

February 6, 2020

#### **CIVIL JUSTICE & LITIGATION REFORM AGENDA**

# **Enhance Transparency of Third- Party Litigation Funding**

- Require disclosure of Litigation Funding Agreement in MDLs
- Expose business model of finance machine behind the manufacturing of mass tort litigation



# **Defend Supremacy of FDA Decision Making on Safety and Effectiveness**

- Defend PMA Preemption
- Reinforce the 510K process
- Advocate for the admissibility of FDA evidence at trial

# Address Deceptive Attorney Advertising Targeting MedTech

- Regulate misleading legal advertising disguised as medical alerts
- Raise awareness of the misleading nature of attorney advertising





# Seeing is Not Always Believing: Tackling Legal Advertising Disguised as Medical Alerts



John Brenner BD



Rusty Silverstein
X Ante



Aviva Wein Johnson & Johnson



# Mass Tort Litigation Advertising: Trends & Implications

Rustin Silverstein X Ante

AdvaMed Webinar February 6, 2020









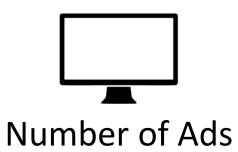








### Medical Devices Litigation Advertising





2018

**117K** ads





## Medical Devices Litigation Advertising



Number of Ads



Est. Ad Spending

2018

117K ads

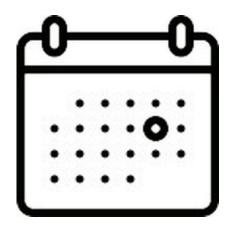
\$36M

2019

**224K ads** 

\$68M

# Average Frequency of Medical Device Litigation TV Advertisements, 2019



614 ads per day



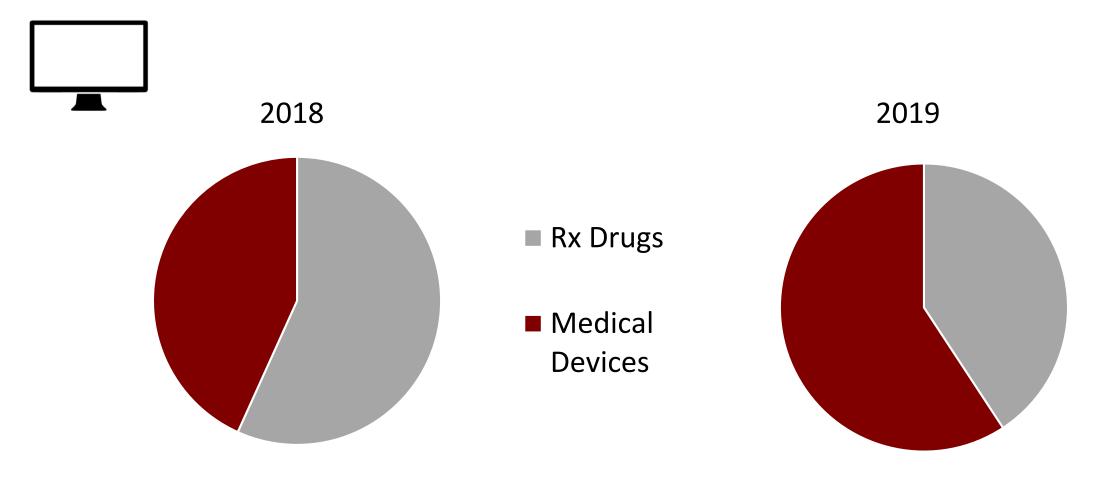
26 ads per hour



1 ad every2 minutes



# Rx Drugs & Medical Devices Litigation TV Advertising, Number of Ads





#### Top Medical Devices in Mass Tort TV Ads, Jan-Jul 2019

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2. Military Earplugs

3. IVC Filters

4. Hip Implants

5. Pelvic Mesh

6. Essure Birth Control

7. Breast Implants

8. Surgical Staplers

9. Intrauterine Devices

(Mirena, Paragard)

