

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

- - -

IN RE:	:	MDL NO. 13-2436
	:	
	:	
	:	
	:	
	:	
	:	
	:	
	:	
	:	
TYLENOL (ACETAMINOPHEN)	:	
MARKETING, SALES	:	Philadelphia, Pennsylvania
PRACTICE AND PRODUCTS	:	December 16, 2015
LIABILITY LITIGATION	:	10:13 a.m.

- - -

TRANSCRIPT OF CASE MANAGEMENT CONFERENCE
BEFORE THE HONORABLE LAWRENCE F. STENGEL
UNITED STATES DISTRICT JUDGE

- - -

APPEARANCES :

For the Plaintiffs: LAURENCE S. BERMAN, ESQUIRE
MICHAEL M. WEINKOWITZ, ESQUIRE
Levin, Fishbein, Sedran & Berman
510 Walnut Street
Suite 500
Philadelphia, PA 19106

CHRISTOPHER V. TISI, ESQUIRE
Ashcraft & Gerel
Suite 400
2000 L Street, N.W.
Washington, DC 20036

For the Defendants: MADELINE M. SHERRY, ESQUIRE
Gibson, P.A.
1700 Two Logan Square
18th and Arch Streets
Philadelphia, PA 19103

Transcribers Limited
17 Rickland Drive
Sewell, NJ 08080
856-589-6100 • 856-589-9005

1 APPEARANCES: (Continued)

2 For the Defendants: CHRISTY D. JONES, ESQUIRE
3 ALYSON JONES, ESQUIRE
4 Butler, Snow, O'Mara,
5 Stevens & Cannada, PDL P
6 1020 Highland Colony Parkway
7 Ridgeland, MS 39157

8 DAVID ABERNETHY, ESQUIRE
9 Drinker, Biddle & Reath, LLP
10 One Logan Square
11 Suite 2000
12 Philadelphia, PA 19103

13 MR. GAINER, ESQUIRE
14 (No appearance provided)

15 - - -

16 Audio Operator: Laura Buenzle

17 Transcribed By: Brad Anders

18 - - -

19 Proceedings recorded by electronic sound
20 recording; transcript produced by computer-aided
21 transcription service.

22 - - -

1 (The following was heard in open court at
2 10:13 a.m.)

3 THE COURT: Good morning.

4 ALL: Good morning, Your Honor.

5 THE COURT: Welcome back to the 14th floor.
6 Please have a seat. So, this is our monthly status
7 conference. We have several items on the agenda. I
8 believe Laura has already taking roll for the record.
9 Is that right, Laura?

10 COURTROOM DEPUTY: Yes.

11 THE COURT: Okay. So, I don't need to do
12 that. I have a list of who is here and we have two
13 participants by telephone.

14 This morning we want to talk about the update
15 on the New Jersey litigation. We have motions
16 involving two experts, and then motion in limine number
17 14.

18 There was late breaking news involving the
19 supplemental expert disclosure. I'm watching too much
20 CNN these days, everything is late breaking. So, we
21 will talk about that and I want to talk about the
22 possible dates for a trial and see where we go with
23 that.

24 Okay. In terms of the New Jersey litigation,
25 I have your reports. Is there anything that you want

1 to talk about? Is there a trial date in a new case? I
2 think your next status conference is January, right?
3 Is that right?

4 MS. JONES: I don't believe that we have one
5 scheduled.

6 THE COURT: You don't have one scheduled?

7 MR. BERMAN: No.

8 THE COURT: Okay. I thought it was --

9 MS. JONES: And we don't have a trial date.
10 We have assumed that the next trial would be in the
11 Taylor case which was prepared, but we don't have any
12 trial date or any -- we have nothing.

13 THE COURT: Okay.

14 MS. JONES: To my knowledge we have nothing
15 scheduled before the Court at this time.

16 THE COURT: Okay. All right. Well, that's
17 -- okay. That's good. There are no motions, nothing
18 pending here?

19 MS. JONES: Well, there have been no motions
20 other than -- frankly we anticipate raising the same
21 motion that we have about, as Your Honor described,
22 about the late breaking news --

23 THE COURT: Right.

24 MS. JONES: -- on experts --

25 THE COURT: Right.

1 MS. JONES: -- so that will be presented to
2 the Court --

3 THE COURT: Okay.

4 MS. JONES: -- unless we can resolve it.

5 THE COURT: Okay. Very good. Anything to
6 add?

7 MR. BERMAN: Nothing to add, Your Honor.

8 THE COURT: Very good. Okay. So, no news is
9 good news. Let's talk about the two experts. I know
10 we had four listed, but Mr. Milling had an emergency,
11 so we're going to just defer those until a later
12 conference.

13 MR. BERMAN: And we appreciate that.

14 THE COURT: Sure.

15 MR. BERMAN: Thank you, Your Honor.

16 THE COURT: Sure. So, we have Daubert
17 motions involving the expert, Cheryl Blume and I
18 believe Marvin Goldberg is on the agenda, right?

19 (Pause in proceedings.)

20 THE COURT: Okay. Good morning.

21 MS. JONES: Good morning. I'm here to argue
22 Dr. Blume, is that is your --

23 THE COURT: I think that works. Okay. And
24 you can argue from counsel table, that's fine, or from
25 the podium.

1 MS. JONES: I'll get up here just to make it
2 a little easier for the court reporter. Your Honor,
3 obviously the briefing is fairly complete with respect
4 to Dr. Blume, and what I would like to do is just to
5 talk about I think three discrete issues that relate to
6 her potential testimony.

7 THE COURT: Okay. Sure.

8 MS. JONES: Frankly, some of what is included
9 in the motion and the brief with respect to future FDA
10 actions or adverse experience reports, some of that is
11 covered by other motions in limine that have been
12 already argued or separately argued --

13 THE COURT: Right.

14 MS. JONES: -- and I am happy to answer any
15 questions about it, but I don't know that it's
16 necessary to go through that today.

17 THE COURT: Okay.

18 MS. JONES: Dr. Blume is presented by the
19 plaintiffs principally as a regulatory expert.

20 THE COURT: Right.

21 MS. JONES: We have challenged her testimony
22 on several grounds, but the ones that I wish to bring
23 principally to Your Honor's attention are those that
24 respect medical causation or the mechanism of potential
25 action, acetaminophen causing acute liver failure,

1 number one.

2 Number two, certain of her proposed testimony
3 that relates to vulnerable populations which is related
4 in some respects to the first, but really is more
5 subject to exclusion under the third prong of the fifth
6 criteria for Daubert in that it is unrelated to the
7 issues involved in the case with respect to Ms. Hayes.

8 The third aspect is a motion to exclude any
9 testimony or opinions based upon the state of mind or
10 intent of either the FDA or McNeil. Perhaps that is
11 the easiest place to start on the end --

12 THE COURT: Okay.

13 MS. JONES: -- is Dr. Blume has included
14 within her report certain statements that purport to
15 reflect what the state of mind of the intent is of
16 certain actions on the part of McNeil.

17 As we have cited to Your Honor --

18 THE COURT: Where in her --

19 MS. JONES: -- in the brief, those opinions
20 and similar opinions to that have routinely been
21 excluded including the opinions of Dr. Blume on that
22 subject.

23 The basis for excluding those opinions by
24 other courts has been essentially that it is not the
25 proper subject of expert testimony in that while

1 documents may be referred to and used, the jury is
2 equally competent to draw their own conclusions from
3 the documents as to the intent of the parties as to
4 experts and, therefore, it's not a proper subject of
5 expert testimony and not opinion testimony that should
6 be allowed.

7 THE COURT: Where in her report does she go
8 into that? Can you --

9 MS. JONES: You know, Your Honor, I
10 apologize, I did not --

11 THE COURT: -- orient me to the report?

12 MS. JONES: I don't have that with me and
13 with Your Honor's permission I will be happy to send to
14 you exactly those comments. It is -- you could just
15 review the testimony and, frankly, having known Dr.
16 Blume before, and she makes statements like it's clear
17 that the company intended to put profits over safety.

18 THE COURT: Right.

19 MS. JONES: Or it's clear that the company
20 was intending to hide this information. It is that
21 type of conclusory statement that she has both in the
22 report and elsewhere, and it's those types of remarks
23 and opinions that we're seeking to exclude.

24 In all candor, it's kind of woven through her
25 report. There are different statements throughout

1 there, and we have cited to Your Honor several opinions
2 where the court has considered exactly the same issue,
3 whether it's In Re: Baycol, In Re: Viagra, In Re:
4 Trasy~~l~~ol.

5 You know, all of these courts, some of whom
6 have specifically addressed Dr. Blume, others have
7 addressed this type of testimony and generally have
8 excluded it on the basis that it's just not the proper
9 subject of expert testimony.

10 THE COURT: Right. Okay.

11 MS. JONES: The second point I would like to
12 raise with Your Honor is relating to Dr. Blume's
13 opinions on medical causation. We make it clear that
14 Dr. Blume has not reviewed any medical records in this
15 case, nor talked to any doctors or reviewed anything
16 relating to specific causation and has admitted at her
17 deposition that she does not intend to offer any
18 testimony with respect to specific causation of the
19 individual claimant.

20 That said, she has approximately 14 pages of
21 her opinion in her report, and I think, Your Honor, to
22 pages 24 to 36, if I'm not mistaken, that are related
23 to the mechanism of action and the medical causation,
24 and whether or not there is scientific evidence that
25 acetaminophen at or below the recommended dose can

1 cause acute liver failure or hepatotoxicity.

2 Now, we challenge this primarily on the basis
3 of Dr. Blume's qualifications and credentials. She is
4 not a medical doctor. She is a pharmacologist. She's
5 done no work whatsoever with respect to acetaminophen.
6 She has not done any either (inaudible) research or
7 clinical trials with respect to it. She has never
8 published anything with respect to acetaminophen.

9 She has done no work with respect to
10 hepatotoxicity or hepatic injury or hepatic failure at
11 all, and it's clear that if you look at Dr. Blume's
12 testimony both at her deposition in New Jersey and her
13 expert report that she really does not distinguish, nor
14 does she have the basis to distinguish between
15 hepatotoxicity and acute level failure.

16 I will remind, Your Honor, if we go back to
17 the science day that we had, that there is a
18 significant difference between the two. These cases
19 involve acute liver failure. Hepatotoxicity
20 essentially involves laboratory findings of elevated
21 liver enzymes. That's the Jones simplified definition
22 of it, and Dr. Blume does not distinguish between
23 those.

24 It's our view that she simply lacks the
25 appropriate qualifications to testify on the mechanism

1 of potential injury or on medical causation. That's
2 the first thing.

3 THE COURT: Okay.

4 MS. JONES: The second aspect that relates to
5 that is that her opinions are based at least in part
6 upon adverse experience reports which are unreliable in
7 and of themselves.

8 I don't want to go back and reargue things
9 that have been argued elsewhere. As Your Honor knows,
10 we have sought the exclusion of the adverse experience
11 reports based on hearsay and unreliability.

12 But, what is important for the purposes here
13 is that it is generally recognized in science, in the
14 courts, and by the FDA that adverse experience reports
15 by their very nature are incomplete and inadequate to
16 establish a causal relationship.

17 The FDA has specifically addressed this in
18 the context of acetaminophen. In the context of
19 acetaminophen, the FDA has specifically addressed it
20 and pointed it out, and we've got the quotes, Your
21 Honor, on pages 10 and 11 of the brief where the FDA
22 points out specifically the problems with the adverse
23 experience reports and drawing causal conclusions based
24 upon that when dealing with acetaminophen, and that
25 being that dosing information is unreliable.

1 The medicine is taken on as needed basis, so
2 it's often difficult to find out how much was taken or
3 when it was taken. You can't determine the actual
4 dose. There is no certainty particularly in the adult
5 cases that it was an unintentional as opposed to an
6 intentional overdose and they point out the stigma
7 associated with reporting an intentional overdose for a
8 variety of different reasons.

