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Viatris' Mylan and Former President Malik Released From DoJ Scrutiny

Antitrust And Civil Division Set To Drop Investigations Into Firm And Exec

by Dean Rudge

Viatris will be able to walk away from years-old US Department of Justice investigations into alleged price fixing, including against its former president Rajiv Malik.

<u>*Viatris'*</u> Mylan and the company's former president, Rajiv Malik, are no longer considered subjects of the US Department of Justice's antitrust investigation in the generic drug industry – seven years after both the company and the exec were first implicated, the DoJ has announced.

Meanwhile, the civil division of the DoJ has also informed Viatris that it does not expect to take any further actions in connection with a civil investigative demand related to the pricing and sales of generic drugs.

"This outcome affirms the company's longstanding position, which it has consistently maintained and asserted, for many years, that Mylan investigated these allegations thoroughly and found no evidence of wrongdoing on the part of Mylan or its employees," Viatris stated.

Malik's name was first dragged into the US price-fixing probe in October 2017, as part of an expanded complaint brought by 46 states and territories. (Also see "<u>Generic Price-Fixing Lawsuit</u> <u>Grows As More Companies, Two Executives Named Defendants</u>" - Generics Bulletin, 31 Oct, 2017.)

Mylan – which merged with Pfizer's Upjohn to form Viatris in November 2020 – had received subpoenas from the antitrust division of the DoJ and the DoJ as far back as December 2015 and September 2016 respectively, relating to the firm's generic doxycycline product.

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Then, in May 2018, Mylan received a civil investigative demand from the civil division of the DoJ seeking information relating to the pricing and sale of its generic drug products.

According to one complaint, Mylan and a competitor, Heritage, agreed to allocate market share and refrain from competing with one another for customers for generic doxycycline.

Mylan had allegedly agreed to "walk away" from at least one large national wholesaler and one large pharmacy chain to allow Heritage to obtain the business and increase its market share.

At the time, Mylan insisted that it had found "no evidence of price fixing on the part of Mylan or its employees. Mylan has deep faith in the integrity of its president, Rajiv Malik, and stands behind him fully."

Malik, having first joined Mylan in 2007 after it acquired a controlling stake in his former employer Matrix Laboratories, retired as Viatris' president on 1 April this year. (Also see "<u>Malik</u> <u>To Step Down As Viatris President Amid Continuing Strategic Shift</u>" - Generics Bulletin, 23 Oct, 2023.)

Ahead of the latest news, Viatris insisted that "fully cooperated with these investigations," while the firm had "not had contact from DoJ concerning the subpoenas or civil investigative demand in several years."

"The company is pleased to put these DoJ investigations behind it and will continue to move forward to vigorously defend itself against the remaining civil lawsuits pertaining to these matters," Viatris stated.

While Viatris has been released from the DoJ's criminal and civil investigations, other companies have paid out to settle various claims.

Teva, for instance, last year agreed to pay a fine of \$225m over five years to settle longstanding criminal charges over generic price-fixing, including allegations that the firm conspired with Glenmark and Apotex to increase prices for the cholesterol treatment pravastatin. (Also see "*Teva Pays Out \$225m To Settle Criminal Price-Fixing Charges In US*" - Generics Bulletin, 22 Aug, 2023.)

Another major generics manufacturer, Sandoz, is also on the hook for hundreds of millions in penalties, having agreed a \$195m criminal penalty imposed in March 2020, as well as a further \$185m payment made the following year as part of a civil settlement with the DoJ. (Also see "*Sandoz, Apotex And Taro Strike Civil Settlements On Price-Fixing*" - Generics Bulletin, 4 Oct, 2021.)