

EU fines pharma firms over generics delay (Update)

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European Commissioner for Competition, Joaquin Almunia, addresses the media, at the European Commission headquarters in Brussels, Wednesday, June 19, 2013. The European Union says it has fined Danish pharmaceuticals multinational Lundbeck and several other producers a combined 146 million euros (\$195 million) for delaying the market entry of cheaper generic alternatives to a major antidepressant to capitalize profit at the expense of patients. (AP Photo/Yves Logghe)

(AP)—The European Union has fined Danish pharmaceuticals

multinational Lundbeck and several other producers a combined 146 million euros (\$195 million) for delaying the market entry of cheaper generic alternatives to a major antidepressant.

The EU claimed that the companies sought to capitalize profit at the expense of patients.

EU Antitrust Commissioner Joaquin Almunia said Wednesday that Lundbeck alone was fined 93.8 million euros (\$125.6 million) for anti-competitive behavior, charging it agreed with several companies to delay the entry of generic versions of its antidepressant citalopram.

Lundbeck immediately announced it would appeal the fine and insisted it did not unduly restrict competition.

Almunia's decisions came only days after the U.S. supreme court said that "pay-for-delay" deals between pharmaceutical corporations and generic drug companies can sometimes be illegal and challenged in court.

Almunia took a similar line for the 27-nation EU.

"It is unacceptable that a company pays off its competitors to stay out of its market and delay the entry of cheaper medicines," Almunia said. "We are confirming that the so-called 'pay for delay' deals constitute severe infringements."

Even though the beginning of the case stems from 2002, Almunia said such practices were especially painful during years of economic crisis when EU nations need to tighten their budgets. Traditionally, health care is a huge draw on expenses.

"Agreements of this type directly harm patients and national health

systems, which are already under tight budgetary constraints," he said.

He said that prices in Britain for the generic version of citalopram fell 90 percent compared to Lundbeck's price once the generic market entry finally took place.

EU officials are investigating three similar cases but Almunia said he had "the impression that the anti-competitive practices have been reduced" since an initial inquiry into the sector in 2009.

In the case of Lundbeck, the EU said that four major generic producers agreed not to enter the market, getting "tens of millions of euros" in return. It said that company documents referred to a "club" which would share "a pile of \$\$\$," adding that Lundbeck also bought generic stock only to destroy it.

Such practices go against the core purpose of generic medicine, Almunia said.

"It is therefore crucial that the European citizens are not deprived of cheaper health bills by anticompetitive practices," he said.

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