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ATTORNEY GENERAL MADIGAN ANNOUNCES SETTLEMENT WITH DRUGMAKER CEPHALON

Anticompetitive Conduct Delayed Generic Competition Causing Illinois Consumers to Pay More for Provigil

Chicago — Attorney General Lisa Madigan today joined with her counterparts in 47 other states and Washington, D.C. to announce a $125 million settlement with Cephalon Inc., a subsidiary of Teva Pharmaceutical Industries Ltd., and its affiliated companies for anticompetitive conduct to protect monopoly profits for its landmark drug, Provigil, a medication used to treat narcolepsy.

Madigan and other state attorneys general allege that Cephalon delayed generic competition for Provigil for several years by filing patent infringement lawsuits against all potential generic competitors and by filing for additional patents as the regulatory barriers that prevented generic competition to Provigil nearied expiration. As a result, consumers and states paid hundreds of millions of dollars more for Provigil than they would have for generic versions of the drug.

Under the settlement, Illinois will receive as much as $5 million, which will be used to compensate Illinois consumers and state agencies that purchased Provigil.

"Illinois consumers significantly overpaid for a drug they should have been able to purchase at much lower generic prices," Madigan said.

The settlement is subject to court review, and consumers will receive notice of eligibility and an opportunity to participate in, object to or opt out of the settlement.

Division Chief Robert Pratt handled the case for Madigan’s Antitrust Bureau.

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