

## Big Drug's Nicotine War

[\(click here to return to index\)](#)

## II - Pharmaceutical Players

### Drug Companies Involved With "Cessation" Products

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**Johnson & Johnson** - Johnson & Johnson - Under the banner of its subsidiary, McNeil Consumer Products, J&J markets the Nicotrol nicotine patch and nicotine inhaler. The Robert Wood Johnson Foundation is the biggest single shareholder in J&J and began its massive funding of tobacco control in the U.S. in 1991, the same year the FDA approved the nicotine patch as a prescription drug. Pharmacia reacquired the rights to market the Nicotrol Inhaler in North America from J&J's McNeil in July 2000.

**GlaxoSmithKline** - Pharmaceutical giants Glaxo Wellcome and SmithKline Beecham merged on December 27, 2000, making the new company the world's biggest drugs group by sales. Glaxo Wellcome markets **Zyban** (bupropion) and SKB markets **Nicoderm CQ** nicotine patch and **Nicorette** gum. One of the major holdups in getting FTC approval for the merger was that both companies sold smoking cessation products, but even though these cessation products accounted for less than 4% of SK's sales, neither company was willing for them to be sold to another pharmaceutical company to facilitate the merger. SK was also investigated by a congressional committee for overpricing of cancer treatments. SK infuriated the committee by refusing to hand over information about Kytril, its anti-nausea drug for chemotherapy patients. ["Federal smoke delays merger," Andrew Clark, The Guardian, 10/10/2000].



In 1999, SmithKline Beecham Consumer Healthcare's combined U.S. sales of Nicorette and NicoDerm CQ reached \$570 million. The company also markets its nicotine patch under the trade name "**NiQuitin CQ**" in Belgium, France, Denmark, Mexico and Brazil and under "**Nicabate**" in Australia and New Zealand, where it was the number one smoking cessation product in 1999 [Philippe Boucher's Rendez-vous with Leslie A. Ashburn, Communications Supervisor for GlaxoSmithKline, 1/29/01].

During the interview, Ashburn sketches GSK's involvement with tobacco control:

"Treatment marketers, both individually and collaboratively, have continued to pursue involvement with the broader tobacco control community. Their involvement has ranged from establishing and supporting tobacco control programs, to conducting and disseminating primary research. Most recently at the 11th World Conference on Tobacco OR Health in Chicago, several major pharmaceutical companies, including GSK, united to support a variety of initiatives in the hopes of advancing the important role of smoking cessation treatment in the U.S. and international tobacco control policy. These initiatives include a scholarship program to support training in tobacco control, the WHO European Partnership on Tobacco Dependence, a public service announcement campaign and a treatment database, which will house a comprehensive library of tobacco-related resources.

"In the United States, GSK has formed a partnership with the American Cancer Society to educate the public about the dangers of tobacco use.... Among the collaborative efforts undertaken by GSK and the American Cancer Society is the Great American Smokeout....[SK also paid ACS \$1 million a year for use of the ACS logo in its ads for Nicoderm CQ].

"Additionally, GSK is a founding member of The Coalition for World No Tobacco Day, a non-profit organization dedicated to raising awareness about World No Tobacco Day in the United States. Established by the World Health Organization in 1988 and observed annually on May 31st, World No Tobacco Day is the only event that gives smokers around the world the opportunity to unite and halt tobacco use."

Glaxo Wellcome signed on as a partner in the WHO's global tobacco control program in late 1998.

"For [Glaxo India] Zyban comes at a time when it has had a lackluster financial performance with not many product launches to prop up the bottom line.

"Zyban, which is in the top 10 list of new products for parent firm GlaxoSmithKline in 2000, is seen by Glaxo to be a potential 'blockbuster' in India, which has about 37 million smokers." ["Glaxo brings Zyban to smoke out addiction," Gauri Kamath, The Economic Times, 3/14/01].

Glaxo Wellcome sues IMPAX Laboratories, Inc., over generic versions of bupropion (Zyban and Wellbutrin). According to IMPAX Co-CEO Barry Edwards, the suit is a tactic to extend the exclusive marketing of the product by Glaxo. "It has been estimated that in the next few years branded pharmaceutical companies will lose patent protection on drugs with over \$25 billion in annual sales.... The filing of patent-infringement lawsuits is just one of the tactics these companies use in an attempt to extend marketing exclusivity of a product. Therefore, although we believe this suit is without merit, we are not surprised by its filing." ["IMPAX Comments On Lawsuit Filed by Glaxo Wellcome Related to Generic Versions of Wellbutrin SR and Zyban," Company Press Release, 10/10/2000].

