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UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION

In the Matter of	)	
THE UPJOHN COMPANY, a corporation, and	)	Docket No.
PHARMACIA AKTIEBOLAG, a corporation.	)	

COMPLAINT

The Federal Trade Commission ("Commission"), having reason to believe that Respondents The Upjohn Company ("Upjohn"), a Michigan corporation subject to the jurisdiction of the Commission, and Pharmacia Aktiebolag ("Pharmacia"), a Swedish corporation subject to the jurisdiction of the Commission, have agreed to merge 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, ("FTC Act"), 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 Upjohn is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its principal place of business located at 7000 Portage Road, Kalamazoo, Michigan 49001.

2. Respondent Pharmacia is a corporation organized, existing, and doing business under and by virtue of the laws of Sweden, with its principal place of business located at Frösundaviks allé 15, S-171 97 Stockholm, Sweden.

II. JURISDICTION

3. Respondents are, and at all times relevant herein have been, engaged in commerce as "commerce" is defined in Section 1 of the Clayton Act, as amended, 15 U.S.C. § 12, and are corporations whose business affects commerce as "commerce" is defined in Section 4 of the FTC Act, as amended, 15 U.S.C. § 44.

III. THE MERGER

4. Respondents propose to combine their respective businesses in a transaction valued at approximately $13.9 billion, pursuant to the terms of a Combination Agreement dated August 20, 1995 ("the Merger").

IV. THE RELEVANT MARKET

5. The relevant line of commerce in which to analyze the effects of the Merger is the research, development, manufacture and sale of topoisomerase I inhibitors for the treatment of colorectal cancer. While no topoisomerase I inhibitor has yet been approved for sale in the United States, anticipated sales of all topoisomerase I inhibitors for the treatment of colorectal cancer will exceed $100 million by 2002.

6. An estimated 443,000 people in the United States are diagnosed with colorectal cancer each year. For most solid tumors, the first method of treatment is surgery, with radiation therapy and chemotherapy typically used as adjuncts to the surgery. Current protocols for colorectal cancer suggest that patients be treated with the chemotherapy agents 5-fluorouracil ("5FU") and either leucovorin or levamisole. For those patients whose cancer recurs, the survival rate is only fifteen percent. Topisomerase I inhibitors are expected to increase the rate of survival for colorectal cancer patients.

7. For purposes of this Complaint, the United States is the relevant geographic area in which to analyze the effects of the Merger.

V. STRUCTURE OF THE MARKET

8. The relevant market set forth in Paragraphs 5 and 7 is highly concentrated. Upjohn and Pharmacia are two of only a very small number of firms currently in the advanced stages of developing topoisomerase I inhibitors for the treatment of colorectal cancer in the United States. Upjohn's product in development, CPT-11, is expected to be the first topoisomerase I inhibitor for the treatment of colorectal cancer on the market in the United States. Pharmacia plans to seek Food and Drug Administration ("FDA") approval for its topoisomerase I inhibitor, 9-Aminocamptothecin ("9-AC"), within the next few years.

VI. BARRIERS TO ENTRY

9. Entry into the relevant market is difficult and time consuming. Entry into the relevant market is governed by the requirements of the FDA which involve lengthy clinical trial periods, time consuming data collection and analysis from clinical trials, and expenditures of significant resources over a period of many years with no assurance that a viable commercial product will result. No company may reach advanced stages of development in the relevant market without engaging in scientific research that requires well over least two years time to complete.

VII. EFFECTS OF THE MERGER

10. The effects of the Merger may be substantially to lessen competition or 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, among other things:

a. eliminating actual, direct and substantial competition in research and development between Upjohn and Pharmacia in the relevant market; and

b. potentially decreasing the number of research and development tracks for topoisomerase I inhibitors for the treatment of colorectal cancer; and

c. eliminating the potential for actual, direct and substantial price competition between Upjohn and Pharmacia in the relevant market.

VIII. VIOLATIONS CHARGED

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

12. The Merger 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.

WHEREOF, THE PREMISES CONSIDERED, the Federal Trade Commission on this _____ day of _____, 1995, issues its Complaint against said Respondent.

By the Commission.

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Donald S. Clark
Secretary

ISSUED:

SEAL