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Gilead awarded \$30m over counterfeit HIV drug scheme

Wholesaler ‘bought nearly 17,000 bottles of fake Gilead drugs’ | US government says defendant sentenced in September should pay company for lost profits.

A California federal judge has awarded [Gilead Sciences](#) over \$30 million in lost profits over a scheme to sell counterfeit versions of its HIV drugs, which totalled nearly 17,000 bottles.

The order was handed down in the US District Court for the Northern District of California by Chief District Judge Richard Seeborg, and is part of Gilead’s ongoing lawsuit against pharmaceutical suppliers and distributors that allegedly sold fake versions of its HIV medications.

Judge Seeborg said the defendant in the case had been sentenced on September 3, 2024 for the unlicensed wholesale distribution of prescription drugs, and that as part of his sentence the government had argued that he should pay Gilead for the lost profits caused by his role in the scheme.

According to the court filing, the defendant and a number of co-conspirators bought HIV medication pills from HIV-positive patients in the Los Angeles area.

They then repackaged them into new bottles—as well as over-the-counter analgesics, sweets, and other drugs—and sold them to a wholesaler called Scripts Wholesale as authentic, US Food and Drug Administration (FDA)-approved Gilead products.

The government argued that without these fraudulent sales, Scripts would have had to buy the bottles from Gilead through authorised distributors; therefore for every one bottle the biopharma firm had sold to an LA patient, it should have sold another to the distributor.

Ultimately, Scripts purchased 16,965 bottles of counterfeit Gilead drugs.

Having helped repackage the drugs, the defendant “played a direct role” in depriving Gilead of profits, according to the court, and the government had contended that his conduct had cost the company \$31,843,643 in lost profits.

Granting the requested restitution, Judge Seeborg noted that the primary victims in the case were the HIV-positive patients who had been convinced by the defendant and his co-conspirators to sell their life-savings drugs rather than take them, as well as those who had bought medication through Scripts without knowing they were buying counterfeits.

Gilead was also a victim of the scheme, the judge said, as it had been harmed by the defendant’s conduct.

According to the court order, Gilead has filed a civil action against Scripts and other defendants asserting trademark infringement and related claims.

Gilead was represented by [Geoffrey Potter](#), partner at Patterson Belknap Webb & Tyler.

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