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CONTACT: Amanda Kraus, 503-986-1074

Amanda.Kraus@oregonlegislature.gov

Senator Patterson Passes Bill to Provide Remedy for Pharmaceutical Market Manipulation

SALEM – Today, Senator Deb Patterson (D-Salem) carried Senate Bill 764 to passage on the Senate Floor. The bill addresses “pay for delay” tactics used by pharmaceutical companies to prevent affordable generic drugs from entering the market.

“Large pharmaceutical companies have used their powerful position, deep pockets and limited regulation to prevent affordable versions of life-saving drugs from becoming available to patients in need,” said Senator Patterson, who chairs the Senate Committee on Health Care.

When brand name pharmaceuticals seek to prevent affordable generic drugs from becoming available, they may bring allegations of patent infringement against a competitive company. Large, brand-name pharmaceutical companies may then offer settlement agreements in bad faith so they can delay generic competition that would otherwise lower consumer costs for medications in order to protect their profits. As a part of that settlement, these large companies may offer to pay generic companies to not bring lower-cost alternatives to market.

Senate Bill 764 is an attempt to counter the anticompetitive effect of patent settlement agreements that include an “item of value,” the definition of which includes an agreement by the generic manufacturer to halt research and marketing of a competing drug as an agreement in the settlement.

“When these large pharmaceutical companies manipulate the market, they put lives at risk. Many Oregonians are in financial distress, and the ever-increasing cost of prescription drugs puts individuals and families in an unnecessary and difficult position,” added Senator Patterson.

Senate Bill 764 allows the Oregon Attorney General to punish violations and allows a civil penalty to be sought against companies that enter into an agreement with anticompetitive effects.

“By holding accountable those who seek financial gain over accessibility to life saving and life improving medication, we offer more options and a fighting to chance to Oregonians in need. SB 764 ensures we hold lives above profits,” said Senator Patterson.

Senate Bill 764 passed on a party line vote. The bill now moves to the House of Representatives for consideration.

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