9 And, so the FDA has specifically said you
10 can't rely upon these to establish causation. And when
11 you look at Dr. Blume's opinions, Dr. Blume's opinions
12 on causation are in large part dependent upon reviewing
13 those specific adverse experience reports.

14 The second aspect of that, as kind of an
15 aside, is that that provides an unreliable basis for
16 her opinion and, therefore, her opinion on medical
17 causation ought to be excluded with respect to that.

18 Secondly, to the extent that she relied upon
19 those reports, surely there should be a requirement
20 that the reports relied upon must be consistent with
21 the circumstances or substantially similar to the
22 circumstances involved in Ms. Hayes case instead of
23 just the raw gamut.

24 THE COURT: Is that a matter of admissibility
25 of the opinion --

1 MS. JONES: I'm sorry, Your Honor.

2 THE COURT: Is that a matter of admissibility
3 of the opinion or is that a matter of the weight of the
4 opinion? I mean, is that something that you can
5 address on cross-examination with her?

6 MS. JONES: Well, I think you can address it
7 on cross-examination to some extent, but I think truly
8 it goes to the admissibility of the opinion because I
9 think that it doesn't meet -- and the Court's role as a
10 gatekeeper under Daubert, I think you have to look at
11 and examine whether or not the opinions are based upon
12 reliable methodology.

13 And where the opinions are premised upon case
14 reports that the FDA recognizes are unreliable as a
15 matter of law, that I think that that comes within the
16 Court's gatekeeper function and they ought to be
17 excluded.

18 Again, we're talking in this case about
19 limiting her opinions on medical causation and as a
20 regulatory expert, I would suggest to you that any
21 opinions that she would offer in these circumstances
22 are cumulative under the circumstances given the other
23 experts that are lined up to testify, who are properly
24 qualified to testify as to the mechanism of action, if
25 you would.

1 So, I think as to those issues they go to
2 qualifications. I understand the question, but if you
3 allow testimony in and say it only goes to the weight
4 and is subject to cross-examination and it's based on
5 adverse experience reports, then we are placed in the
6 untenable position of having to use adverse experience
7 reports arguably to cross-examine or to cross-examine
8 her about at least what the FDA says with respect to
9 them being unreliable.

10 THE COURT: Okay.

11 MS. JONES: The other aspect of that that is
12 tangential that relates to it is that Dr. Blume has
13 offered testimony with respect to certain vulnerable
14 populations.

15 Now, in order to identify a vulnerable
16 population, if you will, you have to draw some medical
17 conclusions, and so I think it's an extension of this.
18 But, in addition, she focuses primarily in her report
19 on those populations who have abused alcohol or been
20 subject to alcohol abuse, then vulnerable to
21 acetaminophen.

22 That does not fall within the third criteria
23 of Rule 702 in terms of the relevance or fit
24 requirement under Daubert in the sense that we are not
25 here in this case to address a vulnerable population.

1 We are here to talk about Ms. Hayes and there
2 is no showing or evidence of which I am aware that she
3 was either alcohol dependent or had abused alcohol or
4 is accused of taking alcohol during the pertinent time
5 frame. And so that evidence and those opinions
6 relating to that should be irrelevant and excluded
7 under any circumstances.

8 Your Honor, I am prepared to address any of
9 the other --

10 THE COURT: Okay.

11 MS. JONES: -- arguments that are set forth
12 in there. I think that I want to specifically to
13 address with Your Honor the issue of medical causation
14 and that reliance and the state of mind and --

15 THE COURT: Okay.

16 MS. JONES: -- while I'm happy to answer
17 any --

18 THE COURT: The state of mind would include
19 her comments about the J&J credo?

20 THE COURT: Well, to some extent when she
21 starts talking about the J&J credo, she is either
22 offering legal opinions or she's offering a question of
23 state of mind based upon a credo that's out there.

24 The reality of it is, Your Honor, she is
25 not -- a regulatory expert talking about an inhouse

1 credo is certainly irrelevant. It is related to the
2 state of mind because, frankly, that part of what she
3 testifies to is to say they failed to follow their
4 credo.

5 I mean, her testimony is framed -- she does
6 the same as she did in New Jersey, is basically I'm
7 going to address pharmacovigilance, and
8 pharmacovigilance involves a number of different
9 things, some of which relates to monitoring and
10 reporting of adverse event reports which she has not
11 looked at, and can't say in a timely fashion that we
12 responded to.

13 She then would take that in terms of the
14 credo and looking at it and suggest that we didn't
15 perform proper pharmacovigilance as a result, and as a
16 result breached the credo and the state of mind to do
17 that. It's just not the proper subject of expert
18 testimony.

19 It's just not something that her opinion is
20 any different from that of individual jurors or yours
21 or mine or anybody else that can look at the
22 circumstances and draw their own conclusions in terms
23 of what the intent was.

24 THE COURT: Okay. Thank you,

25 MS. JONES: Thank you.

1 THE COURT: Good morning, Mr. Tisi.

2 MR. TISI: Good morning, Your Honor. Nice to
3 be here. Chris Tisi for the plaintiff in this case. I
4 don't want to take anything for granted, so I just
5 wanted to say this out front.

6 Trial courts and appellate courts both state
7 and federal have concluded that Dr. Blume is both
8 qualified to render expert opinions on both
9 pharmacovigilance and risk reduction measures using
10 standard methodology that she uses in both her career
11 as a executive in a pharmaceutical company, and as a
12 consultant even until today to the pharmaceutical
13 companies working with the FDA for things like
14 labeling, other risk reduction measures.

15 In fact, the State Court in New Jersey
16 concluded that Dr. Blume was specifically able to speak
17 to these very issues that are being challenged here,
18 and in ruling Judge Johnson found her to be thoughtful,
19 measured and focused on facts, research and science. I
20 think those were his terms.

21 So, the question really is whether this Court
22 should reach a different result that the other courts
23 that have looked at Dr. Blume have, and this Court
24 should not.

25 THE COURT: I don't feel this is a challenge

1 to her qualifications.

2 MR. TISI: And her methodology, Your Honor.

3 THE COURT: Right.

4 MR. TISI: It was methodology and fit that
5 they challenged and in every one of those opinions they
6 looked at the methodology she used for both
7 pharmacovigilance and risk reduction. And just so the
8 record is clear, there really are two halves of the
9 same coin, and there is this iterative process that
10 happens during the life cycle of a drug.

11 You assess risk, you take risk reduction
12 measures, you assess how well you are doing with your
13 risk reduction, and if you have to tweak it, you take
14 further risk reduction, and that's kind of the process
15 that goes on and she will explain that.

16 Ms. Jones has chosen to focus her argument on
17 three areas, and I am going to try weave those three
18 areas into my argument, and those would be what Ms.
19 Jones calls "medical causation." That's not what this
20 is at all, and I'll just be clear.

21 She is assessing the science around
22 acetaminophen, hepatotoxicity for the purposes of
23 establishing whether or not there is a risk that would
24 require risk reduction measures, labeling, all those
25 kinds of things. Those are the things she does in her

1 normal career.

2 Assessing vulnerable sub-populations, and I
3 will demonstrate that she not only has does this, but
4 the courts have approved that she has done this before,
5 and the intent of the company.

6 And the third prong -- the third I want to
7 talk about really briefly and get that right out front
8 because you had a question about what is intent and
9 what is not intent.

10 She is not going to testify in this case and
11 get in the minds of executives and say that they wanted
12 -- it's very clear from the record that they wanted to
13 kill people. I mean, that's not going to be the
14 testimony. So, to that extent, the state of mind,
15 frankly, is a little bit of a red herring.

16 What she will say and what I think is
17 important that she does say is part of what she does
18 and part of what is at issue in this case is what is
19 known and what is knowable. So, to the extent of what
20 is known and what is knowable is state of mind. I
21 suppose that she will testify to those things.

22 For example, she will say as of a certain
23 date there was enough medical information in the
24 medical community for somebody who does risk reduction
25 measures, what was known was X. What McNeil understood

1 from the clinical trials that they conducted was Y.
2 Based upon that evidence, they should have taken
3 certain actions.

4 So, I just want it to be clear and it's a
5 little bit of a detour from my outline here, but when
6 we're talking about state of mind, it can be an
7 umbrella term that frankly can be misused.

8 If a ruling comes out that she can't testify
9 to state of mind we are going to have a real dispute as
10 to whether or not state of mind includes what is known
11 and knowable. So, she will testify or intends to
12 testify, subject to your ruling, about what is known
13 and what is knowable.

14 So, I would like to just take a moment if I
15 could and talk about two cases that I think are
16 illustrative of the kinds of methodology she uses to
17 both assess risk, which Ms. Jones calls medical
18 causation, but is really risk in the pharmacovigilance
19 world and apply them to vulnerable sub-groups.

20 The first case that I would like to talk
21 about is one that we've talked about before, and it is
22 the Decker versus G.E. Healthcare case, and it's a case
23 in which Dr. Blume testified and was approved by the
24 United States Court of Appeals for the Sixth Circuit,
25 and that's 77 F.Supp 378, and the discussion of her

1 testimony is on page 393 and 394, 395 and 396.

2 That case was a case involving -- it was an
3 MDL -- it grew out of an MDL involving patients who
4 were at risk for developing a particular disease
5 because they were kidney patients, okay, they were a
6 vulnerable sub-group.

7 The question was whether or not there was
8 enough information known and knowable to the defendant
9 in that case to take risk reduction measures, including
10 changing the label and educating doctors through
11 various mechanisms, including dear doctor letters and
12 those kinds of things that are done in prescription
13 drugs.

14 In that case, the MDL carefully considered
15 under Daubert, it had a Daubert challenge of Dr. Blume,
16 and Dr. Blume's generic opinions with respect to
17 pharmacovigilance and labeling were approved.

18 There the court allowed Dr. Blume to testify
19 to safety signals, and I think we talked about signals
20 in other context in other motions, so unless the Court
21 has any discussions about that, I will move on.

22 But, one of the key pieces of evidence that
23 she relied upon were four adverse event reports in
24 patients that the company received, and it wasn't even
25 identified as the disease in question. It was the

1 person just had a reaction.

2 They were kidney patients. It wasn't
3 identified as nephrogenic systemic fibrosis, and the
4 court determined that they can rely on those case
5 report, four of them, and here we have thousands in the
6 published medical literature, four cases as well as
7 clinical trials, other kinds of evidence and put
8 together a risk reduction. Her conclusion was there
9 was a signal and that risk reduction measures were
10 appropriate.

11 So, the Court of Appeals took a look at that
12 issue after a verdict for the plaintiff and concluded
13 that the court was appropriate in allowing her to
14 testify to vulnerable sub-groups. relying on adverse
15 event reports, risk reduction measures based upon that
16 analysis.

17 The court even addressed the issue that Ms.
18 Jones pointed out which is that she is not a medical
19 doctor, and the court said -- the District Court
20 concluded and I am quoting here, "That because Blume
21 was a pharmacovigilance expert irrespective of whether
22 she was a medical doctor, she was qualified to reliably
23 testify to the significance of adverse event reports."

24 In fact in that case the court excluded a
25 medical doctor from testifying to the same thing

1 because just being qualified as a medical doctor
2 doesn't qualify you to testify to pharmacovigilance.

3 The second case I would like to talk about
4 very briefly is the cases in New Jersey. In that case,
5 Judge Johnson heard very similar challenges to Dr.
6 Blume based upon the very same report that's before
7 Your Honor.

8 He rejected both of the challenges to her
9 methodology on both occasions, and allowed her to
10 testify at trial and even denied a directed verdict
11 motion after having heard her testimony on the stand
12 both as to her reliance on all the lines of evidence,
13 including case reports, case series, clinical trials,
14 et cetera. So, let me turn really -- having with those
15 two cases, let me turn to the issues in the case.

