

Merck Announces Settlement and License Agreement Resolving KEYTRUDA® (pembrolizumab) Patent Litigation

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Merck (NYSE:MRK), known as MSD outside the United States and Canada), and certain of its affiliates, today announced it agreed to enter into a settlement and license agreement with Bristol-Myers Squibb Company and Ono Pharmaceutical Co., Ltd., resolving the worldwide patent infringement litigation related to the use of an anti-PD-1 antibody for the treatment of cancer, such as KEYTRUDA® (pembrolizumab).

Under the settlement and license agreement, the company will make a one-time payment of \$625 million to Bristol-Myers Squibb and provide royalties on the worldwide sales of KEYTRUDA for a non-exclusive license to market KEYTRUDA in any market in which it is approved. For global net sales of KEYTRUDA, the company will pay Bristol-Myers Squibb royalties as follows:

- 6.5 percent of net sales occurring from Jan. 1, 2017 through and including Dec. 31, 2023; and
- 2.5 percent of net sales occurring Jan. 1, 2024 through and including Dec. 31, 2026.

The parties also agreed to dismiss all claims in the relevant legal proceedings.

"Today's announcement eliminates uncertainty and enables us to continue to focus on KEYTRUDA, our immunology medicine, which is already helping thousands of patients around the world and becoming a foundation for the treatment of cancer through our industry-leading clinical development program," said Kenneth C. Frazier, chairman and chief executive officer, Merck.

The \$625 million payment will be recorded in the company's fourth-quarter and full-year 2016 results. This expense will be excluded from Merck's non-GAAP results.

About Merck

For more than a century, Merck has been a global health care leader working to help the world be well. Merck is known as MSD outside the United States and Canada. Through our prescription medicines, vaccines, biologic therapies and animal health products, we work with customers and operate in more than 140 countries to deliver innovative health solutions. We also demonstrate our commitment to increasing access to health care through far-reaching policies, programs and partnerships. For more information, visit www.merck.com and connect with us on [Twitter](#), [Facebook](#), [YouTube](#) and [LinkedIn](#).

Forward-Looking Statement of Merck & Co., Inc., Kenilworth, N.J., USA

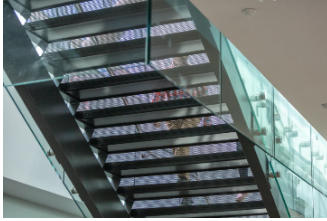
This news release of Merck & Co., Inc., Kenilworth, N.J., USA (the "company") includes "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. These statements are based upon the current beliefs and expectations of the company's management and are subject to significant risks and uncertainties. If underlying assumptions prove inaccurate or risks or uncertainties materialize, actual results may differ materially from those set forth in the forward-looking statements.

Risks and uncertainties include but are not limited to, general industry conditions and competition; general economic factors, including interest rate and currency exchange rate fluctuations; the impact of pharmaceutical industry regulation and health care legislation in the United States and internationally; global trends toward health care cost containment; technological advances, new products and patents attained by competitors; challenges inherent in new product development, including obtaining regulatory approval; the company's ability to accurately predict future market conditions; manufacturing difficulties or delays; financial instability of international economies and sovereign risk; dependence on the effectiveness of the company's patents and other protections for innovative products; and the exposure to litigation, including patent litigation, and/or regulatory actions.

The company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. Additional factors that could cause results to differ materially from those described in the forward-looking statements can be found in the company's 2015 Annual Report on Form 10-K and the company's other filings with the Securities and Exchange Commission (SEC) available at the SEC's Internet site (www.sec.gov).

Halozyne EX2472
Merck v. Halozyne
PGR2025-00087

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Learn about our clinical trials and find available studies.

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Medical information source covering thousands of topics in all fields of medicine.

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Impact Report

Reporting on our commitment to operating responsibly to benefit society.

Merck for Mothers

An initiative to create a world where no woman has to die giving life.

About Merck

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