

## THE COMPETITION TRIBUNAL

IN THE MATTER OF an Application by the Director of Investigation and Research pursuant to section 72 of the Competition Act, R.S., c.C-23, as amended.

AND IN THE MATTER OF a proposed acquisition of CDC Life Sciences Inc. by Institut Mérieux S.A.

B E T W E E N:

The Director of Investigation  
and Research

Applicant

- and -

Institut Mérieux S.A.

Respondent

COMPETITION TRIBUNAL TRIBUNAL DE LA CONCURRENCE		P R O D U I T
FILED	APR 28 1988 JL	
REGISTRAR - REGISTRAIRE		
OTTAWA, ONT.	# 1(A)	

NOTICE OF APPLICATION

TAKE NOTICE THAT the Director of Investigation and Research, ("Director") will make an application to the Competition Tribunal on Thursday, April 28, 1988 at 10:30 o'clock in the forenoon, or as soon after that time as the applicant can be heard, at the Competition Tribunal hearing room in the Royal Bank Building, 90 Sparks Street, Ottawa, Ontario.

1. The applicant makes application for an interim order, pursuant to the provision of section 72(1) of the Competition Act ("Act"), prohibiting the respondent from purchasing any of approximately 4,369,000 common shares of CDC Life Sciences Inc., ("CDC Life"), under an offer made by Notice to the Montreal Exchange and the Toronto Stock Exchange on April 13, 1988.

2. The grounds for the application are:

- (a) the proposed acquisition by the Respondent will be reasonably likely to prevent or lessen competition substantially;
- (b) the Tribunal's ability to remedy the effects of the proposed merger would be substantially impaired should the purchase of the shares proceed as scheduled;
- (c) the Respondent failed to notify the Director with respect to the proposed acquisition, and supply the requisite information governing the proposed acquisition, as required by law.

3. The material facts are:

- (a) the sale and supply of vaccine in Canada is a highly concentrated industry;
- (b) large capital expenditures and lengthy lead time for product development is required;
- (c) the Respondent and CDC Life are among the most important firms in the industry;
- (d) the Respondent and CDC Life currently compete in Canada in the vaccine market;

- (e) the Respondent and CDC Life compete in the research and development of new products , and in the improvements to, existing vaccine products;
- (f) CDC Life is a strong competitor that has developed several new product innovations;
- (g) due to constant product improvement and updating, secrecy of proprietary information is essential to competition;
- (h) shareholder meeting to elect a new Board of Directors of CDC Life is scheduled for May 6, 1988;
- (i) the Respondent has indicated that it will request representation on the Board of Directors;
- (j) the Respondent will be in position, through its agreement with the Caisse De Dépôt et Placement Du Quebec, to nominate a majority of the Directors;
- (k) the proposed acquisition meets all the requirements set out in the Act to be a notifiable transaction.

4. The Applicant seeks an order restraining the Respondent from purchasing any of the 4,369,000 common shares of CDC Life until twenty-one days following the day

upon which the Respondent has notified the Director of the proposed purchase and supplied the Director with information in accordance with section 92 of the Act, or such other order as the Competition Tribunal deems just.

**AND TAKE NOTICE THAT** in support of the application, will be read the Affidavits of Jacques Cloutier, Michael L. Murphy and Peter J. Campbell.

**AND TAKE NOTICE THAT** the Director wishes to use English at the hearing of this matter.

Dated at Hull, Quebec, April **28**, 1988.



Director of Investigation  
and Research

TO: Institut Mérieux S.A.,  
c/o Messrs Borden & Elliot,  
The Bank of Nova Scotia Building,  
44 King Street West,  
Toronto, Ontario.  
M5H 1G4

AND TO: The Registrar,  
Competition Tribunal,  
Royal Bank Building,  
90 Sparks Street,  
Ottawa, Ontario.