16 McNeil posits that Dr. Blume may not testify
17 to medical causation and vulnerable sub-populations
18 based on AERs and other data, in part because she is
19 not a doctor, and in part because that evidence is
20 allegedly unreliable.

21 But, as the Court remembers and we have
22 attached this to our brief, the guidance for
23 pharmacovigilance specifically allows experts in
24 pharmacovigilance to rely on case reports, rely on
25 other kinds of evidence, and I just -- quoting of it is

1 "Even a single well documented case report can be
2 viewed as a signal." So, the FDA itself has recognize
3 that.

4 THE COURT: What is it that you will have her
5 say or ask her about medical causation.

6 MR. TISI: She will not testify to medical
7 causation.

8 THE COURT: She won't testify as to causation
9 with this plaintiff, right?

10 MR. TISI: No. She will not do that, and
11 that's really a good question, Your Honor. Let me just
12 take a moment and step back for a minute because there
13 really are several questions on causation that can be
14 put in the causation bucket, and I want to make very
15 clear what those distinctions are.

16 The first would be medical causation in this
17 particular case with respect to Ms. Hayes. She will
18 not testify to that. She's not a medical doctor, she
19 did not perform a clinical evaluation of the plaintiff,
20 she is not going to testify to that.

21 The second question is, is there enough
22 evidence to demonstrate what we call general causation,
23 and that is, does the totality of the evidence
24 establish a causal link more likely than not between
25 acetaminophen at or near therapeutic doses and acute

1 liver failure, or acute liver injury in a human being.
2 That's a medical question and, frankly, we will have
3 people to testify to that. Her testimony will be
4 consistent with that, but that's not where she is
5 going.

6 Her testimony will be on the question of is
7 there enough medical evidence to establish an
8 association between acute liver failure and acute liver
9 injury and acetaminophen to require a company to do
10 more.

11 In other words, is there enough evidence out
12 there in the medical literature for them to take risk
13 reduction measures that would include things like, and
14 this is no surprise because this is what she testified
15 to in New Jersey, there are several different methods
16 that could be used to reduce the risk.

17 It could be labeling changes, it could be
18 reducing the dose, it could be through educating
19 consumers about the risk, and you will hear some
20 testimony about this later, some discussion about the
21 marketing.

22 This drug is truly unique in the fact that it
23 has been so heavily marketed for 30 years, and the
24 interplay between the label and marketing. She will
25 testify to those.

1 So, yes, her testimony will dovetail with the
2 issues of scientific general causation, but she is not
3 a doctor and she will testify to was there enough
4 evidence to take action.

5 So, I hope that answers your question --

6 THE COURT: It does.

7 MR. TISI: -- in the best way that I could
8 answer it.

9 And, you know, I think what is really
10 important here is that even the defendant in this case
11 and their pharmacovigilance director, Dr. Kwan,
12 testified very clearly that even doctors are not, just
13 by virtue of having a medical degree, are not always
14 the best people to identify what risk reduction
15 measures are appropriate and whether there is a signal.

16 He said, and we attached this to our brief as
17 Exhibit 6, he said "Even hepatologists might
18 necessarily be the best person to look at it because
19 someone who practices medicine is quite different than
20 somebody who looks at pharmacovigilance." In fact,
21 Your Honor, that is the very same point made by Judge
22 Polster in the Gadolinium case and affirmed by the
23 Sixth Circuit in the Decker case. Pharmacovigilance is
24 a very distinct discipline.

25 So, now the question becomes well, what kind

1 of evidence can they rely on? Ms. Jones and her team
2 have repeatedly said that the FDA does not rely on case
3 reports and case series, but that's just simply not
4 true, nor does the law recognize that.

5 In your opinions that you issued last month,
6 I think it was last month, maybe it was the month
7 before, you recognized the Bonetti case. The Bonetti
8 case, as you know, talked about using adverse event
9 reports to say that there was at least evidence of a
10 risk associated with alcohol and acetaminophen to
11 include it on the label.

12 Okay. And so the law recognizes it as well
13 as the FDA itself. The FDA apart from the guidance
14 document that we talked about generally, you have seen
15 evidence and we have attached it our brief where the
16 FDA over and over and over again in the advisory
17 committees, in the working group document, in the
18 presentations it made to the advisory committees,
19 consistently in the federal rules -- the registers that
20 you have read and quoted in your opinions, have
21 referred to different lines of evidence including case
22 reports and case series.

23 So, it is simply not true, and I can't say
24 this enough, that the FDA does not rely on them. Are
25 they caveats about, you know, do you have to be careful

1 with case reports? Of course that is true. That is
2 true with any evidence. It's true with epidemiology
3 studies, it's true of clinical trials, it's true of
4 everything.

5 Every line of evidence has its pluses and its
6 minuses, including case reports, and both courts and
7 the FDA says you have to look at them all. So, I think
8 it's important to really focus on what people like Dr.
9 Blume, what the FDA do in the real world, and that is
10 what they do.

11 So, I think the question in this case, and I
12 am trying to get to the end here, the question of
13 whether she applied an appropriate methodology on the
14 sub-group population issue and the fit issue, Ms. Hayes
15 was fasting at the time. She had lost a lot of weight,
16 she was fasting because she was ill. She had had
17 gastric bypass surgery and you talked about that in
18 your opinion, and she had numerous risk factors that
19 stem from what you have identified as glutathione
20 depleted states.

21 So, one of the things that she will testify
22 to is that people -- there are going to be people and
23 it's recognized in the medical literature that was out
24 at the time and before Ms. Hayes' death, that allowed
25 people who do what she does to identify people and

1 groups that might be at increased risk, that's not to
2 say that people don't have a risk if they don't have
3 these risk factors, but might be an increased risk
4 depending upon who they are and what condition they are
5 in.

6 That's what she did, frankly, in the
7 Gadolinium case, okay. If you look in the medical
8 literature and you note that it's a pattern of people
9 who have a particular condition like kidney failure and
10 you see a pattern of things happening over time.
11 You've got to take risk reduction measures to address
12 that.

13 That's the same thing that she did here. She
14 looked at the medical literature for decades. You see
15 people who are fasting, it's identified in the
16 textbooks on hepatotoxicity, it's identified the in
17 medical literature.

18 And when you see that you should in her
19 opinion, you should take steps in order to at least
20 inform people, if you are not eating well, if you have
21 the flu, for example, if you are not eating well, don't
22 take acetaminophen in high doses, and don't take it for
23 more than several days.

24 Those are the kinds of things that she does
25 in her normal career. Those are the kinds of things

1 that fit the facts of this case, and those are the
2 kinds of things that the jury should hear. And,
3 ultimately, I think as you had indicated, the question
4 is whether or not the jury -- it goes to the weight.
5 So, I think that that is the issue.

6 So, I tried to address the general causation
7 issue which is really how she analyzes the data for
8 risk reduction. I have tried to identify the
9 vulnerable sub-population issue that Ms. Jones
10 identified, and I believe and I hope that I identified
11 the issue of intent and how that differs depending upon
12 what her testimony would be.

13 So, unless there is some question that you
14 have, I believe I have exhausted my --

15 THE COURT: I think I understand your
16 position.

17 MR. TISI: -- ability to put a period on the
18 end of the sentence.

19 THE COURT: All right. Thank you.

20 MR. TISI: Thank you very much, Your Honor.

21 MS. JONES: May I respond very briefly, Your
22 Honor?

23 THE COURT: Sure.

24 MS. JONES: Thank you. I would call Your
25 Honor's attention to section three of Dr. Blume's

1 report. I do have it here, unfortunately what I have
2 is marked up.

3 At pages 22 to 36 of her report, that section
4 is entitled "Acetaminophen related hepatotoxicity
5 event."

6 THE COURT: Right, I have it here.

7 MS. JONES: That section in and of itself is
8 what we are talking about here. That section does not
9 and is not restricted to saying certain reports have
10 been made and those, therefore, give rise to a
11 suggestion that there is a risk that should be warned
12 about.

13 Instead, this section is directly related to
14 and is written as, I called it medical causation
15 testimony, maybe it's scientific causation testimony,
16 but that's what is being used and that is what confuses
17 the entire issue here.

18 This is not pharmacovigilance. What is in
19 this report is Dr. Blume giving scientific and medical
20 scientifically causation opinions, period. General
21 causation opinions, "Acetaminophen can cause acute
22 liver failure" --

23 THE COURT: Right.

24 MS. JONES: -- and that is the issue, number
25 one.

1 Number two, just briefly to respond in the, I
2 think it's Heinoma, H-E-I-N-O-M-A, Colorado opinion
3 that we've cited in the brief, the court specifically
4 considered whether or not Dr. Blume could testify about
5 what the company knew, and that court specifically held
6 that that is not the proper subject of expert opinion.
7 It does fall within the state of mind notice intent,
8 and so forth.

9 So, I just wanted to call it to your
10 attention that what is known and knowable is something
11 that's not separate and apart from the state of mind as
12 courts have recognized that testimony. It's not a way
13 to get around somebody saying this is what your motive
14 is, or this was a bad motive, or the intent here.

15 THE COURT: It seems to me that Dr. Blume --
16 she clearly is not going to testify that this
17 particular plaintiff suffered a condition because of
18 her ingestion of acetaminophen.

19 But, if her area of expertise is
20 pharmacovigilance, I mean there has to be something
21 that gives rise to the need to exercise
22 pharmacovigilance, which it seems to me is what she
23 covers in section three of the report.

24 I understand your position, but I mean if
25 there is no recognition that acetaminophen at certain

1 doses can cause acute liver failure, then why be
2 vigilant at all? Why take risk reduction measurements?

3 I mean her area of expertise, it seems to me,
4 is risk reduction and what was required. And so she
5 has to assume that relationship between acetaminophen
6 at a certain dose, and liver problems.

7 MS. JONES: I mean I understand what Your
8 Honor is saying. I think what I'm saying is two
9 different things. It's one thing for her to say there
10 have been reports of these things and, therefore, you
11 should consider certain risks. It's another thing for
12 her to say acetaminophen does cause acute liver failure
13 at four grams or less.

14 THE COURT: Based on those reports, I find or
15 I conclude, right.

16 MS. JONES: Exactly. I mean those are two --

17 THE COURT: Okay. I think --

18 MS. JONES: I mean it's a distinct, perhaps
19 semantics, but I think it's an important distinction.

20 THE COURT: All right. Okay. I think I can
21 understand that.

22 MS. JONES: Thank you, Your Honor.

23 THE COURT: Thank you. I think the next
24 Daubert motion would be regarding Dr. Goldberg. Who
25 wants to address that? Good morning.

1 MR. TISI: Good morning, Your Honor.

2 THE COURT: Are you all right?

3 MR. TISI: I got them, I got them, thank you.

4 THE COURT: You didn't trip him, he didn't --
5 right. I understand that.

6 MR. TISI: I didn't throw anything --

7 MR. ABERNETHY: I can really do that all on
8 my own, Your Honor, and unfortunately I regularly do.

9 THE COURT: Chevy Chase made a career of it.

10 MR. ABERNETHY: Unfortunately I don't get
11 paid for it either. So, this is the Daubert motion on
12 Dr. Goldberg.

13 THE COURT: Yes.

14 MR. ABERNETHY: I have two motions this
15 morning, this one and also defendant's motion in limine
16 14 on marketing, and I do want to take them one at a
17 time, if that is satisfactory to the Court --

18 THE COURT: Sure.

19 MR. ABERNETHY: -- because I think they are
20 analytically distinct and there are non-overlapping
21 issues, but there is one overarching issue that's
22 common to both which is the question of whether
23 marketing evidence, either opinions from Dr. Goldberg
24 or otherwise is relevant, we say it's not, and so in
25 the course of discussing the motion on Dr. Goldberg, I

1 am probably going to weave some of that stuff together.

