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# Competition in sleeping pill market may spur ad war

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NEW YORK - The maker of Ambien has begun a new ad campaign it hopes will reverse a sales slide triggered by reports that some patients couldn't recall driving or eating while sleepwalking when using the prescription sleep aid.

The campaign Sanofi-Aventis SA launched Wednesday is likely the first salvo in what analysts predict will be a fierce advertising war in the market that has seen sales drop in the aftermath of the negative news. Sanofi's Ambien is expected to have a new competitor by this summer when Pfizer Inc. and partner Neurocrine Sciences Inc. are slated to debut a new pill.

Analysts expect the ads to flood the media just as the commercials for erectile dysfunction treatments like Viagra, when that drug added new competition.

"You are not going to be able to watch a television show without seeing a commercial for a sleeping pill," said Jason Napodano, an analyst at Zacks Independent Research.

Pfizer's pill – known generically as indiplon – will compete head-on with Ambien and Lunesta, a prescription drug that Sepracor Inc. began marketing 11 months ago as a way for the sleep-deprived to get a good night's rest.

Sleeping pill prescriptions grew 55 percent to 45.5 million from 2001 to 2005, according to IMS Health, a pharmaceutical market research firm.

Six-month old Ambien CR, the successor drug to the headline-grabbing medicine, had been steadily gaining market share since last October. Unlike its predecessor, Ambien CR is approved to help maintain sleep and for long-term use. But after publicity about the negative side effects for some Ambien users surfaced earlier this month, sales of it and other sleep aids have slowed.

Verispan, which tracks prescription data, reported that in the two weeks ended March 17, total sleeping pill prescriptions fell 9 percent to 842,561 while new prescription declined 8 percent to 465,233. New Ambien prescriptions fell 12 percent to 211,902, while Lunesta's dropped 4 percent to 63,589 and Ambien CR's shed 13 percent to 61,366.

Ambien CR, Lunesta and indiplon are all in the same class of drugs as Ambien, so they may all have similar side effects, said Stasia Weiber, director of the sleep clinic at Mount Sinai Hospital in New York.

Yet even with the negative publicity, many doctors said they feel comfortable prescribing Ambien to patients, noting it has been on the market for 13 years and the side effects are very rare. Sleep specialists say they were aware of Ambien's potential problems.

"I don't think it is a deal breaker," said Timothy Komoto, a family physician in Minneapolis who acknowledged he hadn't heard about Ambien's alleged side effects before the news reports surfaced.

Earlier this month, lawyer Susan Chana Lask filed a lawsuit in federal court in New York City on behalf of several plaintiffs that alleges Sanofi-Aventis failed to adequately warn of Ambien's potential dangers and that the drug caused her clients to enter a trancelike state and engage in dangerous activities that caused various types of damage.

Sanofi-Aventis spokeswoman Melissa Feltmann said Ambien is safe and that the company will defend itself against the suit. She said the company has warned about the possible side effects since the drug's launch. The prescribing information for doctors lists somnambulism – sleepwalking – as a rare side effect. People have been known to eat or drive while sleepwalking.

In the coming battle, Lunesta may have the toughest time holding on to insomniacs.

Lunesta's maker Sepracor is dwarfed by Pfizer and Sanofi-Aventis in terms of revenues and resources, analysts noted. Pfizer is the world's largest drug company, and Sanofi-Aventis is third.

"They (Sepracor) should be worried," said David Woodburn, an analyst at Prudential Equity Group LLC.

Massachusetts-based Sepracor spent $215 million last year to advertise Lunesta, according to TNS Media Intelligence. It wouldn't comment on its future marketing plans.

Ian Sanderson, an analyst at Cowen & Co., said Lunesta ad spending was more than the company forecast – and more than twice his estimate. He said that could be a sign Sepracor is trying to “throw money on the problem” ahead of the increased competition. Sepracor’s stock is down about 15 percent this month, and analysts said one reason is the expected competition for Lunesta.