

FTC Imposes Conditions on Össur Hf's Acquisition of College Park Industries, Inc.

Conditions to remedy competition loss in the U.S. market for myoelectric elbows

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Össur Hf and College Park Industries, Inc., both makers of prosthetic limbs, have agreed to divest College Park's myoelectric elbow business to settle Federal Trade Commission charges that Össur's proposed acquisition of College Park would violate federal antitrust law.

The FTC alleges that the transaction, which was not reportable under the Hart-Scott-Rodino Act, is likely to harm U.S. customers of myoelectric elbows. These prosthetic devices, which use electromyographic signals and battery-powered motors, have substantial functional advantages over mechanical elbows because they are easier and more natural to control than mechanical elbows, according to the complaint.

The complaint alleges that the U.S. market for myoelectric elbows is highly concentrated and that College Park is a leading supplier in that market. Iceland-based Össur is developing its own myoelectric elbow, and absent the proposed acquisition, it would likely compete with College Park for U.S. sales of myoelectric elbows, according to the complaint.

Michigan-based College Park will divest all assets of its myoelectric elbow business to Hugh Steeper Ltd, a prosthetics company based in the UK and San Antonio, Texas. The divestiture of College Park's myoelectric elbow business to Steeper will include intellectual property, confidential business information, manufacturing technology, existing inventory, and agreements to manufacture and distribute myoelectric elbows.

Further details about the consent agreement—which provides for a monitor, and allows the Commission to appoint a trustee if Össur does not fully comply with the order—are set forth in the analysis to aid public comment for this matter.

The Commission vote to issue the complaint and accept the proposed consent order for public comment was 5-0. The FTC will publish the consent agreement package in the Federal Register shortly. Instructions for filing comments appear in the published notice. Comments must be received 30 days after publication in the Federal Register. Once processed, comments will be posted on Regulations.gov.

NOTE: The Commission issues an administrative complaint when it has “reason to believe” that the law has been or is being violated, and it appears to the Commission that a proceeding is in the public interest. When the Commission issues a consent order on a final basis, it carries the force of law with respect to future actions. Each violation of such an order may result in a civil penalty of up to \$43,280.

The Federal Trade Commission works to promote competition, and protect and educate consumers. You can learn more about how competition benefits consumers or file an antitrust complaint. Like the FTC on Facebook, follow us on Twitter, read our blogs, and subscribe to press releases for the latest FTC news and resources.

CONTACT INFORMATION

MEDIA CONTACT:

Betsy Lordan
Office of Public Affairs
202-326-3707

STAFF CONTACT:

Stephen Mohr
Bureau of Competition
202-326-2850