

UK alleges GSK paid off competitors to delay drugs

April 19 2013, by Danica Kirka

Britain's competition watchdog accused GlaxoSmithKline on Friday of paying off competitors to delay launches of their own versions of GSK's best-selling antidepressant, Seroxat.

The Office of Fair Trading alleges [GlaxoSmithKline](#) made deals that infringed competition law with Alpharma Ltd., Generics (UK) Ltd and Norton Healthcare Ltd. over the supply of paroxetine, which GSK sold under the name Seroxat. The watchdog said GSK's conduct amounted to an abuse of its [dominant position](#) in the same market.

"The introduction of [generic medicines](#) can lead to strong competition on price, which can drive savings for the ([National Health Service](#)), to the benefit of patients and, ultimately, taxpayers," said Ann Pope, the senior director of services, infrastructure and public markets at the OFT. "It is therefore particularly important that the OFT fully investigates concerns that independent generic entry may have been delayed in this case."

The OFT alleges that when the generic drug companies tried to compete with Seroxat, GSK challenged them with allegations that their products would infringe upon GSK patents. To settle the disputes, the generic companies would receive payment from GSK, the OFT claimed.

The drug company said in a statement that it would fully cooperate with the investigation, which it said stemmed from activities that occurred between 2001 and 2004.

The company also said that the inquiry examines issues investigated by two European Commission inquiries, neither of which resulted in sanction.

"[GSK](#) supports fair competition and we very strongly believe that we acted within the law," the statement said.

The company said it had noted the OFT's plan to issue what is known as a Statement of Objections.

Pope said the OFT would carefully consider what the companies said in response to their accusations before deciding whether they should be sanctioned. If The OFT decides the "pay for delay" agreements were unacceptable, it can impose fines of up to 30 percent of revenue over the timeframe in which the violations occurred.

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