

Merck, Schering-Plough in \$42M Vytorin settlement

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NEW YORK (AP) — Drug developers Merck & Co. and Schering-Plough Corp. said Wednesday they will pay \$41.5 million to settle a series of lawsuits claiming they delayed key study results on their cholesterol drug Vytorin because the data was unfavorable.

In January 2008, the companies released long-awaited study data showing Vytorin and Zetia were no more effective than Zocor, an older and less expensive cholesterol treatment at reducing plaque buildup in arteries. Zocor is combined with Zetia to make Vytorin.

The companies finished testing Vytorin in 2006 and the drug was given Food and Drug Administration approval based on its ability to lower cholesterol. Merck and Schering-Plough were criticized for not releasing the data earlier. Following the study results, sales of Vytorin sunk.

During the second quarter of 2009, combined sales of Vytorin and Zetia fell 10 percent to \$1 billion.

Merck and Schering-Plough did not acknowledge any wrongdoing or liability as part of the settlement, which comes a month after a separate \$5.4 million settlement with attorneys general from 35 states and the District of Columbia.

Whitehouse Station, N.J.-based Merck is in the midst of a \$41.1 billion buyout of Schering-Plough.

"These agreements will allow the companies to avoid continuing defense costs and remain focused on discovering, developing and delivering novel medicines and vaccines," said Bruce N. Kuhlik, executive vice president and general counsel at Merck.

The company previously disclosed more than 140 lawsuits pending in federal court in New Jersey. The deal actually involves two settlements split with consumers and health plans. The consumer settlements still require court approval.

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Charges for the settlement were included in the companies' second-quarter results for the cholesterol drug joint venture.

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