Pfizer Agrees to Pay $190 Million to Settle Neurontin Case (1)

By David Voreacos April 21, 2014

Pfizer Inc. (PFE:US), the world’s biggest drugmaker, agreed to pay $190 million to end a lawsuit claiming it violated federal antitrust laws by delaying generic versions of its Neurontin epilepsy drug.

Pfizer agreed to settle the class-action litigation pending in federal court in Newark, New Jersey, according to a filing today. U.S. District Judge Faith Hochberg must approve the accord, which would cover purchasers of Neurontin from December 2002 to August 2008.

The drugmaker delayed competition by “improperly listing certain patents with the U.S. Food and Drug Administration, engaging in illegal promotion and sales of Neurontin for unapproved uses, filing and maintaining sham litigations with respect to certain patents, and making misrepresentations to the patent courts,” according to the 12-year-old lawsuit.

In agreeing to pay $190 million, plus interest, New York-based Pfizer denied wrongdoing and maintained that its conduct was “reasonable and based upon independent, legitimate business and economic justifications,” according to the filing.

“The resolution of this litigation reflects a desire by the company to concentrate on its business and the needs of patients and prescribers, while also reducing the cost and distraction of prolonged litigation,” Steven Danehy, a spokesman for Pfizer, said in an e-mailed statement.

Hochberg denied a motion to dismiss the case in August 2009 and certified it as a class action in January 2011. After 12 years of litigation and extensive work with a mediator, lawyers for the plaintiffs agree the settlement is fair, according to the filing. Lawyers for plaintiffs would receive one-third of the settlement, under the accord.

Co-lead counsel for the plaintiffs, Bruce Gerstein of Garwin, Gerstein & Fisher LLP, and Richard Kilsheimer and Robert Kaplan of Kaplan Fox & Kilsheimer LLP, didn’t immediately return calls seeking comment on the settlement.

The case is In re Neurontin Antitrust Litigation, 02-cv-1390, U.S. District Court, District of New Jersey (Newark).

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