

Vectura Group PLC

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Vectura surges as it wins US\$90mIn patent battle with GlaxoSmithKline

Shares in Vectura Group PLC (LON:VEC) surged in early deals on Tuesday after the drugmaker came out on top in a patent battle with UK giant GlaxoSmithKline PLC (LON:GSK).

Vectura was awarded US\$89.7mIn by a US court in Delaware, which found that GSK's Ellipta inhalers had infringed on its patents.

READ: Hikma and Vectura to develop generic version of GSK's Ellipta inhaler
The award is equal to a 3% royalty on sales of Ellipta products between August 2016 and December 2018, and Vectura is now looking to guarantee that it receives that same rate for another two years.

It might not be done there, though: the court ruled that GSK's infringement was "wilful", clearing the way for Vectura and its lawyers to seek "enhanced damages".

"Although we regret the need to take a longstanding partner to court, we are pleased with the jury's verdict which confirms the validity of our intellectual property and the decision to progress this action with GSK," said Vectura chief executive James Ward-Lilley.

Shares in Vectura jumped 11% to 80.2p on Tuesday morning. GSK's stock was down 0.4% to 1,547p.

Dispute goes back to 2016

The dispute goes back to July 2016, when an original deal between the two companies expired and was due for renewal.

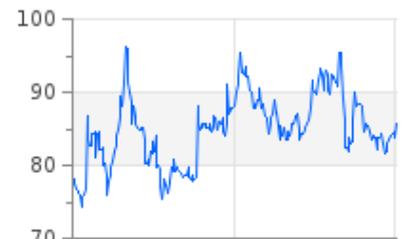
GSK had licensed Vectura's open-inhale-close technology to use in its Ellipta inhalers since 2010, but it declined to renew the deal in 2016 when the original agreement ran out.

Vectura, which is now developing a rival product to Ellipta with Hikma Pharmaceuticals PLC (LON:HIK), said it was left with no choice but to take its long-term partner to court, and the case went to trial last month.

Price: 85.7

Market Cap: £524.85 m

1 Year Share Price Graph



December 2018 June 2019 December 20

Share Information

Code: VEC

Listing: AIM

52 week High Low
97.6625 72.4208

Sector: Pharma & Biotech

Website: www.vectura.co.uk

Company Synopsis:

Vectura Group plc, (Vectura) along with its subsidiaries, is principally engaged in the research and development of therapeutic products and drug delivery systems for human use. The Company is focused on the development of inhaled pharmaceuticals. It has eight marketed products and a portfolio of drugs in clinical and pre-clinical development, some of which have been licensed to pharmaceutical companies.

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