10. Knee Implants



#### "FDA Warnings"



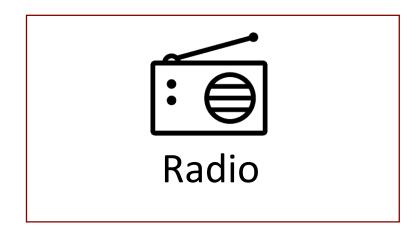




# Multimedia campaigns











# Radio Litigation Advertising, Jan-Aug 2019

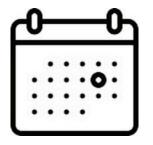


**Hernia Mesh** 

**IVC Filters** 

27K ads

19K ads



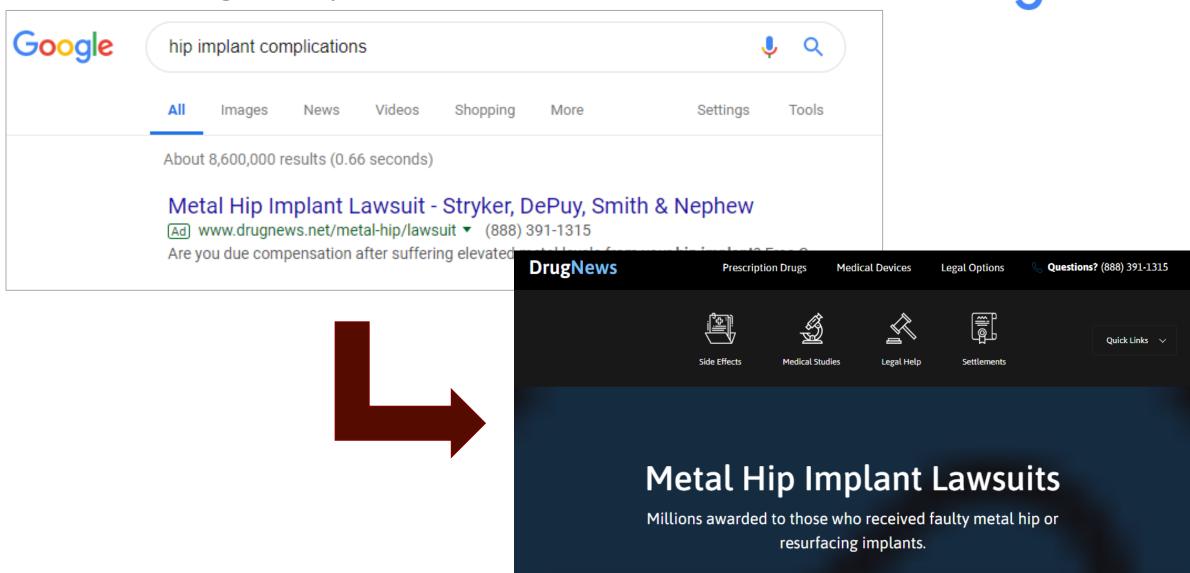
110 ads per day

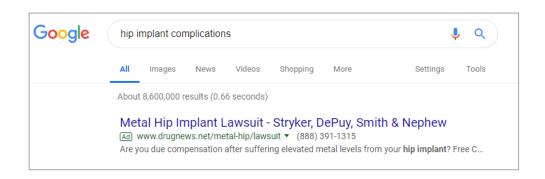
79 ads per day

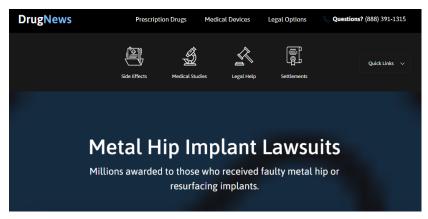


## Search Engine Optimization











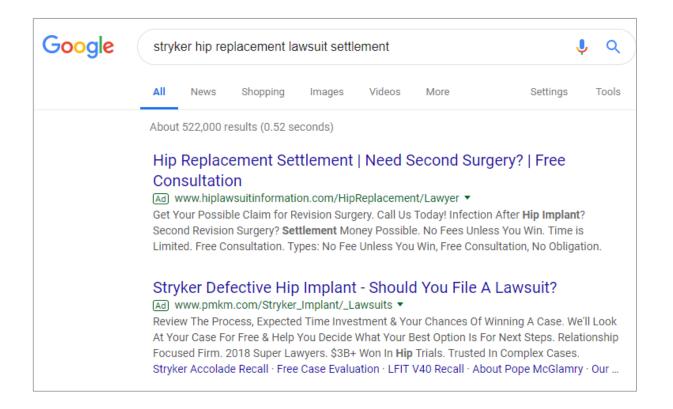
## **About DrugNews**

Our mission is to improve safety and patient rights through public awareness.

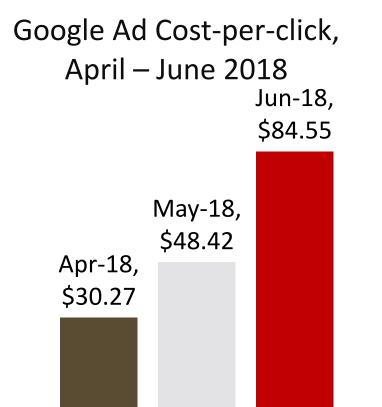
DrugNews partners with qualified lawyers and law firms around the country that specialize in catastrophic injury cases from defective drugs, medical devices and other products. Together, they have helped tens of thousands of injured patients learn their rights or file claims against negligent manufacturers.



