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Attorney General Corbett announces \$22.5 million multi-state settlement in drug companies accused of blocking generic competition

HARRISBURG - Pennsylvania has reached a \$22.5 million multi-state settlement with Abbott Laboratories, Fournier Industrie et Sante and Laboratories Fournier, S.A., who were accused of blocking competition from generic drug manufacturers.

Attorney General Tom Corbett said the antitrust investigation focused on alleged efforts by the drug companies to prevent the entry of generic drugs to compete with TriCor, an anti-cholesterol drug that accounted for over \$1 billion of Abbott's sales last year.

Corbett said that Pennsylvania and other states filed suit in the United States District Court for the District of Delaware in 2008, alleging that Abbott and Fournier used a number of strategies to block generic competition, including "product hopping" - where changes were made to the dosage and form of a drug that serve little purpose other than to impair generic competition. The drug companies also allegedly engaged in sham litigation regarding patents they knew were invalid, unenforceable, or inequitably obtained, to prevent or delay generic competition.

"Because lower priced generic versions were kept from the market, state agencies paid higher prices for TriCor," Corbett said. "This settlement will return nearly \$1 million to Pennsylvania as reimbursement for the amounts that agencies were overcharged."

Corbett said that under the terms of the settlement, Pennsylvania will receive \$981,053 for the Department of Aging PACE prescription drug program, the Department of Public Welfare's Medical Assistance Program, State Hospitals and Mental Health/Mental Retardation Centers and the Pennsylvania Turnpike Commission, along with \$41,244 for fees and the cost of the investigation.

Additionally, Corbett said that as part of this settlement, Abbott and Fournier have also agreed to take steps to avoid hindering generic competition.

States participating in the settlement include Arizona, Arkansas, California, Connecticut, Florida, Idaho, Iowa, Kansas, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nevada, New York, North Carolina, Oregon, Pennsylvania, South Carolina, Texas, Washington and West Virginia, along with the District of Columbia.

The Pennsylvania portion of the case was handled by Chief Deputy Attorney General James A. Donahue III and Deputy Attorney General Joseph S. Betsko, of the Attorney General's Antitrust Section.

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