

AstraZeneca settles legal dispute with Watson (Update)

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(AP)—Anglo-Swedish pharmaceutical company AstraZeneca has settled a patent dispute with Watson Laboratories, Inc., removing a threat against its top-selling cholesterol-control drug, Crestor.

The agreement announced Monday is important to AstraZeneca, which has seen its business hurt as patents on its top-selling drugs expire, allowing generic drug-makers to produce cheaper copies of the medicine and piggy-back on the drug's success.

Under the agreement, Watson and its parent company, EGIS, concede that the Crestor patent is valid and enforceable. The deal allows Watson the right to sell its generic drug for two months in 2016 before AstraZeneca's exclusivity period ends, giving them a jump on other generic drug producers who have to wait until July 8, 2016, before they can sell their own versions. Watson also agreed not to challenge a U.S. Federal Court ruling that upheld the Crestor patent.

The announcement comes only days after AstraZeneca outlined a major restructuring that has led to thousands of jobs cuts. The new chief executive, Pascal Soriot, has said the cuts were part of the company's "unambiguous commitment" to concentrate on priority projects.

The loss of the positions will result in a one-time \$2.3 billion restructuring charge.

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