Napo Loses Lawsuit Against Salix Over Diarrhea Drug

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Napo Pharmaceuticals has lost its lawsuit against Salix Pharmaceuticals, in which the biotech firm accused Salix of deliberately thwarting the success of Fulyzaq (crofelemer), the first-ever drug approved to treat diarrhea related to HIV meds. Napo, a San Francisco–based company, developed Fulyzaq over a two-decade period and in 2008 signed a collaboration agreement with Salix, which specializes in therapies for gastrointestinal disorders. Salix was to complete clinical trials of the drug, apply for U.S. Food and Drug Administration approval, then manage manufacturing, marketing, sales and distribution.

The FDA granted approval for Fulyzaq on December 31, 2012. But the drug was notably slow to arrive into the hands of those who needed it. Napo sued Salix for breach of contract for deliberately, or unreasonably, impeding Fulyzaq's progress, and also for diverting resources and favoring another drug in Salix's portfolio, Xifaxan.

On February 25, a jury voted five to one in favor of Salix.

Napo CEO Lisa Conte claims that just 0.5 percent of the FDA-defined population of those in need of Fulyzaq have received the drug.

Conte says Napo will appeal the decision.

For an in-depth article about the lawsuit, click here.

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