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AbbVie overcharged the Dutch health care system by as much as €1.2 billion for Humira.

Now the Pharmaceutical Accountability Foundation is taking them to court.

AMSTERDAM, THE NETHERLANDS: Dutch public interest group the Pharmaceutical Accountability Foundation (PAF) today brought a lawsuit against pharmaceutical company AbbVie for unfair, excessive pricing practices on its blockbuster medicine Humira (adalimumab).

AbbVie sold $\in 2.3$ billion worth of Humira in the Netherlands during its market monopoly (2004-2018). PAF calculated that AbbVie had overcharged the Dutch healthcare system by up to $\in 1.2$ billion, when it abused its monopoly position in the market to keep prices and profits high.

"By making excessive profits (amounting to €68 per Dutch citizen), AbbVie has displaced other health care, and thus damaged the health of Dutch citizens," said Wilbert Bannenberg (MD, and PAF chairperson). "Health economists have calculated that AbbVie's excessive profit could have ensured up to 16,300 extra years of healthy life for Dutch citizens," said Bannenberg. "No doctor wants to be forced to prioritize one patient/treatment over another due to limited budgets."

The excessive profit was calculated by subtracting all R&D costs (as claimed by AbbVie), production and distribution costs (as disclosed in US Congress), and a 'fair' 25% profit from the drug's turnover.

PAF is bringing a civil litigation based on tort (Unlawful act: breach of social duty of care), Human Rights Law (violation of the Right to Life and the Right to Health) and competition law (abuse of a dominant position).

The legal case against AbbVie concerns the fundamental question to what extent pharmaceutical companies like AbbVie are free to set and maintain the prices of the drugs they offer.

PAF's success in this case could establish that there are limits to be respected under written or unwritten law, and that these limits can be enforced when they are exceeded.

If the action against AbbVie succeeds on human rights grounds, it could also become a model for holding pharmaceutical companies accountable in other jurisdictions.

Worldwide, Humira has earned AbbVie a record-breaking \$208 billion. Much of that came from the USA, where Humira's list prices hit up to \$80,000 per person per year. The company has been called before Congress to answer for its pricing strategy and gaming of the US patent system.

About the Pharmaceutical Accountability Foundation

The Pharmaceutical Accountability Foundation is an independent, public good Foundation under Dutch law, which works to ensure equitable, affordable access to medicines for all. In particular, we attach a value to fair pricing for health products, in accordance with European and international legal and human rights standards. We therefore take issue when pharmaceutical companies abuse their market position to overcharge for medicines. We try to prevent this by providing advice and information to governments and other stakeholders. If that does not help, we may consider legal action as a means to achieve our objectives.

About PAF's previous case

This is PAF's second case. PAF's first case concerned the pharmaceutical company Leadiant, which made a 50-year-old drug, CDCA, 500 times more expensive after monopolizing sources of raw materials, buying up competing products, and obtaining "orphan drug" status which provided for 10 years market exclusivity. This case resulted in a €19.5 million fine from the Dutch competition authority ACM in 2021. The Dutch PAF case inspired follow-on cases and fines in Italy, Spain, and Israel.

This case demonstrates that PAF's strategy of holding pharmaceutical companies to account for specific market abuses is not only workable but can act as a model in other jurisdictions.

About Humira

Humira is a prescription drug for rheumatoid arthritis and 7 other diseases that was first brought to the market in 2003. Humira became the largest selling pharmaceutical product in the world.

Globally, AbbVie made \$208 billion turnover on Humira until 2022, largely due to prices being extremely high in the USA (\$80,000/patient/year), where the patents only end in 2023. Using a similar calculation, AbbVie could have made globally up to \$110 billion in excessive profits. In May 2021, the USA Congress called <u>AbbVie and 5 other pharmaceutical companies</u> to account for 'unsustainable' pricing.

For questions or more information, please contact:

Rosalind Turkie, human rights consultant, PAF, Tel: +33 6 6874 4154 Email: <u>rosalind.turkie@gmail.com</u> *Or* Kaitlin Mara, spokesperson PAF, Tel +41 78 695 3499 Email: <u>kaitlinemara@gmail.com</u>

More about Pharmaceutical Accountability Foundation: <u>https://www.pharmaceuticalaccountability.org/</u> https://fairpharmascorecard.org/