the effects of the Acquisition are the development, manufacture, license, marketing, distribution, and sale of point of: (i) intracranial pressure monitoring systems; (ii) cerebrospinal fluid collection systems; (iii) non-antimicrobial external ventricular drainage catheters; (iv) fixed pressure valve shunt systems; and (v) dural grafts.

6. 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**

7. Integra and Codman are the only significant suppliers of intracranial pressure monitoring systems in the United States. Integra and Codman control approximately 68% and 26% of the market, respectively.

8. Integra and Codman are two of only three major suppliers of cerebrospinal fluid collection systems in the United States. Integra leads the market with approximately 57% market share, and Codman has a market share of approximately 14%. The other leading supplier, Medtronic, accounts for approximately 27% of the market.

9. Integra and Codman are two of only three major suppliers of non-antimicrobial external ventricular drainage catheters in the United States. Integra has a market share of approximately 29% and Codman has a share of approximately 17%. Medtronic is the only other substantial competitor, with a share of approximately 51%.

10. Integra, Codman, and Medtronic are the only three significant suppliers of fixed pressure valve shunts in the United States. Integra and Codman represent 23% and 15% of the market, respectively. Medtronic accounts for 55% market share. Two other firms, Aesculap and Sophysa, hold fringe positions.

11. Integra is the leading supplier of dural grafts in the United States, with a 66% market share. Medtronic, Codman, and Stryker are the only other significant suppliers, and they account for 11%, 9%, and 8% of the dural grafts market, respectively. Other firms supplying dural grafts have considerably smaller shares.

## **V. EFFECTS OF THE ACQUISITION**

12. 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 eliminating actual, direct, and substantial competition between Integra and Codman in the markets at issue, thereby increasing the likelihood in these markets that: (1) a combined Integra-Codman would be able to unilaterally exercise market power; and (2) customers would be forced to pay higher prices.

## **VI. CONDITIONS OF ENTRY AND EXPANSION**

13. Entry into the relevant markets 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 not take place in a timely manner because the product development, U.S. Food and Drug Administration approval, and market adoption times are lengthy. A potential entrant into the relevant markets would need to establish a sales and marketing infrastructure, proven track record of service, and a robust portfolio of neurosurgical products to drive sales of the relevant products.

## **VII. VIOLATIONS CHARGED**

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

15. 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 twenty-sixth day of September, 2017 issues its Complaint against said Respondents.

By the Commission.

Donald S. Clark  
Secretary

SEAL: