

Glenmark gets favorable judgment in case against Napo

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Bangalore: The International Centre for Dispute Resolution (ICDR) has ruled in favor of Glenmark Pharmaceuticals on the arbitration claim filed on August 8, 2011, against Napo Pharmaceuticals. The ruling came on August 22 on Glenmark's claim seeking, among other things, exclusive rights to develop, commercialize and distribute Crofelemer in 140 countries for the treatment of diarrheal diseases.

The ICDR ruled that Glenmark's exclusive rights to commercialize and distribute Crofelemer include the exclusive right to distribute Crofelemer through relief agencies into the 140 countries that comprise the Glenmark territory. The ICDR also ruled that Glenmark has two years from the time Crofelemer is approved in India (on an indication by indication basis) to file for regulatory approval in the 140 countries in its territory.

The ICDR also found that Napo breached the collaboration agreement by disclosing confidential information concerning the manufacture of Crofelemer to Aptuit Laurus and enjoined Napo from disclosing such confidential information to third parties and from purchasing or obtaining Crofelemer from Aptuit.

"We are delighted that the arbitrators have reaffirmed Glenmark's rights to commercialize Crofelemer through relief agencies. Diarrhea is a big concern around the world, especially in emerging markets and globally millions of patients suffer from diarrhea every year. This ruling will allow Glenmark to further its commitment to working with relief agencies to distribute Crofelemer to affected populations. We also are pleased that the arbitrators have prevented Napo from sharing confidential information concerning the manufacture of Crofelemer with our competitors and other third parties," said Mr Glenn Saldanha, chairman & MD, Glenmark Pharmaceuticals.

Napo also filed a claim in the same proceeding seeking a ruling that Glenmark had materially breached the collaboration agreement between the parties by failing to, among other things, commercialize Crofelemer in all 140 countries in its territory and to manufacture a pediatric formulation for Crofelemer.

In the ruling, the ICDR rejected Napo's material breach claim, finding that Glenmark has complied with all of its obligations under the collaboration agreement. The ruling is an interim award addressing the issues presently before the ICDR. Certain other issues between the parties have been deferred to a second phase.

Glenmark Pharmaceuticals has an exclusive license from Napo Pharmaceuticals to distribute and commercialise Crofelemer in 140 emerging countries, including India, for indications related to HIV, use in acute adult and pediatric diarrhea. Crofelemer is a novel, first-in-class anti-diarrheal agent that has a physiological and different mechanism of action from traditional anti-diarrheal agents.