

Ranbaxy may win Pfizer UK battle

REUTERS
London, 6 October

Pfizer Inc, the world's largest drug company, is braced for potential defeat at the hands of Ranbaxy Laboratories Ltd next week when a British court rules on patents protecting Lipitor.

Ranbaxy is seeking to invalidate the US giant's UK patents on the \$11 billion-a-year anti-cholesterol medicine - the biggest seller in the history of the drugs industry. Some analysts think it has a good chance of winning.

Judgment in the UK court case is due to come on October 12 at 2.00 pm (1300 GMT), a court official said on Thursday. In Austria, Pfizer has already lost a similar case to Ranbaxy, and

Deutsche Bank analysts believe there is 80 per cent probability of it losing in Britain as well.

Defeat might be a moderate commercial blow to Pfizer, since the British market for Lipitor represents nearly 7 per cent of global sales. But the knock to its sentiment may be larger, as it could hit confidence in Pfizer's patent position in the far more important US market, where Ranbaxy is also challenging Lipitor.

If Ranbaxy wins in the US, Pfizer could face generic competition there by 2007 - four years earlier than if the patents are upheld, punching a large hole in the group's future earnings.

Such a victory in the 'David and Goliath' battle would vindicate Ranbaxy's high-risk litigation strategy and generate

a windfall for the group, boosting its ambition to become a global player in the pharma sector. Industry analysts have estimated it could rake in up to \$800 million from a cheap generic version of Lipitor, which would enjoy six months' exclusivity in the US market before other copycats are allowed in.

However, the read-through to the all-important US case from next week's court decision in London may be limited, since the legal ground rules are somewhat different in the two countries. As a result, many analysts believe Pfizer has substantially better chances of prevailing in the US.

Pfizer said it believes it has presented a compelling case in Britain and cautioned against over-interpreting the ruling.



Kishore Biyani (left), chairman, retail committee, CII, and Krish Iyer, MD & CEO, Piramyd, at a CII-organised meet in Mumbai on Thursday
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