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# Hughes Hubbard & Reed

## Merck Sells 50% Interest in Joint Venture With Johnson & Johnson

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Hughes Hubbard & Reed recently helped Merck end its 22-year partnership with Johnson & Johnson (J&J) to develop, market and distribute certain over-the-counter (OTC) products, such as Pepcid and Mylanta, in the US and Canada.

Merck announced in September that it was selling half its stake in a pharmaceutical joint venture with J&J for a one-time payment of \$175 million. The venture was acquired by J&J through its McNeil-PPC subsidiary and other affiliates. The entity has changed its name from The Johnson & Johnson Merck Consumer Pharmaceuticals Co. to McNeil Consumer Pharmaceuticals Co.

In a press release, Merck said it decided to sell its interest in the joint venture to focus fully on building the consumer products division obtained from the merger with Schering-Plough in 2009.

The sale gives the company “greater freedom to operate in the OTC consumer sector allowing Merck to fully exploit its pipeline of Rx-to-OTC switches as well as actively pursue OTC licensing activities in the US and Canada,” Merck said. Merck still maintains the rights to the Pepcid brand outside the US and Canada.

Dan Weiner, Jim Modlin, Dan Litowitz, Arinze Ike and Jaime Steinfink worked on the sale.

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**Daniel H. Weiner**

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