



Merck Resolves Investors' Class Action Lawsuit Related To Vioxx

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In 2004, Merck pulled its painkiller, Vioxx, from the market after a study linked the drug to increased risks for heart attack and strokes. On Friday, January 15, 2016, Merck announced that it had agreed to pay \$830 million to settle a federal class action lawsuit in New Jersey filed by investors who claimed that the company had made misleading statements about the drug's safety. The plaintiff-shareholders had bought stock in the company between May 21, 1999 and Oct. 29, 2004. In 2011, the court ruled they could proceed under the federal securities laws based on their claims that Merck misled them about a 2000 study that reported that Vioxx caused five times more heart attacks than another painkiller, naproxen.

The settlement still must be approved by the court. Consistent with the company's position in the other Vioxx lawsuits it has settled, the settlement expressly does not constitute an admission by Merck or any of the individual defendants of any liability or wrongdoing. In its public statement announcing the settlement, the company also noted that it still faces individual securities lawsuits related to Vioxx from individual investors who opted out of the class action, when it was certified in 2013.

Vioxx, which was marketed from mid-1999 until it was withdrawn in September 2004, accounted for more than \$11 billion in sales for Merck. Since the drug was withdrawn, however, the company has faced a flood of lawsuits and costly settlements. In 2007, Merck paid \$4.85 billion to settle thousands of patients' product liability lawsuits claiming Vioxx had caused injuries and deaths, as well as another \$1.9 billion to cover legal costs. In 2011, Merck paid \$950 million to resolve government allegations, and agreed to plead guilty to a criminal misdemeanor charge related to the illegal marketing of Vioxx. That settlement included a \$321.6 million criminal fine and \$628.3 million to resolve civil claims that it sold Vioxx for unapproved uses and made false statements about its safety. In 2012, Merck paid an additional \$220 million to settle a consumer class action over the drug.

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