2 With respect to the motion specific to Dr.
3 Goldberg, just as a preliminary matter, the scope of
4 the motion is an important thing here, Your Honor,
5 because what was disclosed for Dr. Goldberg in this
6 case was actually a 120-page, single-spaced report from
7 a different case, one of the New Jersey cases, along
8 with a shorter, much shorter supplemental report for
9 this case.

10 That 120 pages which was presented as the
11 disclosure of his expert opinions, included a
12 wide-range of opinions that we challenged in this
13 Daubert motion, and in response the plaintiff
14 disclaimed any intention to present a lot of the
15 opinions that they had disclosed as his opinions in
16 this case.

17 So, I think from a starting point you have to
18 exclude the multiple opinions that they now say on page
19 one of his opposition, he's not going to talk about
20 those things and try to drill down to what is left.
21 Doing so, obviously mindful of not only of the
22 gatekeeper role the Court has under Daubert, but also
23 the fact that these are not new issues.

24 Dr. Goldberg is regularly engaged to attack
25 McNeil's marketing and advertising in Tylenol cases as

1 well as in Motrin cases, and while it is true that
2 there are a number of cases in which he has been
3 permitted to testify on some of those issues, if you
4 look at the recent rulings and opinions you will see
5 that he is pretty consistently excluded, even in
6 Pennsylvania State Court with much more liberal expert
7 rules.

8 He was excluded entirely in Esquivel which
9 was essentially the same opinions and types of opinions
10 relating to Motrin. Judge DuBois excluded him here
11 entirely in Wolf, same opinions and, of course, Judge
12 Johnson excluded him from the Lyles case in New Jersey.

13 So, if we take Mr. Tisi's question from a
14 minute ago, should you reach a different result, it's a
15 slightly different question because the question is
16 should you reach a different result from Judge Johnson
17 and Judge DuBois and Judge Bernstein in Esquivel.
18 There is a consistent pattern of exclusion and for very
19 good reasons.

20 So, we turn to what he is actually going to
21 say, what's left after the things that have been
22 disclaimed, and I'll take these one at a time, Your
23 Honor, and to the extent that you find any of them not
24 necessary to get into, I'm happy to move on. But, like
25 Mr. Tisi, I am trying not to take anything for granted

1 here.

2 THE COURT: Thank you.

3 MR. ABERNETHY: I think the central opinion
4 or one of the central opinions in the case Dr. Goldberg
5 wants to testify that the advertising and marketing of
6 Tylenol negated the warnings.

7 So, plaintiffs' say we don't concede that the
8 warnings on the label were adequate, but even if they
9 were it doesn't matter because your advertising negated
10 them and made them inadequate when they otherwise would
11 have been adequate.

12 Our position is Alabama law does not permit
13 failure to warn liability on a theory that warnings on
14 the label that are adequate on their face were somehow
15 negated or nullified by advertising at least not on the
16 facts of this case.

17 I think it is important to take the context
18 of this case both to understand what Dr. Goldberg is
19 saying and what the plaintiffs' evidence is relating to
20 Denise Hayes.

21 So, obviously to be relevant to a theory that
22 advertising negated the warnings, the evidence has to
23 go to what the advertising message was that Denise
24 Hayes got and how, if at all, it influenced her
25 understanding of the warnings, because if it doesn't

1 relate to that, it has nothing to do with anything that
2 caused her injury.

3 In fact, we have some testimony in the case
4 about what Ms. Hayes allegedly took from advertising,
5 mostly in testimony from her sister. It's not specific
6 to I saw this ad and it said X, but there are some
7 general messages that Ms. Hayes testified she and her
8 sister got from Tylenol advertising, and those are the
9 messages that Dr. Goldberg bases his opinion on,
10 messages that Tylenol is safe and effective, it is the
11 safest analgesic available, most doctor recommended,
12 most used by hospitals.

13 So, I think it's important here, Your Honor,
14 to keep in mind that Dr. Goldberg doesn't claim that
15 any of those statements were untrue. If you look at
16 his deposition in Lyles, and he was deposed in Lyles,
17 his main report comes from Lyles, at pages 147 and 249
18 to 250, which we have cited in the papers, he says
19 "These statements in the advertising are true or at
20 least I don't have any basis to claim otherwise."

21 He talks a lot in his report about something
22 he calls "a truth effect," the idea that constant
23 repetition of a statement gets people to believe that
24 it's true, which is one of the opinions that I would
25 suggest has nothing to do with anything here because

1 the statements that he says we keep repeating, are
2 statements that he says he can't say are not true.

3 So, there is no issue here of you kept
4 repeating a lie over and over again to get people to
5 believe it, he doesn't claim they are not true. He
6 also doesn't claim, nor can he that the advertising
7 prevented Ms. Hayes from reading or understanding the
8 warnings on the label.

9 In fact, the plaintiff's testimony at page 45
10 of her deposition and our Exhibit C, is that she did
11 read the label. He also doesn't claim, nor could he,
12 that anything in these advertising messages that he's
13 testifying about contradicted or told the consumer to
14 disregard the warnings.

15 So, no one disputes the warnings, and the
16 instructions on the label tell you how much to take and
17 when and for what, and they tell you that if you take
18 more than the label says you should take, liver damage
19 may result.

20 So, Dr. Goldberg's opinions among the 120
21 pages include a statement, this is actually in his
22 shorter report for this case at page five, that it's
23 reasonable for the consumer to think that if you take
24 the recommended dose and you don't get relief, you can
25 go ahead and take more even though presumably he would

1 acknowledge the label says don't do it.

2 THE COURT: That's what he wants to say?

3 MR. ABERNETHY: Right, but he doesn't say,
4 but you said in advertising that it was safe or okay to
5 take more than the label says and you would still be
6 safe. We didn't say that and he doesn't claim
7 otherwise.

8 He does say or wants to say that the
9 advertising was inadequate or deceiving in some way
10 because even though he acknowledges that it regularly
11 said use as directed, meaning use as directed on the
12 label, it didn't say specifically in the advertising
13 that if you use more than directed you might have liver
14 damage.

15 But, he also testified at his deposition that
16 that isn't required in OTC advertising, but he thought
17 it would be, his word, "beneficial" to include that
18 information. So, that is the context of what the
19 plaintiff said the decedent knew and what Dr. Goldberg
20 wants to say, so what does Alabama law say about this
21 in relation to failure to warn?

22 In their opposition to the motion in limine
23 they cite a bunch of cases and some of them are cited
24 in the Goldberg opposition as well, and they say on
25 page 23 of their opposition to the motion in limine,

1 "Courts outside Alabama have held that an adequate
2 warning may be eroded or even nullified by
3 over-promotion of the drug."

4 Now, there are a lot of cases from other
5 states cited in both of their memos. We are more than
6 happy if it is helpful to the Court to brief all those
7 individual cases if you want.

8 They are presented without a discussion of
9 their factual context, so that it doesn't give you any
10 indication as to why they would be germane here, but
11 what I want to come back to is they are not Alabama
12 law.

13 Alabama has failure to warn law, and since
14 Alabama law controls here, you have to determine what
15 an Alabama court would allow in terms of a failure to
16 warn theory based on what Alabama courts say.

17 And the Alabama decisions, including Kelly
18 and the Squibb versus Cox case which we have cited, say
19 "You have to prove that the warnings were inadequate
20 and defective. You also have to prove that the
21 plaintiff did or would have read them, and if the
22 plaintiff doesn't read the warning, then you can't
23 claim the warning is inadequate."

24 The same principle applies with even greater
25 force, Your Honor, if as is being suggested I think in

1 connection with this theory, you read the label but you
2 choose to use the product in a way that's contrary to
3 what the label tells you to do. So, you can argue
4 under Alabama law well, the label wasn't adequate
5 because it said X and it should have said Y. That's a
6 failure to warn claim.

7 What Alabama law does not support and they
8 don't have any Alabama case that holds this, if the
9 label says don't do X, you can read it say but I
10 thought it was safe based on the advertising I saw, so
11 I felt I didn't have to follow what the label says.
12 That's just not Alabama law.

13 It really turns failure to warn law on its
14 head, the notion that I've given adequate warning, I
15 tell you specifically what not to do. I tell you that
16 you are going to have an injury, liver damage if you do
17 it, but because I make a general statement which no one
18 claims is untrue, that the product is safe and
19 effective or doctor recommended, I don't have to follow
20 it. I don't have to read it, or if I read it, I don't
21 have to do what it says. That's not failure to warn
22 law, sound failure to warn law and it's certainly not
23 Alabama law.

24 The Kelly case, I just want to say one thing
25 about specifically because it's kind of an unusual

1 case, and the plaintiff argues that that case supports
2 them because the case says well, failure to read the
3 warning might not protect the defendant in a particular
4 set of factual circumstances, and the facts of that
5 case were the product was an air freshener, a chemical
6 air freshener, and the allegation was that the person
7 who used it, used it as an inhalant, like substance
8 abuse to get high.

9 The court said essentially if you are
10 marketing or selling this product for one use but you
11 are warning for another, your warnings may not be
12 adequate. But, nobody claims or could claim that we
13 gave warnings about Tylenol for one use and actually
14 were selling it or advertising it for another use.

15 We advertised it and sold it as analgesic,
16 Denise Hayes used it for that purpose, and the warnings
17 were designed for that purpose. So, I think the
18 principle still applies. Alabama law says the consumer
19 has to read and heed the warnings. If they are
20 inadequate --

21 THE COURT: But, isn't the issue, and I think
22 you were about to talk about that, really whether the
23 warnings were adequate under the circumstances?

24 MR. ABERNETHY: Whether the warning was
25 adequate is a distinct claim. So, let me put it in a

1 concrete situation to try to respond to Your Honor's
2 question.

3 The label says don't take more than four
4 grams a day, and if you do you could get liver damage.
5 One of the plaintiffs' theory is, actually you can get
6 liver injury at or below four grams. Well, obviously
7 we don't think they are going to prove that, but that
8 is a conventional failure to warn claim that Alabama
9 law would recognize.

10 If we knew you got liver failure at three
11 grams and we said four grams, you could argue well, you
12 should have said three grams. That goes to the
13 adequacy of the label.

14 What Alabama law doesn't accept is a theory
15 that says well, I read four grams, I read that I could
16 get liver damage, but I took five or six or seven grams
17 because the ads generally said it's a safe product, so
18 I decided that I didn't have to follow the warnings.
19 That is a different claim and that's the claim that the
20 Goldberg opinion goes to.

21 If your argument is the label should have
22 said don't take more than three grams, advertising has
23 nothing to do with that. That goes to what the label
24 said or didn't say.

25 But, he wants to present opinions to support

1 a theory well, even if you took more than we told you
2 to take, it's still "reasonable," that's his word,
3 because you thought it was safe based on the ads, and
4 whether he's right about what people think, it's not
5 consistent with Alabama law.

6 So, there is a couple of other problems with
7 this opinion that I will just touch on briefly, and
8 they are the Daubert problems, qualifications. He is
9 qualified to talk about marketing, but the issue here
10 is does marketing or advertising have the effect of
11 nullifying otherwise adequate warnings, and he hasn't
12 pointed to any qualifications relevant to that. More
13 to the point, he doesn't have any reliable data or
14 methodology to support this.

15 Now, there is a long two-page footnote in the
16 plaintiff's opposition that says "We falsely claim that
17 he cited no surveys or market research and he actually
18 did." Actually that is not what we said.

19 What we said was that he has no data to
20 support the proposition that the marketing nullified or
21 negated the effect of the warnings. And if you read
22 the stuff that is cited in that long footnote, it
23 doesn't touch on negating the warnings.

