J&J slapped with $1.1bn fine for deceptive risperdal advertising

Johnson & Johnson has been hit with a $1.1 billion fine after an Arkansas judge found the drugmaker guilty of deceptively marketing the antipsychotic Risperdal in the US state.

The ruling follows an earlier jury verdict that concluded the company and its Janssen unit had engaged in “false and deceptive acts” when it sent marketing letters to more than 6,000 Arkansas doctors in 2005 claiming Risperdal’s superiority safety compared with competing drugs. The state also argued false statements were made about the drug’s risks and side effects and that J&J marketed the drug for “unapproved uses, including various symptoms in children and the elderly” despite authorities banning such uses.

According to Arkansas Attorney General Dustin McDaniel, the jury concluded that J&J had “lied to patients and doctors because they cared more about profits than people” and found the company had violated consumer-protection laws.

This is the third lawsuit that has hit J&J’s back pocket regarding claims the drugmaker duped Medicaid programmes to overspend on the drug through misleading advertising and downplaying the drug’s risks. A South Carolina case fined J&J $527 million, while the company was hit with a $258 million penalty in Texas saw the company pay out $158 million to resolve claims of illegal marketing. It is expected J&J will also appeal the Arkansas ruling.

A spokeswoman for J&J told Bloomberg: “It is our position that an individual state should not penalise a pharmaceutical company for using and FDA-approved package insert or decide for itself whether a company complies with FDA rules.”

The State will also seek damages over the misleading statements in the letter as well as penalties for almost 20,000 sales calls, which were allegedly deceptive as well. Sales of Risperdal peaked in 2007 at $4.5 billion before losing patent protection, with the drug bringing in just $527 million in 2010.

Johnson & Johnson