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UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: **Edith Ramirez, Chairwoman**
Maureen K. Ohlhausen
Terrell McSweeny

In the Matter of	)	
ABBOTT LABORATORIES, **a corporation;**	)	**Docket C-4600**
and	)	
ST. JUDE MEDICAL, INC., **a corporation.**	)	

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 Abbott Laboratories ("Abbott"), a corporation subject to the jurisdiction of the Commission, has agreed to acquire Respondent St. Jude Medical, Inc. ("St. Jude"), 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 Abbott is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois, with its offices and principal place of business located at 100 Abbott Park Road, Abbott Park, Illinois 60064-6400.

2. Respondent St. Jude is a corporation organized, existing and doing business under and by virtue of the laws of the State of Minnesota, with its offices and principal place of business located at One St. Jude Medical Drive, St. Paul, Minnesota 55117.

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 Agreement and Plan of Merger dated April 27, 2016, Abbott proposes to acquire St. Jude in exchange for cash and stock valued at approximately $25 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. For the purposes of this Complaint, the relevant lines of commerce in which to analyze the effects of the Acquisition are the development, licensing, manufacturing, marketing, distribution, and sale of the following medical devices:

a. vascular closure devices;

b. steerable sheaths; and

c. lesion-assessing ablation catheters.

6. For the purposes of this Complaint, 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. Vascular closure devices are used to close arterial holes created by catheterization procedures, which are minimally-invasive processes during which a physician uses a specialized catheter to either diagnose or treat a cardiovascular condition. The U.S. market for vascular closure devices is highly concentrated with Abbott and St. Jude holding a combined 70 percent market share. Only two other suppliers, Cardinal Health, Inc. and Cardiva Medical, Inc., currently sell vascular closure devices in the United States.

8. Steerable sheaths are used to access difficult to reach areas of the heart to treat arrhythmias such as atrial fibrillation. Steerable sheaths allow physicians to more easily puncture the transseptal wall of the heart and guide an ablation catheter into the left atrium or ventricle of the heart. Currently, St. Jude accounts for the vast majority of steerable sheath sales in the United States. Abbott recently entered the U.S. market for steerable sheaths and appears well positioned to compete with St. Jude. Other suppliers in this market, though not recent entrants, have very small market shares.

9. Lesion-assessing ablation catheters are used to treat heart arrhythmias and provide feedback to the physician regarding the force being applied by the catheter or the temperature of the ablation target. St. Jude and Biosense Webster Inc. ("Biosense") are currently the only suppliers of lesion-assessing ablation catheters in the U.S. market. Advanced Cardiac Therapeutics, Inc. ("ACT") is developing lesion-assessing ablation catheter products that would compete directly with the lesion-assessing ablation catheters offered by St. Jude and Biosense in the United States. Abbott and ACT entered into a strategic partnership to develop lesion-assessing ablation catheters.

V. EFFECTS OF THE ACQUISITION

10. 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, in the following ways, among others:

a. by eliminating actual competition between Abbott and St. Jude in the U.S. market for vascular closure devices;

b. by eliminating actual competition between Abbott and St. Jude in the U.S. market for steerable sheaths;

c. by eliminating potential competition between Abbott/ACT and St. Jude in the U.S. market for lesion-assessing ablation catheters if Abbott acquires ACT's lesion-assessing ablation catheter assets, thereby reducing additional competition that would have resulted from an additional U.S. supplier of lesion-assessing ablation catheters; and

d. by increasing the ability of the merged entity to raise prices unilaterally in the relevant markets.

VI. ENTRY CONDITIONS

11. Entry into the relevant markets described in Paragraph 5 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 times and FDA approval requirements are lengthy. Although a limited number of firms other than Respondents may begin competing in some relevant markets in the future, such entry would not be timely or sufficient to prevent the competitive harm likely to result from the Acquisition.

VII. VIOLATIONS CHARGED

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

13. 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-seventh day of December, 2016 issues its Complaint against said Respondents.

By the Commission.

Donald S. Clark
Secretary

SEAL: