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The Vioxx of yesteryear: A recurring pattern in pharmaceuticals

In my last column, I reviewed recent reports that, for as long as four years, Merck concealed evidence of the increased risk of heart attack among patients taking Vioxx. The Merck story reminds Pharma watchers of a pertinent episode from the past involving the then-major drug company Upjohn, based in Kalamazoo.

A popular type of drug in the 1950s was the combination antibiotic. Being Americans, we figured that if one was good, two were better — even without a smidgen of scientific proof. Upjohn's combination antibiotic was called Panalba, a mix of the generic drugs tetracycline and novobiocin.



Most combination antibiotics were a waste of money, but the company's own internal research showed that Panalba was worse. Not only could it cause death from liver damage or blood disorders, but the two antibiotics actually interfered with each other, making the combination less effective than either drug alone.

Despite these problems, Panalba was hugely profitable. By the late 1960s it was bringing in \$1.5 million monthly, accounting for 12 percent of Upjohn's total revenues.

When Panalba was first marketed, a company had to show only that a drug was reasonably safe. In the early 1960s a new law was passed, and the FDA now had to certify that a drug was both safe and effective. During the rest of that decade the FDA worked on the backlog of previously approved drugs, demanding that the companies provide scientific proof of effectiveness.

At this point Upjohn could have bit the bullet, pulled Panalba and retired on its handsome profits. Instead the company decided to fight to the finish, ignoring the fact that more patients might die while the drug continued to be sold.

The attack was two-pronged: Kalamazoo's congressman lobbied the

White House to rein in the FDA, and the company filed a lawsuit. The lawsuit became the industry's great challenge to the FDA's authority to demand effectiveness data, and was not resolved till 1973 when the Supreme Court backed the FDA. It was only then that Panalba faded away.

The reason the Panalba case is not simply a footnote in the history books is that it became the basis for a long-running set of experiments in business management. Professor J. Scott Armstrong of the Wharton School of Business at the University of Pennsylvania designed a role-play experiment to see how his students would handle the situation faced by Upjohn.

Students were given information about Panalba's medical risks and also about the sales figures. The role-play was repeated 91 times, in 10 countries, with 2000 subjects participating. Overall, 76 percent of the "board members" chose to do what Upjohn did and fought to keep the drug on the market.

Only one thing altered the outcome. If some of the students were assigned an explicit role as public representative, then only 22 percent chose the Upjohn scenario. But even in those circumstances, only 29 percent voted to actually take the drug off the market

voluntarily.

The old case of Panalba and the new case of Vioxx therefore seem to confirm a long-held observation. So long as company boards (legitimately) see their role as serving their shareholders above looking out for the general public good, we can never expect a drug company to act like a public health agency.

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