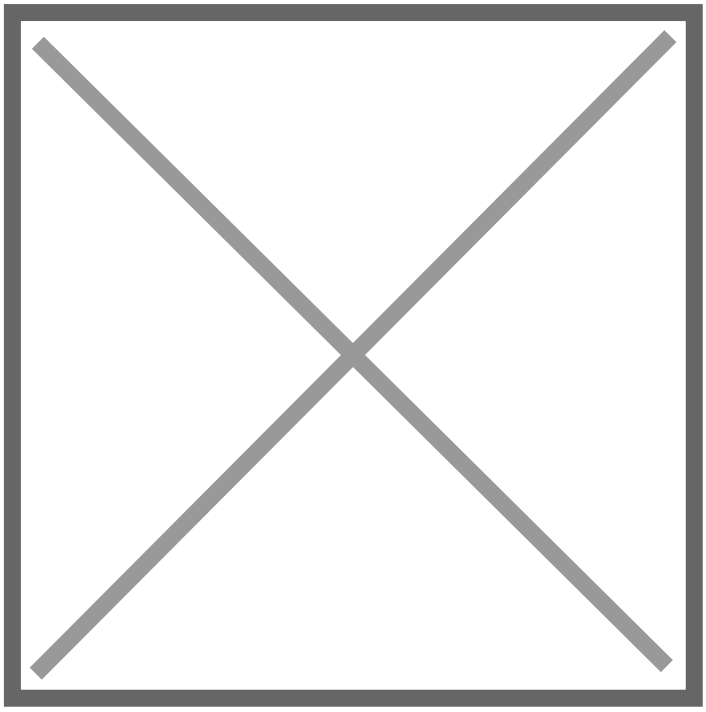
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Ranbaxy gets another blow, EU slaps huge fine

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The nine drugmakers that include India's Ranbaxy and Danish company Lundbeck have been fined a total of 146 million euros (Rs 1, 150 crore) by EU antitrust regulators for blocking the supply of a cheaper anti-depressant medicine to the market. Ranbaxy was fined with 10.3 million euros (close to Rs 80 crore) by the authority. The companies are now planning to appeal against the EU decision.

The other penalised companies were Arrow, Resolution Chemicals, Xellia Pharmaceuticals, Alpharma - which is now part of Zoetis Products LLC, AL Industrier.

The punishments follow a 2009 report by the European Commission on the pharmaceutical sector, which said "pay-for-delay" deals lead to consumers paying as much as 20 percent more for their medicines.

The EU action came two days after the US supreme court said that US regulators could challenge deals between brand-name drug companies and generic rivals because of the higher consumer costs.
Pay-for-delay agreements involve brand-name firms paying generic companies not to deliver versions of their drugs, which usually cost a fraction of the original medicine, to market, although the issue is also complicated by patent ownership.

In this case, Lundbeck was accused of paying other companies to have them delay delivering a generic version of its anti-depressant medicine citalopram to the market.

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"Agreements of this type directly harm patients and national health systems, which are already under tight budgetary constraints," said EU Competition Commissioner, Joaquin Almunia. "The Commission will not tolerate such anticompetitive practices."

The European Commission, which acts as competition regulator across the 27-member, European Union handed Lundbeck the largest fine totalling 93.8 million euros. As a result, Lundbeck cut its guidance for operating profits this year.

The Commission fined Germany's Merck KgaA 21.4 million euros and handed a further 7.77 million euro fine jointly to Merck and its former subsidiary Generics UK, which is now owned by U.S. generic drugmaker Mylan. The other penalised companies were Arrow, Resolution Chemicals, Xellia Pharmaceuticals, Alpharma - which is now part of Zoetis Products LLC, AL Industrier