



ATTORNEY GENERAL LAXALT REACHES \$125 MILLION MULTISTATE SETTLEMENT WITH PHARMACEUTICAL COMPANY CEPHALON

August 4, 2016

Carson City, NV – Today, Nevada Attorney General Adam Paul Laxalt announced a multistate settlement with pharmaceutical company Cephalon, Inc. and affiliated companies Teva Pharmaceuticals Industries Ltd. and Barr Laboratories (“Cephalon”). The settlement resolves a multistate investigation focused on Cephalon’s anticompetitive conduct to protect the monopoly profits it earned from its sleep-disorder drug, Provigil. The prescription drug was approved to treat excessive sleepiness in patients with sleep apnea, narcolepsy and shift-work sleep disorder. As a result of Cephalon’s conduct, generic versions of Provigil were delayed from entering the market for several years. In addition to Nevada, 48 states and the District of Columbia participated in the settlement.

“Consumers and companies benefit from free market competition, and unlawful anti-competitive behavior unfairly raises prices for goods and services,” said Laxalt. “This settlement holds Cephalon accountable for its actions and provides monetary relief to consumers who overpaid as a result of Cephalon’s anti- competitive conduct. My Office will continue to collaborate with other agencies to safeguard competition within the State of Nevada.”

The States allege that Cephalon engaged in fraudulent enforcement and procurement of a patent for Provigil, and entered into anti-competitive “reverse-payment” patent settlements with its generic Provigil competitors. As a Provigil patent neared expiration, Cephalon intentionally defrauded the United States Patent and Trademark Office to secure an additional patent, which a court subsequently deemed invalid and unenforceable. Cephalon was able to delay generic competition by filing patent infringement lawsuits against its potential generic competitors. Cephalon then settled those lawsuits in 2005 and early 2006 by paying the generic competitors to delay the sale of their generic versions of Provigil until at least April 2012.

Nevada’s eligible consumers who purchased Provigil may file claims pursuant to a court approved multi-state claims administration process. The settlement is subject to court review, and eligible consumers will be provided with notice and an opportunity to participate in, object to or opt out of the settlement. Additional information regarding the claims process will be provided upon court approval.

In addition to Nevada, participants in the settlement include: Alabama, Alaska, Arizona, Arkansas, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin and Wyoming.

Senior Deputy Attorney General Brian Armstrong of the Attorney General’s Bureau of Consumer Protection represented Nevada in this settlement.

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