### Search Ad Pricing Trends







Stryker Hip Replacement Lawsuit
Settlement



Source: X Ante utilizing Google data

### **Facebook Advertising**









Source: Facebook Ad Library

# Litigation Risk

# Reputational Damage





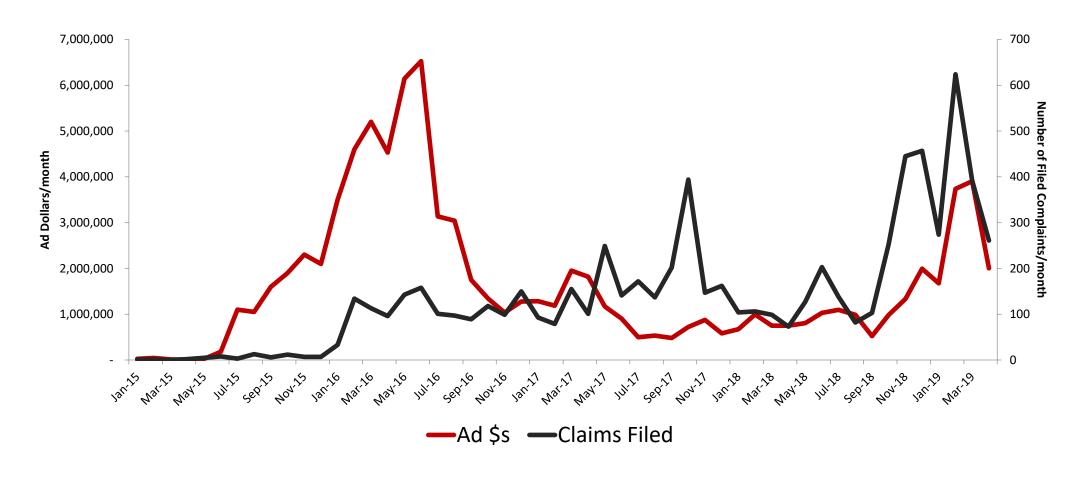
