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Ohio and 19 States File Antitrust Lawsuit Against Several Generic Drug Companies

12/15/2016

(COLUMBUS, Ohio)—Ohio Attorney General Mike DeWine today joined 19 other state attorneys general in filing a federal lawsuit against Heritage Pharmaceuticals and several other generic drug makers accused of conspiring to reduce competition and inflate prices in the United States for two drugs: doxycycline hyclate delayed-release (an antibiotic) and glyburide (a diabetes medication).

The lawsuit names as defendants Heritage Pharmaceuticals Inc., Aurobindo Pharma USA Inc., Citron Pharma LLC, Mayne Pharma (USA) Inc., Mylan Pharmaceuticals Inc., and Teva Pharmaceuticals USA Inc.

"The cost of some generic drugs has increased dramatically, and some consumers have seen their costs go up by double, triple, or even more," Attorney General DeWine said. "People shouldn't have to face unfair prices for the medication they need. They deserve the benefits of fair market competition."

In today's lawsuit, the states allege that Heritage Pharmaceuticals, through senior executives and salespeople, organized and initiated a wide-ranging series of conspiracies with other companies to allocate markets, artificially inflate and manipulate prices, and otherwise thwart competition. Heritage, Mylan, and Mayne are accused of conspiring to allocate and divide the market for doxycycline hyclate delayed-release (the antibiotic), while Heritage, Teva, Aurobindo, and Citron are accused of conspiring to raise prices for the diabetes medication glyburide.

According to the complaint, the defendants routinely coordinated their schemes by interacting directly with competitors at events, such as industry trade shows and customer conferences, and through direct email, phone, and text message communications.

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 claim the alleged anticompetitive conduct caused significant, harmful, and continuing effects in the country's healthcare system. (In 2015, generic drug sales in the United States were estimated at \$74.5 billion, and currently, the generic pharmaceutical industry accounts for approximately 88 percent of all prescriptions written in the U.S.)

In the lawsuit. filed under seal in the U.S. District Court for the District of Connecticut.

the states allege that the companies' conduct violated the federal Sherman Act. They ask the court to enjoin the companies from engaging in illegal, anticompetitive behavior and for equitable relief, including financial relief, to address the violations of law and restore competition. Portions of the complaint are redacted in order to avoid compromising the states' ongoing investigation involving other generic drugs.

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

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Documents

Lawsuit (PDF)

Media Contacts

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