24 They have a survey that suggests that some
25 consumers take Tylenol at certain times in a manner

1 inconsistent with the instructions, but none of it is
2 tied to advertising or marketing. It's not surveys or
3 other research that shows that because of advertising
4 people don't follow the instructions.

5 We all know obviously that no matter what
6 warnings you give on a product there will be some
7 consumers who don't read them or don't follow them.
8 The question is what methodology or data does he have
9 to show that it's advertising that says truthfully and
10 generally this is a safe and effective product causes
11 you not to follow the warnings and it's not there.

12 That ties to one other problem which is a
13 lack of fit to this case. So, there is evidence that
14 Denise Hayes and her sister saw commercials. We can
15 debate whether or not the testimony is competent or
16 sufficient enough, specific enough about what they
17 heard, but what isn't here, whatever you accept from
18 the testimony about what advertising they heard, is any
19 competent evidence that Denise Hayes' perception or
20 understanding or compliance with the warnings was
21 affected by the advertising.

22 The plaintiff testified that she read the
23 warning and that she knew there was a warning that
24 Tylenol could cause liver damage on the label, and
25 there would be adverse effects if you took it in excess

1 of the recommended dose, and that Denise Hayes, in
2 fact, read the label and there is testimony by her
3 sister, Rebecca, that she knew if she took more than
4 the recommended amount it might cause her harm.

5 What isn't anywhere in the testimony is
6 evidence or testimony that shows that advertising
7 caused Denise Hayes not to understand or follow the
8 warnings she actually read on the label.

9 So, just a little more briefly I hope to
10 touch on his other opinions. He wants to testify that
11 the advertising was misleading because it didn't refer
12 to liver damage.

13 We have argued that he doesn't have adequate
14 qualifications because he doesn't have any specific
15 work other than as an expert witness to support the
16 notion that we violated FTC standards and that made the
17 advertising deceptive.

18 But, the more fundamental problem is that
19 this invades the province of the Court and the jury and
20 this was one of the reasons he was excluded in Wolf.
21 You can't come in as an expert and say here are the FTC
22 requirements on advertising and this advertising
23 violated them and, therefore, it was deceptive and
24 misleading.

25 Experts don't come to court and say here is

1 the relevant legal standard and here is the conclusion
2 you, the jury, are supposed to reach. You prove facts
3 and then the jury makes that determination, and the
4 judge tells the jury what the relevant legal standard
5 is.

6 If your argument is the ads are untruthful,
7 you prove what the ads say and you prove that the facts
8 are contrary to them. But, you don't have an expert
9 simply tell the jury what to decide.

10 Beyond that, as I mentioned, this opinion is
11 internally inconsistent because Dr. Goldberg
12 acknowledged in his deposition, this is actually
13 discussed on page 26 of their opposition, that OTC drug
14 makers aren't required to list side effects in
15 advertising, but he opines that it would be beneficial
16 to provide it.

17 Well, whether it's beneficial to add that
18 piece of information, or whether he thinks it is, isn't
19 relevant to anything in this case. There is no Alabama
20 law that supports the notion that omitting a reference
21 to specific side effects in an advertising, telling the
22 person to use the product as directed and then
23 including the side effects on the label where they are
24 supposed to be, allows a jury to find that the
25 advertising is false or misleading.

1 Dr. Goldberg also proposes to say that he
2 wants to talk about the J&J credo as well. It seems to
3 be a popular topic. He says this credo established a
4 standard of care for our advertising and marketing, and
5 that we violated it.

6 I don't want to belabor this point because I
7 think the case law is pretty clear in the briefing,
8 Your Honor. Internal policies do not establish
9 standards of care that may be used to impose liability,
10 and regardless of where the standard of care comes
11 from, experts aren't allowed to tell the jury what the
12 standard of care is. That's what judges do, and juries
13 decide whether --

14 THE COURT: Well, that's not true, right? I
15 mean, if you're trying a medical malpractice case and
16 it's, you know, say against an orthopedic surgeon, you
17 will have an orthopedic surgeon testify as to standard
18 of care for orthopedic procedures, right?

19 MR. ABERNETHY: Right, but --

20 THE COURT: The expert provides the jury with
21 the standard of care, the court provides the jury with
22 the definition of duty and breach and all those things.
23 But the standard of care goes to the jury from the
24 expert.

25 MR. ABERNETHY: The standard of medical care

1 goes from the medical expert to the jury but, of
2 course, this isn't a medical malpractice case.

3 THE COURT: I understand that.

4 MR. ABERNETHY: And whether or not
5 advertising directed to consumers is accurate, truthful
6 and fair is not a uniquely expert issue that you would
7 have to bring a doctor to testify on, it's a
8 determination that a jury is perfectly competent to
9 make.

10 THE COURT: Right. There isn't a negligent
11 marketing or false advertising claim here. I mean, if
12 the marketing information comes in, it's to set a
13 backdrop or a context for whether these warnings were
14 obvious and adequate, right?

15 MR. ABERNETHY: Right, but I would not use
16 the word "context" or "backdrop." I would use the word
17 that Dr. Goldberg uses, which is did the advertising
18 negate or nullify what's otherwise an adequate warning,
19 and I don't want to circle back to whether that's
20 permissible because I think --

21 THE COURT: I understand your position on
22 that.

23 MR. ABERNETHY: I think most of the rest of
24 the issues about Dr. Goldberg are addressed in the
25 briefing. There is one issue that I think is a little

1 bit unclear because Dr. Goldberg wanted to opine that
2 we manipulated research studies to support our
3 marketing efforts.

4 Now, page one of their opposition says that
5 he's not going to do that, but page 34 argues that he
6 should be allowed to do it. I don't know what to make
7 of that, whether he's going to testify to it or not,

8 But, I did want to comment on the context
9 which is the notion that our marketing to doctors was
10 improper or misleading. I don't think Dr. Goldberg is
11 qualified on this topic because he may be an expert on
12 consumer marketing, but he's not an expert or certainly
13 he hasn't shown to be one on what doctors know or
14 understand about drug risks or how they respond to drug
15 marketing.

16 But, I think the bigger issue on that topic,
17 Your Honor, is that there is no fit to the case because
18 there is no evidence that Denise Hayes' decision to use
19 Tylenol was driven by a doctor.

20 Their argument is well, you started on
21 Tylenol 20 years or so ago with samples, but they
22 continued to use Tylenol. Rebecca testified based on
23 their own experience, and more to the point here there
24 is no evidence in this record that either the doctor
25 who gave them samples or any doctors who more recently

1 recommended Tylenol heard, read or were influenced by
2 any of the marketing practices that Dr. Goldberg wants
3 to criticize.

4 So, whether or not his criticisms are valid
5 and we obviously think they are not, they don't have
6 any fit to the case involving Denise Hayes.

7 THE COURT: Thank you. Good morning, Mr.
8 Berman.

9 MR. BERMAN: Good morning, Your Honor.

10 THE COURT: So, is it your position that the
11 marketing efforts conducted by McNeil negated any
12 warnings on the pill bottle? Is that where marketing
13 fits into this case?

14 MR. BERMAN: Well, I think that's a difficult
15 question to answer because marketing is such a omnibus
16 part of the sale of Tylenol for as many years as that
17 product has been on the market.

18 THE COURT: I mean, why will you put Dr.
19 Goldberg on? What do you want him to say?

20 MR. BERMAN: Well, in our reply brief, Your
21 Honor, or opposition brief we identified I guess it's
22 maybe four generalized broad topics where we would like
23 to present Dr. Goldberg.

24 One was on the impact of the defendant's
25 marketing and advertising on consumers, that he would

1 have opinions that the marketing and advertising was
2 misleading and it's not so much that it's misleading in
3 terms of that what was said was not necessarily true,
4 but what was said was incomplete cultivating of
5 perceptions by consumers as to the safety of the
6 product, the fact that it is an OTC product, that OTC
7 products are viewed generally as being safer and the
8 warnings that may appear on labels, while certainly
9 should be heeded, are warnings that may have a margin
10 of safety or a scope of safety associated with them.

11 The next point in our response brief was to
12 discuss standard of care as you raised with Mr.
13 Abernathy, and then to sort of wrap up the generality
14 of what marketing is.

15 If I could step back a moment, you know, Dr.
16 Goldberg is being offered here in two contexts, one as
17 a generic expert and the one as a case-specific expert.
18 And his lengthy report that was prepared back in 2014,
19 which was submitted both for this Court and in New
20 Jersey, was the generic report. It provides the large
21 scope of what marketing is all about.

22 Marketing is, and I don't want to be
23 pejorative to his degree or to the science, but it's a
24 "soft science." It's not a mathematical science or a
25 hard science. So it's not -- and it's a psychological

1 or sociological science. So it is a science. I mean
2 it's --

3 THE COURT: What's the relevance of that at
4 all in this case?

5 MR. BERMAN: Well, with respect to -- if I
6 may draw upon Your Honor's opinions that you issued
7 with respect to the motions for summary judgment, one
8 opinion was denying the motion with respect to punitive
9 damages. And you spoke about under Alabama law, that
10 one of the issues is whether or not the defendant
11 engaged in some form of reprehensible conduct.

12 And you were discussing that in the context
13 the admissibility of wealth information and whether
14 that would be permitted as part of the trial evidence.
15 And the question here, as I look at it, is that you
16 have a company that was able to spend over the years
17 billions of dollars on marketing, or a billion dollars,
18 whatever the amount was, for marketing and advertising,
19 and by comparison, the amount spent for R&D and
20 pharmacovigilance was very, very small.

21 THE COURT: But you don't need Goldberg to
22 say that, right?

23 MR. BERMAN: Well, I need Goldberg I think to
24 help the context to how marketing by a company, and he
25 knows -- he understands the sophistication of the

1 marketing, how the use of a budget, the development of
2 the budget, the goals and the objectives of the
3 marketing are part of the corporate being.

4 And laypeople will not understand that I
5 don't -- I don't believe. I think it does require
6 somebody who has studied big budget marketing by big
7 corporate America.

8 I know that Mr. Abernathy discussed his
9 exclusion in some of the Motrin cases. I think he --
10 Tylenol is more akin to tobacco cases where he has been
11 admitted on multiple occasions, because tobacco spent
12 the kinds of money on marketing and advertising that
13 was spent here for Tylenol.

14 I would ask Your Honor to take judicial
15 notice as to how often you may have seen Tylenol
16 commercials over the years in comparison to Motrin
17 commercials. Motrin is not marketed the way Tylenol
18 is, and I think there's a relevance to how Tylenol had
19 been marketed over the years.

20 I think there's also a relevance here on
21 the -- on the failure to warn. And, again, drawing on
22 Your Honor's opinion on the failure to warn, on page
23 14, you spoke about the FTC rules and how the proposed
24 rule recognized that the FTC regulated commercial
25 advertising and urged cautionary language and that,

1 "Pros also noted that acetaminophen advertising may
2 indicate that it is a safer product when, in fact, it
3 may not be under the circumstances."

4 In your same opinion on page 34, you quoted
5 from Ashley McEvoy's deposition about how advertising
6 is one way that McNeil uses to education consumers
7 about products.

8 It is true that advertising is a method to
9 educate consumers, and the question is how that
10 education process affects consumer reactions in the
11 face of warnings on a product that becomes ubiquitous
12 and common for their usage, and I think there's a
13 relevance of the advertising and the marketing that was
14 done in terms of how it impacted Ms. Hayes.

15 THE COURT: Okay. So what is that relevance?
16 I mean what -- what does the -- what does this vast
17 marketing campaign have to do with any of the issues in
18 this case? I mean the issue in this case is did she
19 take -- how much did she take? Did it cause her death,
20 and were warnings on the packaging that came with the
21 Tylenol, was that adequate, right? I mean this is a
22 failure to warn products case.