# Litigation Risk





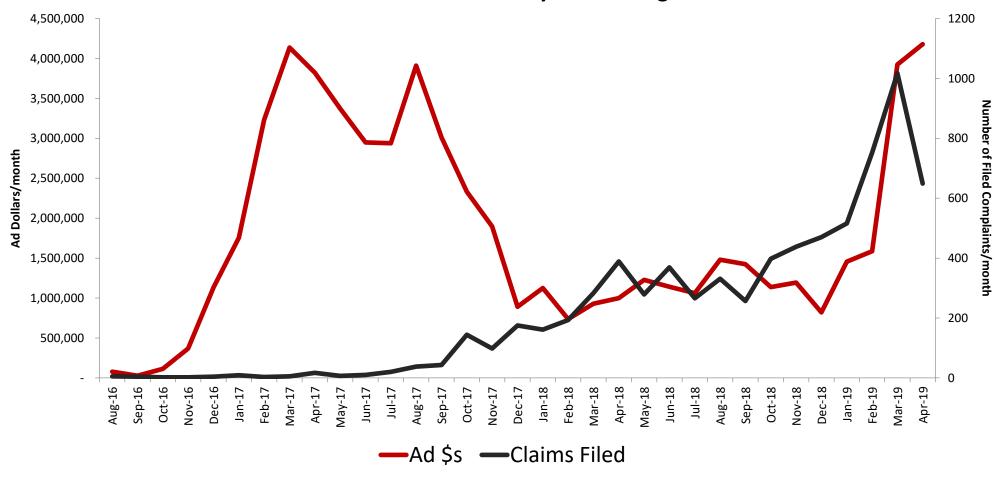
## Ads early warning for lawsuit filings

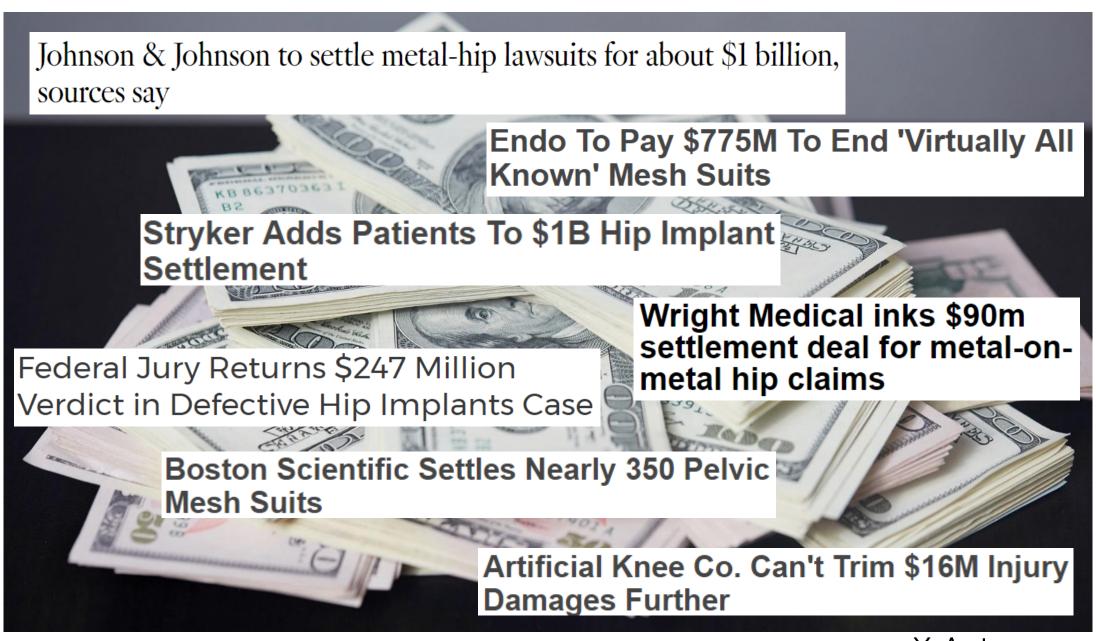
#### **Bard IVC Filter Lawsuits v. Attorney Advertising Dollars**





