

Pfizer settles Protonix patent case for \$2.15B

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Two generic drugmakers will pay \$2.15 billion to Pfizer and Takeda Pharmaceutical to settle a patent fight over the heartburn treatment Protonix.

Teva Pharmaceutical Industries Ltd., one of the world's largest generic drugmakers, will pay \$1.6 billion, while India's Sun Pharmaceutical Industries Ltd. will pay \$550 million for selling their versions of Protonix before the [patent](#) protecting the drug expired.

[Pfizer Inc.](#), based in New York, said Wednesday that it will receive 64 percent of the settlement proceeds.

A jury had decided in 2010 that the patent protecting Protonix was valid, and the U.S. District Court for the District of New Jersey then upheld that decision. The companies reached their settlement shortly after the start of a federal trial to determine damages.

Its lawsuit aimed to recover some of the money lost after Protonix started competing with cheaper [generic drugs](#). Drugmaker Nycomed had developed Protonix before that company was purchased by Japan's Takeda Pharmaceutical Co. Nycomed had licensed Protonix to Wyeth, which [Pfizer](#) has since purchased.

Nycomed had said U.S. sales for the drug reached \$1.9 billion in 2007 but tumbled significantly afterward.

Teva had started selling its [generic version](#) of Protonix in December

2007. Sun then launched its own version in early 2008 before the drug's U.S. patent expired in 2011.

Teva and Sun had used a tactic called an "at-risk [launch](#)," meaning they started selling their versions before the patents on the original expired. They hoped to either get the patents overturned in court or reach a settlement that would allow them to start selling their products before the patents ran out.

Teva, based in Israel, said it expects to incur a second-quarter charge of about \$930 million tied to the settlement.

Shares of Pfizer rose 34 cents to \$28.76 in Wednesday morning trading, while U.S.-traded shares of Teva fell 27 cents to \$39.56.

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