

Maine and 19 other States File Federal Antitrust Lawsuit against Heritage Pharmaceuticals, other Generic Drug Companies

December 15, 2016

AUGUSTA – Attorney General Janet T. Mills today 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 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 lawsuit was filed under seal in the U.S. District Court for the District of Connecticut.

“Many Mainers rely on lower-cost generic prescription drugs in order to make ends meet,” said Attorney General Mills. “It is unconscionable for anyone to manipulate the system in order to line their pockets at the expense of people who need access to affordable medications in order to remain healthy. Maine and the other states will stand up for our citizens and against the anticompetitive conduct alleged here.”

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 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. In today’s lawsuit, the states allege that the misconduct was conceived and carried out by senior drug company executives and their subordinate marketing and sales executives. The complaint 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 effects in the country’s healthcare system, the states allege.

The states also allege that the drug companies knew that their conduct was illegal and that they tried 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.

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