IMS Health agrees commitments with Spanish enforcer

Janith Aranze 24 July 2017

Spain's competition authority has approved commitments proposed by US healthcare company IMS Health following an investigation over allegedly illegal clauses in the company's contracts.

The National Commission for Markets and Competition alleged IMS Health dominated the Spanish pharmaceutical database market and had abused its power by blocking its rivals' access to the industry through clauses in its contracts with pharmaceutical wholesalers, pharmacies and hospitals.

In a <u>decision</u> published last week, the Spanish enforcer decided to close proceedings after IMS Health proposed changes that would remove those barriers.

IMS is the main pharmaceutical data supplier in Spain, with a market share between 85% and 95% in 2016, the authority said. Its database includes information such as pharmaceutical sales figures, drug specifications and their risks. IMS Health gets its information from medical practitioners, pharmacies or pharmaceutical wholesalers.

The healthcare company agreed to remove provisions in its contracts that said data suppliers must give IMS Health equal or better terms as those afforded to its competitors - "most favoured nation" clauses. The company also agreed to remove its right to terminate data supply agreements if a supplier sold its data to a third party or the supplier decided to compete with IMS.

To end the investigation, the company agreed that if an IMS-contracted wholesaler provides information to third parties, it would reduce its payments to the wholesaler by no more than 40%; when the data is given to two or more companies, IMS agreed to a maximum 60% reduction in payments. The database supplier agreed that the reductions will only apply to future payments and cannot be implemented retrospectively.

IMS also agreed to remove the provision that forced suppliers to notify it three months in advance if it intended to supply third parties with data.

Under the agreement, IMS will send data supply agreements and other documentation to the Spanish authority for review. The commitments will last indefinitely unless there is a change to the structure of the market and any changes to the agreement will have to be approved by the competition authority, the enforcer said.

The complainant in the case was rival Portuguese market research company hmR. The company alleged IMS Health restricted competitors from accessing pharmaceutical data, and that it may have conspired with healthcare software development companies to prevent hmR's entry into the Spanish market.

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