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OFFICE OF THE ATTORNEY GENERAL  
Edmund G. Brown Jr.

## News Release

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FOR IMMEDIATE RELEASE

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# Brown Sues Drug Makers that Conspired to Keep Generic Testosterone Supplements off Shelves

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Brown Sues Drug Makers that Conspired to  
Keep Generic Testosterone Supplements off Shelves

LOS ANGELES – California Attorney General Edmund G. Brown Jr. and the Federal Trade Commission today filed an antitrust lawsuit against four pharmaceutical companies that conspired to monopolize the sale of a testosterone supplement in a “predatory move” to reap huge profits at the expense of consumers.

“The companies plotted to keep cheap generic drugs off the market, costing consumers millions,” Attorney General Brown said. “This was a predatory move pure and simple, increasing drug company profits at the expense of critically ill patients.”

Testosterone supplements like AndroGel can prevent muscle loss, fatigue or erectile dysfunction in critically ill patients suffering from HIV/AIDS, diabetes, and advanced age.

The lawsuit contends that Solvay Pharmaceuticals illegally colluded with three other pharmaceutical companies -- Watson, Par and Paddock Laboratories -- to keep the three companies from producing generic alternatives to its testosterone supplement.

In return, Solvay agreed to pay Watson and the other drug manufacturers millions of dollars over several years. With this agreement, the drug companies sought to protect the monopoly position of AndroGel, forcing consumers to pay artificially high prices for the drug while the companies shared the extraordinary profits. Solvay Pharmaceuticals manufactures and distributes a testosterone supplement called AndroGel with annual sales exceeding \$400 million in 2007.

### Background

In 2003, Watson Pharmaceuticals and Par Pharmaceutical Companies, Solvay’s competitors, sought approval from the Food and Drug Administration to make and sell generic versions of AndroGel. These companies received final approval from the FDA. If they had begun to sell generic alternatives, Solvay would have seen a significant reduction in its profits from AndroGel sales. Typically, when generic alternatives are introduced in the market, the prices of brand name drugs are reduced by 50% to 80%. The price for AndroGel is \$225.01 for a box

of 150 individual units.

Without generics on the market, consumers and health insurance programs must pay more for branded medications. Pharmaceutical monopolies cost the state, its citizens and private insurers millions of dollars each year.

Attorney General Brown and the Federal Trade Commission filed a lawsuit in the U.S. District Court for the Central District of California in Los Angeles against the following pharmaceutical companies:

- Solvay Pharmaceuticals, Inc.
- Paddock Laboratories, Inc.
- Par Pharmaceutical Companies, Inc.
- Watson Pharmaceuticals, Inc.

Today's lawsuit alleges that Solvay and the three pharmaceutical companies violated U.S. and California antitrust laws and laws banning unfair competition. The lawsuit seeks to:

- Declare the agreements between Solvay, Paddock, Par and Watson illegal and void.
- Permanently enjoin the defendants from similar and related conduct in the future.
- Fine the defendants \$2500 for each prescription and user of AndroGel in California under the California Unfair Competition Act.

The lawsuit is attached.

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