Pfizer Resolving Several Lawsuits over Its Drugs

TRENTON, N.J. (AP) — Drugmaker Pfizer Inc. expects to pay about $825 million to resolve government and civil lawsuits involving numerous medicines, according to a filing with regulators.

The quarterly Securities and Exchange Commission filing made Friday, in a 15-page section on legal issues, detailed recent agreements by the world's biggest drugmaker to end federal probes and civil lawsuits.

In October, Pfizer's Wyeth pharmaceuticals unit and the Justice Department reached a tentative agreement for Pfizer to pay a total of $491 million to resolve criminal and civil investigations of Wyeth's practices in marketing the organ transplant drug Rapamune.

Pfizer has agreed to plead guilty to a misdemeanor federal "misbranding offense" and to pay about $234 million to resolve criminal allegations and $257 million to resolve civil allegations. The agreement should be finalized within months. New York-based Pfizer briefly mentioned it when it released its third-quarter results on Nov. 1.

In another case, Pfizer reached an agreement in October to pay $164 million to end multiple potential class action lawsuits regarding its painkiller Celebrex, which generates well over $1 billion in annual year sales. The case originated in 2003, when several class-action complaints against Pfizer, its Pharmacia unit and certain former Pharmacia officers were filed in federal court in New Jersey. Pfizer had acquired Pharmacia, of Peapack, N.J., early in 2003, mainly to acquire the rights to Celebrex.

The plaintiffs claimed Pfizer broke federal securities laws by misrepresenting results of a study of the gastrointestinal side effects of Celebrex. The drug was heavily promoted for reducing the risk of potentially dangerous stomach bleeding compared to other nonnarcotic painkillers. That agreement needs approval by the federal court.

In other recently settled cases:

—In November, Pfizer reached a settlement agreement to pay $67.5 million to resolve an investors' class action lawsuit against the Wyeth unit and some former Wyeth officers and employees. It accused them of illegally misrepresenting the safety of Pristiq, Wyeth's drug for hot flashes, night sweats and other menopause symptoms, while it was under review for potential approval.

That suit sought unspecified damages for people who bought Wyeth's stock for the year before the Food and Drug Administration in July 2007 said it would not approve

Pristiq without more data on its effects on the heart and liver, because some women in research studies suffered heart or liver complications.

—Pfizer's Wyeth unit in mid-August reached a tentative agreement with the Justice Department to pay $55 million plus interest to end a federal criminal investigation of its promotion of severe heartburn drug Protonix from February 2000 through June 2001.

—In October, Pfizer entered an agreement in principle with the consumer protection divisions of several states to pay about $43 million to end civil investigations without Pfizer admitting wrongdoing. The case concerns promotion of Lyrica, a blockbuster drug for fibromyalgia and other pain, and Zyvox, an antibiotic for MRSA infections. Pfizer expects final agreements to be reached within months.

—In November, Pfizer entered an agreement in principle to pay $4.8 million to end class action lawsuits pending in Canada that alleged Pfizer failed to warn patients about the dangers of its epilepsy drug Neurontin, which has been linked to suicide, attempted suicide and other injuries. The deal requires court approval after the parties produce a final settlement agreement.

Like most big drugmakers with deep pockets, Pfizer faces many lawsuits regarding issues including the safety of its products and marketing practices.

Among those pending, Pfizer noted, is a potential federal class action suit filed in March alleging Pfizer improperly offered co-payment programs encouraging patients to continue buying cholesterol fighter Lipitor and other brand-name Pfizer drugs, rather than less-expensive generic versions. The plaintiffs allege that increased reimbursement costs for payers such as health insurers and violated antitrust laws. They are seeking damages triple those "excess reimbursement costs."

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