23 So it's not -- I mean I think the whole
24 marketing discussion is interesting, but I need -- I
25 need to know from your perspective where it fits into

1 this case.

2 MR. BERMAN: Well, she did testify that --
3 well, not she, her sister had testified --

4 THE COURT: Right, Rebecca.

5 MR. BERMAN: -- about the fact that they had
6 seen hundreds, if not more, advertising and marketing
7 over the years, and that cultivated in their minds a
8 belief that this was a safe product, and it's
9 advertising as a safe product.

10 And while Dr. Goldberg doesn't opine that he
11 thought there was inaccuracies in the advertising, I
12 think the question is how did you -- how did the
13 company get to be able to make the advertisements that
14 it did, and in terms of number one, doctor recommended,
15 his opinion goes into how doctors were cultivated to
16 recommend Tylenol.

17 How did it become hospital number one
18 recommended, the same thing. His opinion speaks about
19 the direct marketing to healthcare providers in order
20 for the company to then be able to say, at least
21 insofar as FTC rules might be concerned, that we are
22 the number one recommended.

23 But the question is how did they get to
24 become the number one recommended? And if they got
25 that through marketing and advertising that may not

1 have revealed to the healthcare providers all of the
2 risks associated with Tylenol, particularly at the
3 recommended four gram level, whether that bears on
4 their responsibility to reprehensibility under the
5 Alabama law.

6 THE COURT: Isn't your case really that this
7 product, among maybe all over-the-counter products in
8 recent history, has been marketed as the safest pain
9 reliever you can take, right?

10 MR. BERMAN: Yes.

11 THE COURT: I mean that's the impression that
12 this long-term, persistent marketing campaign has
13 created in our population?

14 MR. BERMAN: Yes.

15 THE COURT: Right?

16 MR. BERMAN: Yes.

17 THE COURT: Okay. So against that backdrop,
18 you have this woman who had pain, was taking Tylenol
19 for that pain, and then against that backdrop, the
20 warnings that were provided to her were somehow
21 inadequate, right?

22 MR. BERMAN: Yes.

23 THE COURT: I mean that --

24 MR. BERMAN: That --

25 THE COURT: You're not talking about the

1 marketing after the fact somehow truncating those
2 warnings? You're saying that against this whole
3 backdrop, those warnings were less than adequate,
4 right?

5 MR. BERMAN: Yes.

6 THE COURT: Okay. So where does Goldberg fit
7 in to that?

8 MR. BERMAN: Well, again, I'm trying to
9 explain that the marketing is part and parcel of the
10 understanding by consumers of warnings. Now, on the
11 one hand, we have Dr. Blume and other experts who are
12 criticizing the warnings themselves --

13 THE COURT: Yes.

14 MR. BERMAN: -- their adequacy, the degree to
15 which they warn about the severity of the dangers, the
16 risk of liver failure or liver damage, the nuances of
17 the damage that occurs to the liver.

18 Nowhere in the advertising, however, is there
19 any mention of liver damage or liver risks or risks if
20 you exceed the recommended dose. So he brings into the
21 analysis how consumers respond psychologically to
22 advertising that repeatedly talks about safety,
23 trustworthy, number one recommended, without any
24 disclosure of risks.

25 THE COURT: So he'll talk about the

1 pervasive, effective, advertising campaign?

2 MR. BERMAN: Yes.

3 THE COURT: Right?

4 MR. BERMAN: Yes.

5 THE COURT: And then you'll have other
6 experts to talk about the adequacy of the warnings?

7 MR. BERMAN: Well, again, Dr. Blume, Dr.
8 Plunkett, there are other experts --

9 THE COURT: Right.

10 MR. BERMAN: -- who will be discussing more
11 specifically the science aspect of why recommended
12 doses of four grams were or were not adequately warned
13 and the issues of dose titration, one -- take one, if
14 it does not work, take two, things like that.

15 Well, he reviewed information about that. I
16 mean he reviewed hundreds of thousands of pages. He's
17 not a pure warnings expert. He's an expert on how
18 marketing impacts warning, impacts psychological --
19 psychologically consumers.

20 THE COURT: Right.

21 MR. BERMAN: Again, as I was saying, it's
22 sort of a soft science. It's not -- it's not that you
23 go and take a blood test and the result is you have a
24 high ALT level and it's very objective and that means
25 you're in liver failure.

1 It's a science of psychology and sociology
2 that, unless you have the degree in it, you're not
3 going to be able to appreciate as I think as a
4 layperson what impacts market-driven -- marketing
5 driven budgets generate on a population.

6 In the context of this case, Ms. Hayes test
7 -- the Hayes family testified they saw these
8 commercials. I think they relaxed their vigilance a
9 bit as a result of seeing it in terms of the belief
10 that taking the medication at the recommended dose or
11 even an addition -- one additional pill --

12 THE COURT: You have no evidence that the
13 Hayes's relaxed their vigilance because of all the
14 advertising they saw, right?

15 MR. BERMAN: Well --

16 THE COURT: There's no evidence in this case
17 of that. There's evidence that they were -- that they
18 were label readers --

19 MR. BERMAN: Yes.

20 THE COURT: -- that they were careful people.

21 MR. BERMAN: Yes.

22 THE COURT: That they weren't popping
23 handfuls of pills every time they had a headache --

24 MR. BERMAN: Yes.

25 THE COURT: -- you know, that they were

1 careful --

2 MR. BERMAN: That's true.

3 THE COURT: -- people.

4 MR. BERMAN: Yes.

5 THE COURT: So that's the extent of that.

6 MR. BERMAN: But they had a comfort level
7 reinforced by the advertisements that they saw that it
8 was a safe product to take. I don't know whether
9 that's a relaxing of --

10 THE COURT: Well, you're not getting that
11 from them. You're getting -- you're laying that
12 interpretation over what you know about their habits
13 and their behaviors.

14 MR. BERMAN: Yes.

15 THE COURT: Right.

16 MR. BERMAN: Yes, Your Honor.

17 THE COURT: Okay. I think I understand your
18 position.

19 MR. BERMAN: Mr. Tisi wanted to make a couple
20 comments if he may. You know, I did want to show you a
21 few PowerPoints that were produced in the McEvoy
22 deposition. It was to emphasize the point --

23 (Pause in proceedings.)

24 MR. BERMAN: -- how the budgeting worked and
25 how much was spent.

1 (Pause in proceedings.)

2 THE COURT: This looks dramatic. What is it?

3 MR. BERMAN: Well, you know, this -- I
4 provided you with two PowerPoints, Your Honor. This
5 came from McEvoy and it may have been buried in some of
6 the papers that you have seen.

7 And if we can look at McEvoy 21 first, which
8 is the liver ad there in 2008 and 2009, liver ad
9 relates to ads that McNeil did run where they were
10 discussing liver issues publicly on their TV ads, and
11 the red bars are all other ads.

12 And the point that we were trying to make
13 through this is to show and demonstrate, again, how
14 pervasive the ads were that did not discuss the liver
15 issue.

16 And getting back to the reprehensibility
17 standard under the Alabama law, when a company has the
18 ability to run ads and they run 37,000 ads in 2009 and
19 98.6 of those ads don't mention the word "liver" at
20 all, but 1.4 percent do and those are buried in a very
21 short window of time, which Dr. Goldberg does explain,
22 that has an impact. That's the psychological impact on
23 consumers in cultivating their beliefs and how they
24 then respond to warnings, particularly with an OTC
25 product.

1 Exhibit 20 is a similar depiction. It's for
2 different years, 2004, '5, and '6, and the graphing is
3 almost as dramatic, not quite. The blue here, Pavelski
4 and Bass, those were liver-specific ads as well that
5 were aired.

6 But, again, we're looking 2004, 2005,
7 2006, I don't have a graphic for '7, but 2008 and 2009,
8 consistently extreme amounts of the numbers of ads and,
9 therefore, the budget, all went towards non-liver
10 associated issues.

11 THE COURT: And that relevant to your
12 punitive claim, right?

13 MR. BERMAN: Well, it's relevant to the
14 punitive claim I think under the Alabama law, under the
15 standard that you did articulate, the reprehensibility
16 of the company and what they did do and what they could
17 have done with budgeting for 37,000 ads, those ads --
18 and an ability to talk about liver issues reflected by
19 the fact that 500 times they did do that.

20 They certainly could have had a different
21 balance. And I understand we're not talking about
22 prescription drugs and fair balance and the issue of
23 disclosing all the warnings. I mean I understand all
24 that.

25 But the ability, the opportunity, the budget

1 to be able to talk about liver was available to them,
2 and, you know, I think these graphics help to show
3 that.

4 (Pause in proceedings.)

5 THE COURT: Okay, thank you, Mr. Berman.

6 MR. BERMAN: All right, I think --

7 (Pause in proceedings.)

8 MR. TISI: Do you mind, Your Honor? I think
9 I can answer one of your questions --

10 THE COURT: Go ahead.

11 MR. TISI: -- with reference to -- and I
12 appreciate you giving me the opportunity. I don't like
13 to play whack-a-mole here where people are jumping up
14 and down.

15 But, you asked a very important question,
16 where does marketing fit in this case and how does it
17 fit in? We talked with respect to Dr. Blume before
18 about the role of risk reduction, okay, and one of the
19 things I said is what you do is you see if you
20 determine there's a risk. Then you take risk reduction
21 measures, and then you seek how you're doing, okay.

22 Mr. Abernathy spent a lot of time talking
23 about the fact well, we amended the label to add a
24 liver -- a liver warning or a liver statement, okay.
25 The next question is how are you doing, okay? And when

1 you have this ubiquitous advertising, okay, and you
2 don't tell people you've changed the label, okay, you
3 need to take a look at the new label, okay, and your
4 label -- and your warn -- your advertising is the same
5 as it's always been, okay, people don't know.

6 And what Ms. -- what is the testimony in this
7 case and what the jury will hear is that had they --
8 that they saw this ubiquitous advertising, and had they
9 known, had there been information in the advertising
10 that there was something different, that the
11 information had evolved over time, you know, there's a
12 new warning, and we've all seen advertises --
13 advertisements on this, that they are -- that they are
14 to really focus on something new about the drug, that
15 they would never have purchased it.

16 I mean there's testimony -- Ms. Terry
17 testified that she purchased this in part because of
18 the advertising, and had she known there was any risk
19 of liver, she never would have done it in the first
20 place.

21 So when we talk about -- what I find
22 interesting about Mr. Abernathy's argument is he
23 focuses solely on the label. With the FDA advisory
24 committee, with the working group, and what everybody
25 -- and our experts will say is that because this is A,

1 an over-the-counter drug, B, it was so heavily promoted
2 and advertised for so long, that you need to do more
3 because the goal isn't just to slap a label and so oh,
4 I'm done with it, I just slapped a label on. The goal
5 is to make sure that the warning works and it gets
6 through to the consumer.

7 What you're going to see and when the
8 testimony comes out of this case is changing the word
9 -- adding the word "severe" didn't change behavior at
10 all. It was just a palliative measure to just say
11 okay, we're doing something, when the fact of the
12 matter is year after year after year, acute liver
13 failure, acute liver failure remained and was the
14 number one cause -- acetaminophen was the number one
15 cause of it.

16 So, advertising totally fits into the risk
17 mitigation aspect of this case. And I wanted to
18 address that because I think your question was where
19 does marketing fit into this case, and it fits in as
20 part of the risk reduction measure.

21 When you realize your label isn't doing
22 enough you got to do more, you got to educate
23 consumers, you got to make sure that people know that
24 there's -- that there's a risk. I wanted to make sure
25 that you -- that that question was actually answered

1 directly. And I appreciate you --

2 THE COURT: Thank you.

3 MR. TISI: -- letting me -- letting me jump
4 up.

5 THE COURT: Thank you.

6 (Pause in proceedings.)

