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Delaware and 19 Other States File Federal Antitrust Lawsuit Against Six Generic Drug Companies

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States allege widespread conspiracy among competitors to reduce competition, increase prices for numerous generic prescription drugs

Attorney General Matt Denn Thursday joined with 19 other state attorneys general in filing a federal lawsuit against generic drug-maker Heritage Pharmaceuticals, Inc., Auribindo Pharma USA, Inc., Citron Pharma, LLC, Mayne Pharma (USA), Inc., Mylan Pharmaceuticals, Inc. and Teva Pharmaceuticals USA, Inc. alleging that they entered into numerous illegal conspiracies in order to unreasonably restrain trade, 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 lawsuit was filed under seal in the U.S. District Court for the District of Connecticut. Portions of the complaint are redacted in order to avoid compromising the states' ongoing investigation.

In July 2014, the state of Connecticut initiated an investigation of the reasons behind suspicious price increases of certain generic pharmaceuticals. The investigation, which is still ongoing as to a number of additional generic drugs, uncovered evidence of a broad, well-coordinated and long running series of conspiracies to fix prices and allocate markets for a number of generic pharmaceuticals in the United States.

The states allege in the lawsuit that the misconduct was conceived and carried out by senior drug company executives and their subordinate marketing and sales executives. The complaint further alleges that the defendants routinely coordinated their schemes through direct interaction with their competitors at industry trade shows, customer conferences and other events, as well as through direct email, phone and text message communications. The anticompetitive conduct – including efforts to fix and maintain prices, allocate markets and otherwise thwart competition – caused significant, harmful and continuing effects in the country's healthcare system, the states allege.

The states further allege that the drug companies knew that their conduct was illegal and made efforts to avoid communicating with each other in writing or, in some instances, to delete written communications after becoming aware of the investigation. The states allege that the companies' conduct violated the federal Sherman Act and are asking the court to enjoin the companies from engaging in illegal, anticompetitive behavior and for equitable relief, including substantial financial relief, to address the violations of law and restore competition.

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.

In addition to the State of Delaware, the plaintiff states in this lawsuit are Connecticut, Florida, Hawaii, Idaho, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Minnesota, Nevada, New York, North Dakota, Ohio, Pennsylvania, Virginia and Washington.

A copy of the complaint is available here (<http://news.delaware.gov/files/2016/12/GDMS-Complaint-12.15.16.pdf>).



<http://attorneygeneral.delaware.gov>

Department of Justice, Attorney General's Website (<http://attorneygeneral.delaware.gov>)

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