#### **Bard Hernia Lawsuits v. Attorney Advertising Dollars**







# Reputational Damage





# **Reputational Damage**



Commercial loss

Investor scrutiny

Public health threat

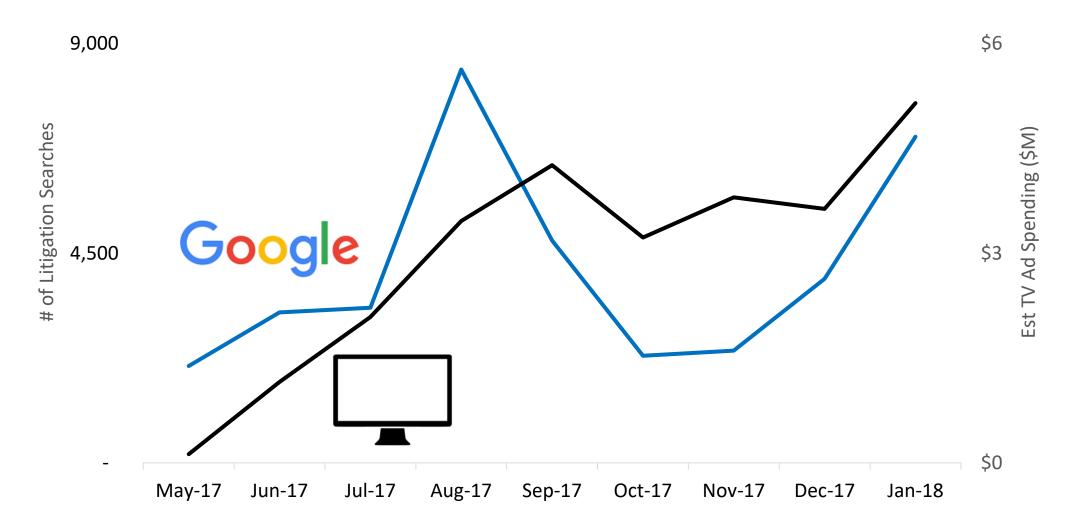


# **Commercial Loss**



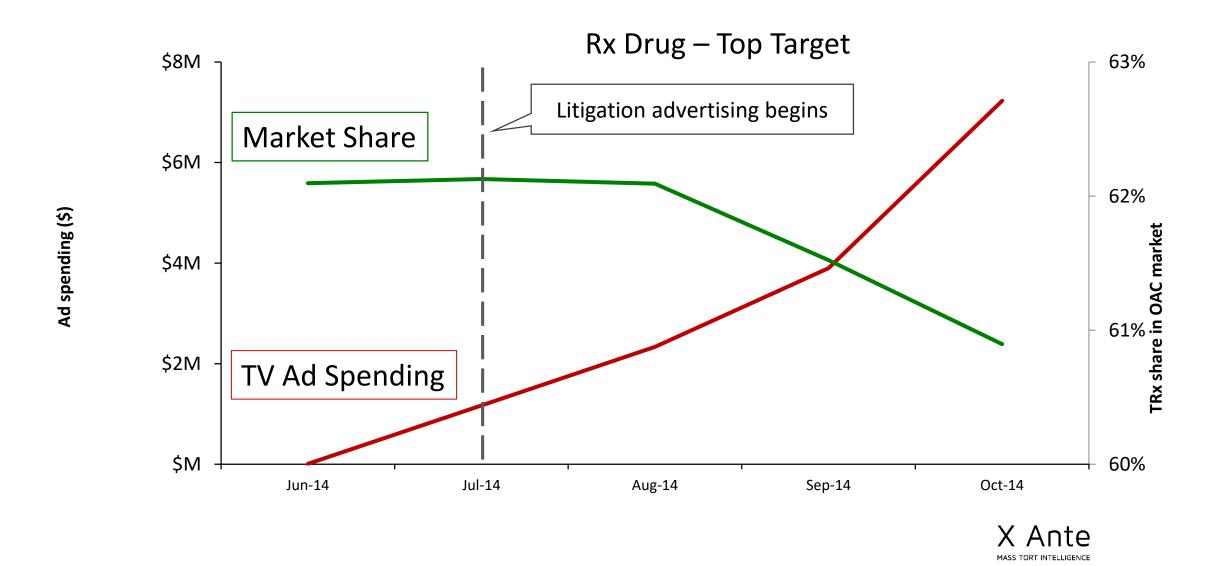


### Public interest rises with litigation TV advertising...





## ... and sales may decline



# **Investor Scrutiny**





### Growing litigation risk depresses share prices

#### THE WALL STREET JOURNAL.

#### Bayer Shares Fall After \$2 Billion Roundup Verdict

Chemical giant's shares are one of the worst performers in the Frankfurt stock exchange's blue-chip DAX index