**Pharmacia** - (Also Pharmacia & Upjohn). Makes **Nicorette** and **Nicotrol**, "a family of tobacco dependence therapies." ["About Pharmacia & Upjohn," company website, as of 1/15/00]. Pharmacia & Upjohn Consumer Healthcare "develops, manufactures and sells safe and efficacious OTC (Over the Counter) products.... A number of products are also sold globally. Among the company's largest and most well-known brands is a line of nicotine replacement products, including nicotine gum, transdermal patch, and nasal spray and inhaler."

Pharmacia & Upjohn are one of three pharmaceutical "partners" in the WHO global anti-tobacco project. "Pharmacia & Upjohn announced a 17 percent increase in first-quarter earnings Thursday, as U.S. drug sales soared for its top three medicines.... Sales climbed 12 percent to \$1.77 billion from \$1.59 billion a year ago. Pharmacia, which makes Xanax anti-anxiety medication and Nicorette smoking cessation products, has completed a massive turnaround in the past two years" ["Pharmacia & Upjohn Profits Rise, AP, 4/29/99].

"Pharmacia & Upjohn Inc.'s Japanese unit saw sales of its Nicorette antismoking gum rise 50% in 1998 over a year earlier" ["Sales of Nicorette Gum Make Gains in Japan," Wall St. Journal, 5/14/99].

"Pharmacia Canada, Inc. and **Aventis Pharma**, Inc. today announced the closing of a transaction whereby Pharmacia acquires the Canadian Nicotine Replacement Therapy business of Aventis Pharma. Under the terms of the agreement, Pharmacia is acquiring the Nicoderm brand transdermal nicotine patch and re-acquiring the sales and marketing rights to its Nicorette brand gum." Pharmacia Corporation is a global pharmaceutical company created through the merger of **Pharmacia & Upjohn with Monsanto Company and its G.D. Searle unit**. ["Pharmacia Consumer Healthcare acquires Nicotine Replacement Therapy (NRT) business of Aventis Pharma Inc," Company Press Release, 1/26/01]

"ATP [**Advanced Tobacco Products, Inc./Advanced Therapeutic Products**] sold their patented nicotine technology, which forms the basis of the Nicorette/Nicotrol Inhaler, to what is now Pharmacia Corporation, in exchange for product payments of 3% of Pharmacia's net sales. In July, Pharmacia

announced it had reacquired the rights to market the Nicotrol Inhaler in North America from McNeil PPC, Inc., a unit of Johnson & Johnson. As a result of the Nicotrol takeback, Pharmacia said it has a renewed interest in consumer advertising as well as the professional detailing of doctors and healthcare providers." ["ATP Announces Fiscal Year Results, Dividend Payments & British Medical Study of the Nicotine Inhaler," Company Press Release, 11/28/2000]

**Hoechst Marion Roussel** (the pharmaceutical company of Hoechst) - Manufactures and markets Nicorette gum and Nicoderm patches in Canada. "NRT products have been available in Canada since 1979, and were cleared for non-prescription sale by Health Canada in 1993 (2mg Nicorette), 1997 (4mg Nicorette) and 1998 (Nicoderm and other patches...."When these products became more easily available in the U.S. three years ago, the number of quit attempts doubled in one year," says Tony Ruta, Hoechst Marion Roussel spokesman. ["Nicotine therapies critical piece in Ontario tobacco strategy," Company Press Release, 4/23/99].

**Novartis** - Maker of the Habitrol patch in Canada. Novartis Consumer Health Canada, Inc. ["Habitrol nicotine patch now available in Ontario without a prescription, Canada Newswire, 4/23/99].

Novartis is one of the three major pharmaceutical partners with WHO in the WHO global tobacco control program.

"Novartis Pharma To Launch Nicotine Patches in Japan, " NewsEdge, 5/11/99. "Although the patches are available over-the-counter in 29 countries, they will require a doctor's prescription in Japan and will not be covered by insurance."

**Pfizer** - Discovers, develops, manufactures and markets leading prescription medicines for humans and animals, and many of the world's best known consumer products. Pfizer had global revenues of \$29.6 billion in 2000. In 2000 Pfizer took over **Warner-Lambert**. Pfizer is developing a new agent for smoking cessation, currently known as CP-526,555, "that relieves both cravings and withdrawal symptoms and blocks the reinforcing effect of smoking." ["Pfizer to Advance Industry Leadership Through the Best People, Products And Pipeline, Steere Tells Shareholders," Company Press Release, 4/26/01].