7 THE COURT: Mr. Abernathy?

8 MR. ABERNETHY: Your Honor, before I address
9 motion in limine number 14, could I briefly respond to
10 a couple of points --

11 THE COURT: Sure.

12 MR. ABERNETHY: -- these gentlemen made? I
13 would suggest to Your Honor that the advertising has
14 nothing to do with the punitive damage claim because
15 conduct justifies punitive damages if it's wrongful and
16 reprehensible.

17 Truthful advertising is not wrongful or
18 reprehensible. We have a right to advertise our
19 product truthfully, and they have not pointed to any
20 Alabama law that would suggest that truthful
21 advertising to sell a product is reprehensible conduct
22 that would allow punitive damages.

23 Mr. Berman made some reference to Tylenol,
24 tobacco, and motrin. I think clearly, Your Honor
25 cannot take judicial notice of the relative frequency

1 of Motrin and Tylenol advertising, but --

2 THE COURT: I have no idea.

3 MR. ABERNETHY: -- I don't --

4 THE COURT: I have no idea.

5 MR. ABERNETHY: -- I don't think it makes any
6 difference actually. And in terms of Tylenol versus
7 Motrin, I would urge Your Honor to read what was
8 briefed and decided in Wolf because if you read what
9 Judge DuBois said, I think you'll see that the parallel
10 in what Dr. Goldberg wanted to say but was excluded
11 from saying there and what he wants to say here are
12 really kind of striking.

13 I can't comment much on these two
14 PowerPoints. I couldn't find them as I was looking
15 through the exhibits to the opposition, and I'm not
16 actually familiar with them, although I'm familiar with
17 the general topic of the Pavelski and Bass ads because
18 they are discussed in Dr. Goldberg's report, although I
19 didn't see these tables. I'm told these were prepared
20 by plaintiff's counsel in some case to illustrate a
21 point I guess they wanted to make.

22 What the Pavelski and Bass chart shows, Your
23 Honor, is that in addition to running ads that were
24 positive about Tylenol and tried to sell Tylenol and
25 advertised its merits, which a seller has a right to

1 do, it also shows a substantial amount of ads, the
2 Pavelski and Bass ads, which are discussed in the
3 Goldberg report, which actually are kind of unusual I
4 would suggest in one's general experience. They were
5 ads that specifically were designed to tell consumers
6 -- make a point of telling consumers don't use Tylenol
7 contrary to the instructions. So, in fact, we didn't
8 just say in the ads use as directed and then the
9 directions tell you what to do. We had ads that drove
10 home that point.

11 Just to briefly touch on the last point Mr.
12 Tisi made, I did focus on the label because the focus
13 of the failure to warn claim under Alabama law is the
14 label. Plaintiffs have conceded there's no cause of
15 action for negligent marketing, and there's no Alabama
16 law that they've cited or that I know of that imposes a
17 legal duty under state law to institute a generalized
18 risk reduction program that includes advertising.

19 The requirement of Alabama law is that you
20 give an adequate warning, not the best warning, but an
21 adequate warning of the risks associated with a product
22 on the label, and that's what we did.

23 If Your Honor please, I would briefly talk
24 about motion in limine --

25 THE COURT: Yes, I --

1 MR. ABERNETHY: -- number 14.

2 THE COURT: Yes, I --

3 MR. ABERNETHY: But more brief --

4 THE COURT: I think I understand your
5 position.

6 MR. ABERNETHY: Much more briefly, because
7 obviously we've talked about the relevance issue of
8 marketing, and that's an overarching issue for both
9 motions.

10 The only other thing I want to drive home
11 here is this point. We don't think the marketing
12 evidence is relevant, but if Your Honor decides to
13 admit marketing evidence, I would suggest that it
14 should be, must be focused on evidence relating to the
15 message or information or statements that the decedent
16 got from advertising or marketing.

17 This global idea that we have to present
18 context by presenting testimony equivalent to 120 pages
19 about the whole history of Tylenol marketing just
20 doesn't have any fit or relevance to this case.

21 If marketing is relevant at all, the question
22 is did marketing or advertising affect Denise Hayes and
23 cause her to use the product when she otherwise
24 wouldn't because she was given information that wasn't
25 accurate?

1 There is for -- and I'll just pull one
2 example out. It's one of many. There's a whole lot of
3 discussion in Dr. Goldberg's report about McNeil
4 allegedly improperly influencing third party
5 organizations to recommend Tylenol. Obviously we don't
6 agree with its premise, but what does that have to do
7 with this case? There's no evidence that Denise Hayes
8 took Tylenol because some third party organization said
9 it was good or safe.

10 There was a whole big discussion in Dr.
11 Goldberg's supplemental report about how we marketing
12 Tylenol cool verse caplets. Nobody has ever suggested
13 that Denise Hayes used Tylenol cool verse caplets or
14 saw the advertising for it, so what does that have to
15 do with this case?

16 Dr. Goldberg's purpose here, and a lot of the
17 other evidence on marketing, is a generalized attack to
18 say McNeil is a bad company that sells its products in
19 a bad way and spends too much money doing it. That
20 doesn't have anything to do with these claims. And I
21 just want to touch on two issues in that respect.

22 There is an argument that the marketing is
23 relevant to the design defect claim because it goes to
24 consumer expectations, but if you read the briefing,
25 there is no explanation here. There is no explanation

1 about what it is about the marketing, how they affected
2 consumer expectations, in a way that would make the
3 product unreasonably dangerous. Certainly, the product
4 was advertised as the safest analgesic.

5 By the way, I actually went and looked at the
6 testimony. It's on page 249 of Dr. Goldberg's
7 deposition. He was asked "Is that true, that
8 statement, it's the safest pain reliever, analgesic?"
9 He said "I don't know whether it is or isn't." Well,
10 the point is there's no evidence here that the
11 statements are untrue, but there's no explanation as to
12 how consumer expectations were altered in some legally
13 relevant way that would make marketing relevant to the
14 design defect claim.

15 The last thing that I want to talk about, and
16 I do want to talk about this because I think it's
17 important. I think it's important to plaintiffs for
18 obvious reasons and important to us I guess for, in a
19 sense, the same reason.

20 They have this colorful graphic in their
21 opposition to the motion in limine that shows that at a
22 certain point in time, they say we spent \$200 million
23 on marketing and advertising and \$2 million on
24 scientific research, and they want to present that to
25 the jury obviously. It's irrelevant. It's also

1 unfairly prejudicial because it really goes directly to
2 the purpose that I mentioned a minute ago. It's
3 designed to tell the jury this is a bad company. They
4 spend -- all they care about is selling. They spend
5 all this money on selling. They don't spend near as
6 much money on science.

7 Go back to the question of why those numbers
8 are relevant. They aren't. So there's nothing
9 inherently improper about spending \$200 million
10 marketing a product if you're marketing it with
11 truthful information, and there's nothing inherently
12 improper or inadequate about spending \$2 million on
13 scientific research.

14 These numbers could, in theory, be relevant,
15 Your Honor, if there was some claim being made you
16 didn't find out what you should have found out about
17 the liver risk associated with Tylenol because you
18 didn't spend enough money on research, and if you had
19 done this study and spent five million of \$10 million
20 dollars on it, you would have found out fact X and you
21 should have done that.

22 I don't think that's the theory of this case.
23 The theory of the case is you knew there was a bigger
24 liver risk than you were saying and you should have
25 said that, but that really has nothing to do with how

1 much money is spent on scientific research.

2 And, in fact, the amount of money we spent on
3 research or marketing wouldn't be relevant even to that
4 unless they were presenting some specific evidence to
5 say you should have done this research and spent this
6 money, and we said well, we couldn't, we didn't have
7 the money or we didn't have the resources.

8 None of that is in this case and that's not
9 what this evidence is for. Whatever patina of
10 relevance the briefing attempts to put on it, I think
11 anybody who looks at that graphic with common sense
12 knows that it's simply designed to try to imply to the
13 jury that we're a bad company that only cares about
14 sales because we spent money trying to market our
15 product. That's not a relevant or proper purpose of
16 the evidence, and it shouldn't be permitted.

17 THE COURT: Thank you. Anything else you
18 want to argue on marketing, Mr. Berman?

19 (Pause in proceedings.)

20 MR. BERMAN: Well, I do think that one
21 comment I would like to make, Your Honor, is that
22 there's marketing evidence to be submitted factually as
23 well as through an expert.

24 And I don't know if plaintiffs understand
25 precisely what the motion in limine number 14 seeks to

1 exclude. Is it seeking to exclude all marketing
2 evidence or is it seeking to exclude Dr. Goldberg,
3 which sounded to me to be what was re-argued as part of
4 MIL14, or is it some hybrid of that?

5 I do think that as we develop the exhibit
6 list and the deposition designations, we can narrow
7 down exactly what will be available to use in the
8 marketing case.

9 But there clearly is a marketing case and
10 it's been I think recognized by Your Honor on multiple
11 times in permitting the marketing discovery to go
12 forward.

13 So, I certainly don't think that the -- the
14 request that's being made is that there should be no
15 marketing evidence at all in the case. There has to be
16 marketing evidence is my opinion.

17 I had a few more slides I did want to just
18 show you and, again, it relates to the cultivation of
19 the consumers. And these slides actually come from
20 defendant's PowerPoints used at the Jackson trial.

21 And the reason I want to present them, Your
22 Honor, is that these are slides showing how they're
23 going to try the case. They are going to emphasize
24 number one recommended, all the societies that support
25 the use of Tylenol, how important it is a product in

1 healthcare, how ubiquitous it is in consumer locations,
2 and how long it's been on the market, that it is a
3 60-year product.

4 (Pause in proceedings.)

5 MR. BERMAN: I think I have it bent over and,
6 again, as I said, these are slides that were produced
7 by defendants as PowerPoints during the Jackson case
8 and this is, again, to demonstrate how they're going to
9 try the case.

10 And we cannot have our hands tied behind our
11 back not being able to anticipate the marketing case
12 that will be tried -- marketing case defense that they
13 may raise. We need to be able to have our evidence to
14 support the marketing.

15 So we've got all of the societies that they
16 claim support the use of APAP, acetaminophen, in
17 clinical use, how 28 billion doses are sold each year,
18 and how Tylenol products have been on the market for 60
19 years, since 1955.

20 This is all part of the impressions that
21 consumers are going to have as to the safety of the use
22 of Tylenol, and we need to have an ability not only
23 scientifically, but also to show how they came to be
24 able to make these representations.

25 Just to touch on a couple other points. In

1 denying the motion for preemption of the fraud claims,
2 you said that in your opinion that fraud and fraudulent
3 concealment, causes of action survive under Alabama
4 law.

5 So, plaintiffs are not simply relying on a
6 punitive damages component to the admissibility of this
7 evidence, but there is a fraud or fraudulent
8 concealment or a misrepresentation component that
9 this -- that the marketing evidence will support and
10 establish.

11 It will establish that because, again, it's
12 what was not conveyed to the consumer by the -- by the
13 company, yet what was known by the company in terms of
14 the margin of safety and the risks.

15 (Pause in proceedings.)

16 MR. BERMAN: There was also testimony by the
17 Hayes family that they would not have purchased Tylenol
18 if the ad had included risk information. The ads
19 didn't include that, so I think that's a relevant part
20 of the marketing case, Your Honor.

21 THE COURT: So you're not contending that
22 this is fraudulent, right? It just doesn't -- it
23 doesn't go into --

24 MR. BERMAN: It doesn't go into --

25 THE COURT: -- potential risk?

1 MR. BERMAN: It's misleading. It's not a
2 complete picture. It's not the four corners of the
3 circumstances or the situation. It may be that APAP is
4 important and it has been endorsed by multiple
5 different medical societies, but being able to say that
6 and that it's number one recommended doesn't provide
7 information to the consumer about the risks associated
8 with taking it at the recommended dose or even above
9 the recommended dose. So it's just -- it's not a full
10 picture, Your Honor. It's sort of like weaving through
11 and navigating the rules I guess.

