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Office of the Attorney General

Attorney General Conway Announces \$1.1 Million Settlement With Drug Manufacturer

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Attorney General Jack Conway announced today a settlement with Bristol-Myers Squibb (BMS) resolving contentions that BMS violated court orders in two earlier lawsuits blocking the company from entering into collusive agreements with generic drug competitors. In settling, BMS acknowledged its responsibility, agreed to pay \$1.1 million, including \$14,421.52 to the Commonwealth of Kentucky, and consented to court orders designed to avoid future misconduct.

"BMS's actions in violation of express court orders denied the Commonwealth of Kentucky critical information needed to guard against anti-competitive conduct," General Conway said. "We are sending a strong message to all companies that we will not tolerate non-compliance with court orders or failure to abide by agreements made with the Commonwealth of Kentucky."

In the two prior cases, BMS had settled state charges that it had unlawfully deprived consumers of cheaper generic versions of its drugs Buspar and Taxol. Under those settlements, BMS paid the states \$150 million. The company also agreed to two federal court orders that required BMS to avoid any future similar anti-competitive conduct, to notify the states of any patent litigation settlements with generic drug competitors and to provide the states with yearly compliance reports.

In March 2006, BMS reached a settlement with generic drug manufacturer Apotex, Inc. in a patent infringement lawsuit involving BMS' blockbuster drug, Plavix. The Plavix settlement triggered BMS's notification obligations under the earlier court orders in the Buspar and Taxol cases and was subject to state approval. According to the states, the Plavix settlement that BMS provided was inaccurate and incomplete, as were BMS's 2007 and 2008 compliance reports, because BMS failed to disclose non-documented, "side" arrangements that a BMS official had made with Apotex. Kentucky and 49 other states contended that BMS's failure to inform the states of the secret arrangements violated the Buspar and Taxol court orders.

As a result of this investigation, BMS acknowledged responsibility for making incomplete and false statements to the states, and agreed to pay the states \$1.1 million. BMS further agreed to revised court orders extending its reporting obligations to the states and establishing harsh monetary penalties for any future violations of the Buspar or Taxol court orders.

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