J&J shares nosedive on report it knew of asbestos in Baby

Powder

#### **Bloomberg**

FDA Halts Vaginal Mesh Sales; Boston Scientific Shares Fall

Bloomberg
Getinge Slides Most in Four Years on
Provision for Mesh Lawsuits



# Should You Sell J&J Stock As Opioid Charges Heat Up?

J&J's legal issues will be a short-term headwind for the stock







#### Three Trials:

- 1. \$289 Million, August 2018
- 2. \$80 Million, March 2019
- 3. \$2 Billion, May 2019

18,000+ lawsuits filed

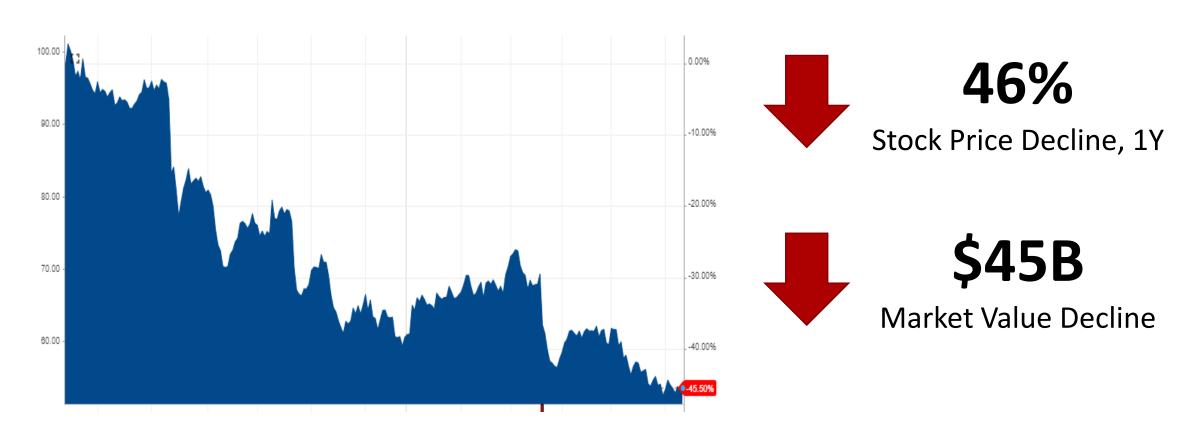






# Bayer's stock falls after \$2 billion verdict against Roundup maker Monsanto

## Bayer's Roundup Problem Slashes Its Market Value





## Mass tort advertising forecast litigation risk







"[The increase in lawsuits was] clearly driven by a substantial surge in anti-Roundup advertising spending from the plaintiffs' side...

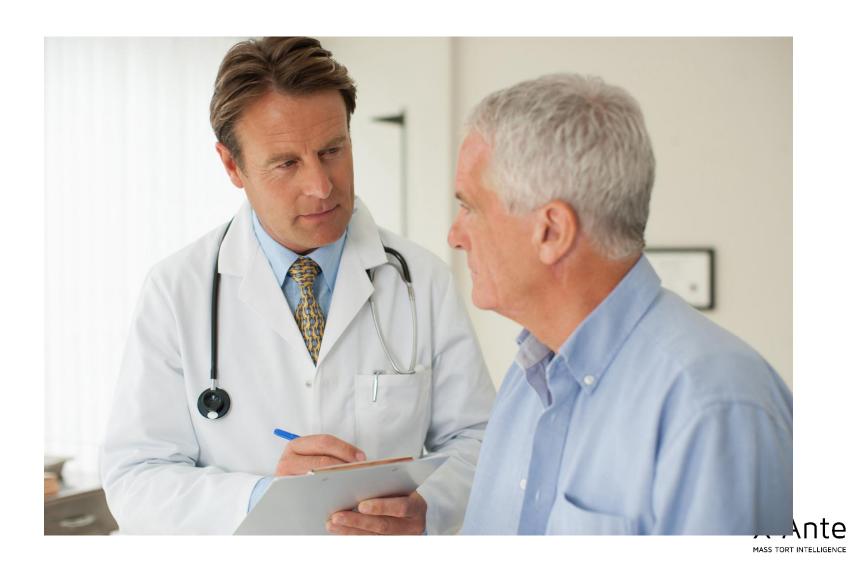
They are estimated to have spent over \$50 million on TV advertising alone in the third quarter...

