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PRESS RELEASE

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Antitrust: Commission closes investigation into generic pharmaceutical companies in France

The European Commission has closed its antitrust investigation into generic pharmaceutical companies in France. The investigation focused on suspected coordination between generic pharmaceutical companies when negotiating an initial price with the French pricing authority before launching a new generic product.

In its sector inquiry report on the distribution of medicinal products in France of December 2013, the French competition authority referred to the possibility that the current French regulatory framework would allow for such pricing coordination between generic competitors (see report here). It also suggested that the French pricing authority and the French competition authority would closely work together in case such anomalies were detected.

Background

The Commission's own sector inquiry into pharmaceuticals indicated a number of structural issues and problems in companies' practices that could delay the entry of cheaper medicines into the internal market. It also emphasised the importance of stronger competition law enforcement (see $\underline{IP/09/1098}$, $\underline{MEMO/09/321}$ and $\underline{MEMO/13/56}$).

The Commission is actively investigating "pay-for-delay" agreements that limit generic entry in return for a value transfer by the originator company to the generic company. These may be concluded in the context of a potential patent dispute (as in today's Perindopril decision, see $\underline{IP/14/799}$, and in the Lundbeck decision, see $\underline{IP/13/563}$) or unrelated to any such dispute (as in the Fentanyl decision). In 2011, the Commission opened proceedings against Cephalon and Teva (see $\underline{IP/11/511}$). In addition, the Commission has been monitoring patent settlements in order to identify those settlements which could be potentially problematic from an antitrust perspective (see $\underline{MEMO/13/56} - \underline{IP/13/1228}$).

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