Press Releases
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MULTISTATE AGREEMENT REACHED REGARDING PAXIL DISTRIBUTION

Resolves Claims that GSK Delayed Generic Competition Through Fraudulent Litigation

Attorney General Spitzer today announced a 14 million dollar multistate settlement with SmithKline Beecham Corporation d/b/a GlaxoSmithKline ("GSK") concerning the drug Paxil.

The settlement resolves claims that GSK delayed generic competition by fraudulently listing and prosecuting litigation concerning paroxetine hydrochloride, a drug that GSK sells as Paxil which is used to treat depressive, anxiety, and obsessive-compulsive disorders.

The settlement secures recovery for all state proprietary claims, primarily for Medicaid purchases that are excluded from a class action settlement for the other end users of paroxetine hydrochloride.

The culmination of a multistate investigation, the settlement extends to state purchasers the benefits class action settlement in the Nichols v. SmithKline Beecham Corp., No. 00-CV-6222 (E.D. Pa.), which was premised on a patent litigation victory at trial by the generic manufacturers.

The state settlement, which includes 49 states (West Virginia having settled separately), secures recovery for purchasers that could not recover under the class settlement. Medicaid is the most significant state purchaser, representing over 90% of such purchases. The settlement also provides recovery for other state proprietary purchases for indigent care. Proceeds will be distributed pro rata among the states based on each state’s purchases. New York will receive $1,386,312 in settlement proceeds.

In August 2004 Attorney General Spitzer reached a separate agreement with GSK under which the company became the first major drug manufacturer to publicly disclose information on clinical studies of its drugs. The settlement followed a lawsuit alleging that the company withheld negative information suggesting a possible increased risk of suicidal thinking and acts in certain individuals taking Paxil.

In April 2005, Attorney General Spitzer reached a second unrelated national settlement with GSK for 10 million dollars. This settlement was designed to resolve state proprietary claims that GSK delayed generic competition by fraudulently listing and prosecuting litigation concerning the drug nabumetone, an anti-inflammatory drug that GSK sells under the trademark Relafen.

The settlement announced today, and the underlying investigation, were handled by Assistant Attorney General Robert Hubbard of the Attorney General’s Antitrust Bureau, under the direction of Antitrust Bureau Chief Jay Himes.

Attachment:

Settlement
Complaint

http://www.oag.state.ny.us/press/2006/mar/mar28c_06.html