

Business Brief -- Sulzer Medica AG: Settlement of Suits On Hip Replacements Is Delayed by Judge

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CLEVELAND (AP) -- A federal judge delayed action Friday on a request for preliminary approval of a \$780 million class-action settlement to resolve more than 1,000 lawsuits against Swiss medical-technology company Sulzer Medica AG over faulty hip replacements.

U.S. District Judge Kathleen O'Malley said there were still too many unresolved questions and set a hearing for Aug. 28.

She said it was still unclear whether the plaintiffs could opt out of the settlement and file their own lawsuits.

She also questioned what would become of any money left over after the claims are paid.

The faulty Inter-Op hip implants were made by Sulzer Orthopedics Inc., a U.S. unit of Sulzer Medica.

Sulzer Orthopedics, Austin, Texas, recalled the implants in December after discovering that lubricant residue on the artificial joints could prevent the implant from bonding properly with the bone, causing it to loosen.

Under the proposed settlement, Sulzer Medica would pay for surgeries to replace the recalled joints and provide patients with compensatory payments in cash and stock.

The novel element of the settlement is a provision designed to force all potential plaintiffs into the pact, even if they believe their injuries are worth far more than it mandates.

The company would give all participants in the pact a lien on its assets, meaning that payment of their claims would have priority over other liabilities -- including potential court awards to plaintiffs who opt out.

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