

Dr Reddy's Sues AstraZeneca Over Colour of Nexium Generic

Hyderabad-based drug maker says it had informed about its intention to use purple colour, claims damages

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Mumbai: Hyderabad-based drug maker Dr Reddy's has filed a lawsuit in a US court against Anglo-Swedish drug giant AstraZeneca alleging material breach of a settlement agreement that had released the company from any liability in connection with generic versions of Nexium, the blockbuster drug used to treat heartburns and gastric ulcers.

Last week, AstraZeneca as part of a lawsuit against Dr Reddy's moved in a Delaware Court obtained a temporary restraining order preventing the Indian firm from selling copies of Nexium on grounds of trademark infringement for using the colour purple, which was similar to the original brand.

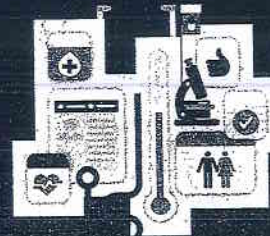
AZ had asserted to the court that its purple coloured pill is protected by three federal trademarks and the generic drug launched by Dr Reddy's in September could be confusing to users. In addition to Dr Reddy's, generic versions of Nexium is sold by companies such as Mylan and Teva in colours like blue and white.

Countering that move, in its November 17 filings in the New Jersey Court,

Colour Concerns

ALLEGATION

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COUNTER MOVE

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Dr Reddy's has said that as part of an earlier settlement in 2011, AstraZeneca was made aware and had full knowledge that DRL intended to utilise the colour purple for its capsule.

The Indian drug maker noted, AZ's move to sue Dr Reddy's were committed wilfully, knowingly, maliciously and in conscious disregard of AZ's legal obligations to DRL and caused immediate, great, irreparable harm to DRL's property and business. The company has claimed for damages.

Subsequent to the ANDA filings for

Nexium generic by Dr Reddy's a few years ago, the Dr Reddy's petition said AZ had sued Dr Reddy's for patent infringement and during that suit, DRL produced portions of its ANDA and physical samples, which disclosed the ingredients, form, packaging and look of its proposed generic product, including that its proposed capsule was purple.

A report from HSBC analyst Girish Bakhru estimated sales forecast of \$55 million for Dr Reddy's during the year, but added that figure is predicated on the product getting back into the mar-

ket within a stipulated timeframe.

In a separate development, Lundin Law, a Los Angeles-based law firm specialising in securities litigations said it is investigating claims against Indian drug firm Dr Reddy's concerning possible violations of federal securities laws.

The investigation, the law firm in a November 18 release said is related to allegations that certain statements issued by Dr Reddy's were false and misleading concerning the company's financial performance. The law firm made a general appeal to join a class action suit noting that "no class has been certified in its action. Until a class is certified, you are not considered represented by an attorney. You may also choose to do nothing and be an absent class member".

Dr Reddy's refuted claims made by the law firm. In a statement, it said, "Dr Reddy's has always adhered to all disclosure requirements both of the Securities and Exchange Commission (SECs) and Indian stock exchanges, including accounting practices as per the International Financial Reporting Standards (IFRS) and the Indian Accounting Standards. The Company has no further comment on what might be advertorial Press releases by law firms and refutes all allegations."

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