The number of lawsuits tells us nothing about their merits."

Bayer CEO Werner Baumann October 30, 2019



# **Public Health Threat**





February 6, 2019

**213** 

Reports of patients discontinuing antidiabetic, antidepressant, or anticoagulant medications after viewing a lawsuit ads

27%

Reported adverse event after stopping treatment



### Dangerous consequences of mass tort advertising

The New York Times

# How Profiteers Lure Women Into Often-Unneeded Surgery

April 14, 2018

Lawyers building such cases sometimes turn to marketing firms to drum up clients. The marketers turn to finance companies to provide high-interest loans to the clients that have to be repaid only if the clients receive money from the case. Those loans are then used to pay for surgery performed by doctors who are often lined up by the marketers.

Interviews with dozens of women, lawyers, finance executives and marketers, as well as a review of court records and confidential documents, indicate that hundreds, perhaps thousands, of women have been sucked into this assembly-line-like system. It is fueled by banks, private equity firms and hedge funds, which provide financial backing.

The profits are immense. So are the costs to women. Some suffer physical problems from the surgery. Others say they have become depressed or unable to work. Still others have to get mesh reinserted.





#### **Forbes**

AMA: Lawyer Ads Are Alarming Prescription Drug Users, Jeopardizing Health Care





#### Don't let Lawsuit Ads Put You at Risk

"A surge in television, radio and internet ads from law firms and lawsuit marketing companies is causing some patients to take serious risks... the rhetoric of these ads have <u>frightened some</u> <u>patients into stopping critical life-saving medications</u> without consulting a healthcare practitioner."

Fraud Alert March 21, 2018



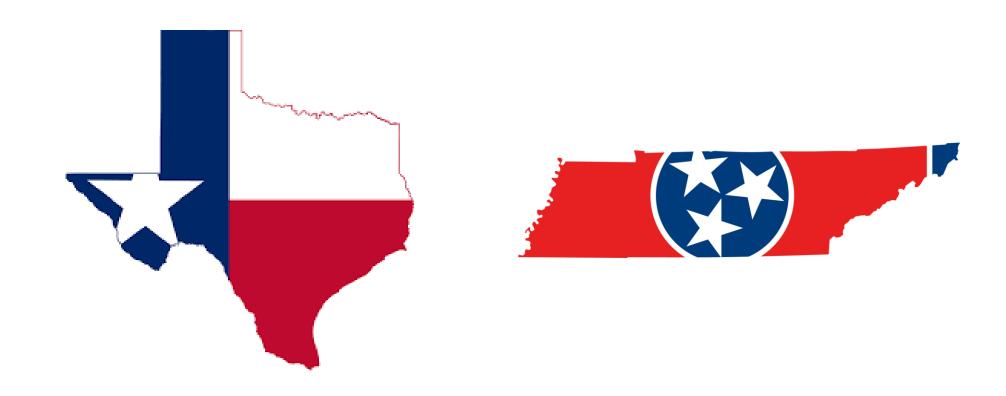


September 24, 2019

FTC Flags Potentially Unlawful TV Ads for Prescription Drug Lawsuits



## State Legislative Action





# Litigation Risk



# Reputational Damage

Litigation costs

Jury awards

Settlement amounts

**Commercial loss** 

Investor scrutiny

Public health threat















WARNING: Ignore mass tort advertising at your own risk



## Thank you



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