



PRESS RELEASE

Maryland Joins 44 Other States in Seeking Leave to File New, Expanded Antitrust Lawsuit against 16 Generic Drug Manufacturers

*States Allege Broad, Industry-Wide Price Fixing Scheme among Drug
Manufacturers to Restrain Competition and Raise Prices on 15 Generic Drugs;
Senior Executives Sued*

BALTIMORE, MD (October 31, 2017) – Maryland Attorney General Brian E. Frosh, along with 44 other state attorneys general taking part in a wide-ranging multistate antitrust investigation of the generic drug industry, asked the federal court for permission to file a new complaint in the states’ pending lawsuit that increases the number of generic drug manufacturer defendants from six to 16 and the number of drugs at issue in the litigation from two to 15.

For the first time, the states are also suing senior executives at two generic drug companies who are alleged to have engaged in the illegal conduct.

In the expanded complaint, the states allege a number of specific illegal agreements among the defendants to fix prices and allocate customers for a number of generic drugs. The states further allege that these conspiracies were part of a much broader, overarching industry code of conduct that enabled the defendant manufacturers to divvy up the market for specific generic drugs in accordance with an established, agreed-upon understanding for assigning each competitor a share of the market.

“Price fixing has driven up the cost of prescription drugs for millions of Americans,” said Attorney General Frosh. “This behavior is illegal and endangers the health and welfare of Maryland families.”

Previously, the lawsuit was filed against generic drug manufacturers Heritage Pharmaceuticals, Inc.; Aurobindo Pharma USA, Inc.; Citron Pharma, LLC; Mayne Pharma (USA), Inc.; Mylan Pharmaceuticals, Inc.; and Teva Pharmaceuticals USA, Inc., alleging that they entered into illegal conspiracies in order to artificially inflate and manipulate prices and reduce competition in the United States for two drugs: doxycycline hyclate delayed release, an antibiotic, and glyburide, an oral diabetes medication.

The states are seeking to expand the complaint to include Actavis Holdco U.S., Inc.; Actavis Pharma, Inc.; Ascend Laboratories, LLC; Apotex Corp.; Dr. Reddy's Laboratories, Inc.; Emcure Pharmaceuticals, Ltd.; Glenmark Pharmaceuticals, Inc.; Lannett Company, Inc.; Par

Pharmaceutical Companies, Inc.; Sandoz, Inc.; Sun Pharmaceutical Industries, Inc.; and Zydus Pharmaceuticals (USA), Inc.

The expanded complaint also names two individual defendants: Rajiv Malik, president and executive director of Mylan N.V., the parent company of Mylan Pharmaceuticals, Inc.; and Satish Mehta, the chief executive officer and managing director of Emcure Pharmaceuticals, Ltd., the parent company of Heritage Pharmaceuticals, Inc.

The expanded complaint also adds allegations that the companies entered into conspiracies involving the following additional generic drugs:

- Acetazolamide, used to treat glaucoma and epilepsy;
- Doxycycline monohydrate, an antibiotic;
- Fosinopril-hydrochlorothiazide, used to treat high blood pressure;
- Glipizide-metformin, a diabetes medication;
- Glyburide-metformin, a diabetes medication;
- Leflunomide, used to treat rheumatoid arthritis;
- Meprobamate, an anxiety medication;
- Nimodipine, a calcium channel blocking agent used to reduce problems caused by a bleeding blood vessel in the brain;
- Nystatin, an antifungal medication;
- Paromomycin, an antibiotic used to treat certain parasite infections;
- Theophylline, used to treat asthma and other lung problems;
- Verapamil, used to treat hypertension; and
- Zoledronic acid, used to treat hypercalcemia.

The states allege that the defendants routinely met with their competitors at industry trade shows, customer conferences and other events, as well as communicating through direct email, phone and text messages. The alleged illegal conduct – including efforts to fix and maintain prices, allocate customers and otherwise thwart competition – has increased prices for generic drugs purchased by consumers. The states allege that the conduct caused significant, harmful and continuing effects in the country's healthcare system.

The lawsuit is currently pending as part of the multidistrict litigation in the U.S. District Court for the Eastern District of Pennsylvania. Portions of the expanded complaint are redacted in order to avoid compromising ongoing investigations.

In 2015, generic drug sales in the United States were estimated at \$74.5 billion; currently, the generic pharmaceutical industry accounts for approximately 88 percent of all prescriptions written in the United States.

A fact sheet regarding the federal lawsuit [can be found here](#).