

High court weighs drug companies' generics policy

March 25 2013, by Jesse J. Holland



In this Aug. 12, 2011 file photo, Jeremy Lazarus, president-elect of the American Medical Association (AMA) speaks in Portland, Oregon. The Supreme Court will struggle this week with whether it's legal for patent-holding pharmaceutical companies to pay rivals, who make generic drugs, to temporarily keep those cheaper versions of their brand-name drugs off the market. Now AMA President, Lazarus said in a statement, "The AMA believes that pay-for-delay agreements undermine the balance between spurring innovation through the patent system and fostering competition through the development of generic drugs. Pay for delay must stop to ensure the most cost-effective treatment options are available to patients." (AP Photo/Rick Bowmer, File)

(AP)—The Supreme Court is struggling with whether it should stop pharmaceutical corporations from paying generic drug competitors to delay releasing their cheaper versions of brand-name drugs.

Justices heard arguments from federal officials Monday that these deals can be anticompetitive and keeps lower-cost generic drugs out of American hands. But pharmaceutical companies say these deals save litigation costs and often bring generics to market faster.

A government lawyer argued the companies should be forced to prove that their deals serve a purpose beyond simply paying a [generic drug's](#) maker not to challenge a brand-name drug's patent.



In a Jan. 7, 2008, file photo then-Attorney Donald Verrilli talks to media outside

the Supreme Court. Now President Barack Obama's top Supreme Court lawyer, Solicitor General Verilli will argue before the Supreme Court this week whether it is legal for patent-holding pharmaceutical companies to pay rivals, who make generic drugs, to temporarily keep those cheaper versions of their brand-name drugs off the market. The Obama administration is taking the position that the agreements are illegal if they're based solely on keeping the generic drug out of consumer's hands. (AP Photo/Evan Vucci, File)

But a pharmaceutical company lawyer says they shouldn't be forced to litigate each generic vs. brand-name drug [patent lawsuit](#) to conclusion when a settlement can be reached.

Justices will make a decision later this year.

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