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Bloomberg

## J&J Must Pay \$257.7 Million Over Risperdal Marketing

October 14, 2010, 9:24 PM EDT

By Jef Feeley and Margaret Cronin Fisk

(Updates with comment from state's lawyer in seventh paragraph.)

Oct. 14 (Bloomberg) -- Johnson & Johnson must pay \$257.7 million to the state of Louisiana for making misleading claims about the safety of the company's Risperdal antipsychotic drug, a jury concluded.

Jurors in state court in Opelousas, Louisiana, found that J&J officials defrauded the state's Medicaid system by wrongfully touting Risperdal as superior to competing antipsychotic drugs and minimizing its links to diabetes.

The verdict is the second trial loss in a state lawsuit brought over Risperdal marketing. A West Virginia judge in a non-jury trial last year awarded \$3.95 million, finding the company misled doctors about the risks and benefits of Risperdal. New Brunswick, New Jersey-based J&J appealed.

Michael Heinley, a spokesman for J&J's Ortho-McNeil Janssen Pharmaceuticals unit, said the company is disappointed with the jury's decision and will appeal.

"We believe the jury was not appropriately instructed on applicable legal standards and that critical and highly relevant evidence was excluded," he said in an interview.

The jury found 35,542 violations of the state's Medical Assistance Programs Integrity Law and imposed a penalty of \$7,250 for each. The total \$257.7 million verdict is the fifth-largest in the U.S. so far in 2010, according to data compiled by Bloomberg.

'False and Misleading'

"You can't come into Louisiana and disseminate false and misleading information," Patrick Morrow, who represented the state, said after the verdict in a phone interview. "I'm sure this matter will be in the appellate courts for years to come. This is the first step."

The state's case centered on drug safety claims that J&J and Ortho-McNeil Janssen made in November 2003 correspondence to 700,000 doctors. In those letters, J&J touted Risperdal as safer than competing antipsychotics such as Indianapolis-based Eli Lilly & Co.'s Zyprexa and London-based AstraZeneca Plc's Seroquel. Risperdal global sales peaked at \$4.5 billion in 2007, declining after the company lost patent protection.

The U.S. Food and Drug Administration responded with a warning letter saying J&J made false and misleading claims that minimized the potentially fatal risks of diabetes and overstated the drug's superiority to rival medicines.

7,604 Letters

Lawyers for the state asked jurors to hold J&J liable for the 7,604 letters it sent to Louisiana doctors and regulators making those claims along with more than 27,542 sales calls in the state made by the drugmaker's representatives in 2003 and 2004.

The state sought a total of \$351 million in damages, including penalties of \$10,000 for each fraudulent claim and misrepresentation in violation of the Medical Assistance Programs Integrity Law.

In June, J&J won dismissal of Pennsylvania's suit alleging the company hid health risks and duped officials into paying millions more than they should have for the medicine.

The case is Caldwell ex rel. State of Louisiana v. Janssen Pharmaceutical, 04-C-3967, 27th Judicial Court, St. Landry Parish, Louisiana (Opelousas).

--With assistance from Leslie Snadowsky in Opelousas, Louisiana, and David Voreacos in Newark, New Jersey. Editors: Peter Blumberg, Andrew Pollack

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