12 You've got OTC, FTC regulations that are
13 different than the FDA rules government prescription
14 drugs, but consumers don't understand that. They don't
15 -- they don't know that there are different rules and
16 that's why they're not being -- the risks and the --
17 are not being disclosed in the advertising that they
18 receive.

19 THE COURT: I think I understand your point.
20 Okay.

21 (Pause in proceedings.)

22 THE COURT: All right. The defendant
23 submitted last week a motion to supplement expert
24 disclosures, and the plaintiff has responded to that as
25 of yesterday. Would you like to address that?

1 MS. JONES: Yes, I would, Your Honor.

2 THE COURT: Okay.

3 MS. JONES: Your Honor, I'll try and do this
4 briefly, but I think it's clear that rather than just
5 filing supplemental expert reports, we filed this
6 because we thought it was so very important and because
7 it, in fact, I recognize certainly, is somewhat
8 extraordinary in that this issue has come up after the
9 close of discovery and while motions are pending, and I
10 certainly need to acknowledge that, and at the same
11 time, think that it's important for the Court to
12 understand how extraordinarily important this issue is.

13 In fact, I would suggest to Your Honor that
14 it is so important that it is necessary to avoid
15 ultimately a potential miscarriage of justice and
16 deprivation of due process.

17 Certainly, without relief, it would be clear
18 that this Court would try the first bellwether case in
19 this MDL without all of the information and, in fact,
20 with information that might not only be missing, but be
21 erroneous and somewhat misrepresent -- represent a
22 misrepresentation to both the Court and the jury.

23 THE COURT: This goes to some of the
24 foundation for Dr. Lee's findings, right?

25 MR. BERMAN: Well, it does, but it goes to

1 more than that.

2 THE COURT: Okay.

3 MR. BERMAN: If I could just brief that. I
4 mean it goes to what we refer to as the ALFSG, the
5 Acute Liver Failure Study Group.

6 THE COURT: Yes.

7 MR. BERMAN: That group was formed back in
8 the late 1990s to discuss -- to study acute liver
9 failure. The plaintiffs have pointed out it actually
10 involves over 20 different groups and their NHI grants
11 that were granted to study this in the registry.

12 But, what's particularly important, and it
13 relates to the narrow issue before the Court, is that
14 in 2005, that group published a paper that we have
15 referred to as the Larson paper. The Larson paper
16 includes 19 reports of alleged acute liver failure at
17 or about the therapeutic dose, four grams or less.

18 Now, as this Court will remember, that those,
19 in fact, are the claims before this Court here that at
20 or about a therapeutic dose it caused acute liver
21 failure.

22 And to put it into perspective, Your Honor,
23 it has been known since the 1970s that an acute
24 overdose -- a significant overdose of acetaminophen
25 could lead to acute liver failure, and that's the

1 importance of these alleged low dose cases then to both
2 this litigation and the difference from what has been
3 known as a science is crucial.

4 When the paper was published in 2005, the
5 Larson paper, at that time -- well, let me back up.
6 The reason that that's so important is that it
7 relates -- Dr. Lee is one of the authors on the paper,
8 but so is Dr. Davern, who is one of the plaintiff's
9 experts in this case. Dr. Kaplowitz (ph) another one
10 of the plaintiff's experts in this case relies upon it.

11 The FDA, in its working group paper and some
12 of the other papers that we've talked about,
13 specifically cites and relies upon it. However, when
14 that article was published in 2005, McNeil began
15 seeking and trying to seek the underlying data so it
16 could understand the basis for the suggestion that
17 there were acute liver failures occurring at or about
18 the therapeutic does. The ALFSG --

19 THE COURT: Yes.

20 MR. BERMAN: I have a hard time getting those
21 letters together, refused to produce those, that
22 underlying data, and have never --

23 THE COURT: And you went --

24 MR. BERMAN: -- produced that letter.

25 THE COURT: You went to court in Texas and

1 got them.

2 MR. BERMAN: I beg your pardon?

3 THE COURT: You went to court in Texas and
4 got the documents?

5 MR. BERMAN: We went to court and got them,
6 and just to put it into perspective, we ultimately went
7 to court and we got them this year, and the documents
8 that I want to talk about and that are crucial here we
9 got in September of this year just as the Jackson case
10 was beginning.

11 I have here -- there's a little bit of a
12 suggestion in the plaintiffs' papers that would suggest
13 that we're sandbagging them and we've had secret
14 negotiations and we've done all this stuff.

15 I, in fact, have here the correspondence that
16 I would be happy to give to the Court where all of
17 these documents have been furnished to plaintiffs'
18 counsel in this litigation as it was received.

19 So, you could read through the
20 correspondence. The only reason that I furnish it is
21 simply to show that or demonstrate that this data has
22 not been withheld at all from plaintiffs' counsel.

23 And exact -- and although the plaintiff
24 suggests that well, all of this was related to the New
25 Jersey litigation, I simply point out to Your Honor I

1 think it's unnecessary, but Your Honor clearly
2 recognizes those have been parallel proceedings with
3 exactly the same counsel there. And, in fact, it was
4 because the plaintiffs initially noticed the deposition
5 of Dr. Lee and Dr. Higby (ph) and we said we're
6 entitled to the documents before he testifies, and
7 Judge Higby said go get them, which started the process
8 there.

9 I would suggest, Your Honor, under the ways
10 that this litigation has proceeded, it was unnecessary
11 to both burden this Court and have two separate
12 proceedings to get exactly the same document which have
13 the same impact.

14 In short, Your Honor, once we got this
15 information, we have looked at it, and for purposes of
16 our discussion today, and for purposes of this motion
17 and what we intend to do, we are limiting this
18 discussion to those 19 reported cases of acute liver
19 failure that occurred at or about a therapeutic dose.

20 We've analyzed those cases in the last
21 basically 60 days and, frankly, Your Honor, the results
22 were shocking.

23 THE COURT: Yes.

24 MR. BERMAN: So that Your Honor understands
25 the breadth of what we're talking about, although we

1 have now gotten thousands of pages of documents,
2 including 275 case report forms and so forth, in order
3 that we don't delay anything in this litigation, our
4 plan is, and what we have given to our experts are
5 those 19 case report forms that we have identified or
6 received from the University of Texas Southwest, along
7 with the protocols, I think they call operations
8 manuals for the studies.

9 My understanding is that the totality of
10 those documents that we are concerned with for this
11 very case that relates only to the issue of whether or
12 not those reports demonstrate acute liver failure at or
13 about the therapeutic dose, is to limit our discussion
14 and our disclosures to those issues only and not to get
15 into the far broader picture, which if the Court wanted
16 us to do certainly would delay things because it's a
17 much broader issue. We're not trying to get to that
18 point. We're trying to be very reasonable and
19 efficient in how this is produced.

20 THE COURT: So which expert's -- I take it
21 you'll be supplementing expert reports if given leave?

22 MR. BERMAN: We have three expert reports.

23 THE COURT: All right.

24 MR. BERMAN: That would leave two
25 hepatologists, Dr. Flamm and Dr. Brown, and a

1 toxicologist, Dr. Brent, who approached things from a
2 different standpoint.

3 THE COURT: And --

4 MR. BERMAN: And we would like to --

5 THE COURT: And -- go ahead.

6 MR. BERMAN: What we intend to do, Your
7 Honor, is to supplement those. We will produce those
8 witnesses for supplemental deposition on that subject
9 matter on a timely basis.

10 We understand -- we do not know -- we have
11 obtained permission from the University of Texas
12 Southwest under a confidentiality agreement to furnish
13 that information to the experts. I do not know whether
14 the plaintiffs have obtained a similar agreement to
15 furnish that with theirs or not. We do know that they
16 have been in contact with the University of Texas
17 Southwest over time.

18 I don't know what they have done. I'm
19 assuming that they have not, but we have no objection
20 to them or even to us assisting them with UTSW getting
21 the same permission to show those confidential
22 documents.

23 There are only, Your Honor, a limited number
24 of confidential documents. The vast majority of what
25 was produced is not confidential, to their experts for

1 them to supplement those reports to the extent that
2 they think necessary and to take an additional
3 deposition if need be.

4 We are prepared to do that to move forward.
5 We are not asking this Court -- Your Honor said at the
6 beginning you anticipated a trial date in late April or
7 May, as we discussed beforehand. We have no intention
8 of trying to delay that. We're ready to move forward
9 with that and we'll do so with -- we'll move forward
10 with alacrity on this.

11 And what I would suggest to Your Honor is
12 that it may very well be that the subject matter
13 requires some additional Daubert briefing on just that
14 or, alternatively, a 104 hearing on the admissibil --
15 under any circumstances, I think we're looking at a 104
16 hearing on the admissibility of any testimony related
17 to the Larson paper and the ALSFG or any documents that
18 rely upon it.

19 I think that is, frankly, a little bit
20 premature at this stage until we get -- what we propose
21 to do is to supplement those expert reports.

22 THE COURT: How long do you anticipate that
23 would take?

24 MR. BERMAN: We said in the papers we'll do
25 it within 30 days. I mean I would think by mid-January

1 we could easily have it done. And if we can do it
2 before then, we will. And it's unfortunate as the
3 holidays as -- we lose about ten days in here, but
4 other than that, we are -- the experts currently have
5 that date and we are prepared to move forward quickly.

6 THE COURT: Okay. All right, thank you. Mr.
7 Tisi?

8 MR. TISI: Judge, I really struggled. I'm
9 going to be honest with you. I've done a lot of MDLs
10 over the course of the past 15 years, 20 years, a lot
11 of pharmaceutical litigation, and I can assure you that
12 I am choosing my words really carefully on this and
13 thought long and hard about it.

14 Ms. Jones talks about due process and she
15 mentioned due process. What they propose to do, and
16 make no mistake about it, what they propose to do,
17 frankly, is to -- will result in the destruction of
18 this MDL.

19 And let me be really clear. We had
20 anticipated Daubert arguments mid-next Jan -- mid-
21 month. The Court tried to move them up to this month,
22 and as I understand it from speaking -- from speaking
23 to my colleagues, part of the reasons why you did that
24 was so that you can give us guidance long before the
25 trial so that we know what the parameters of the trial

1 are going to be.

2 Instead, we're now in a position where we our
3 first bellwether trial that has already been pushed
4 back twice because of the massive briefing that has
5 gone on in this case. And McNeil now wants to -- wants
6 to go behind published peer reviewed literature that
7 has been out there for the entire time.

8 This isn't some new article that came out
9 last month. This was -- this has been out in peer
10 review since 2005, and at no point did they come to
11 this Court and say we need a subpoena and get it
12 quickly. At no point -- we have monthly status
13 conferences, and at no point, at any time, did they say
14 you know something, Your Honor, we are arguing motions
15 every single month for the past six months, we're
16 scheduled for Daubert, and you know something, we have
17 this issue looming on the horizon. We want to let you
18 know about it and we want to let the plaintiffs know
19 about it.

20 Instead, because your court clerk sent an
21 email the other day saying that they were moving up
22 Daubert hearings, we get an immediate response back
23 from Butler Snow say oh, by the way, there are new
24 developments we're going to brief and we got this
25 brief. I would suggest to you that because that email

1 was sent, that's the only reason we even got this
2 motion at this early time.

3 Let me just state some facts so that you
4 understand exactly why I am as bothered by this
5 proposal as I am. Number one, McNeil never issued a
6 subpoena out of this court where they could have gotten
7 the documents resolved a lot sooner.

8 Number two, the documents, by the terms
9 reached by the attorney general of Texas and Butler
10 Snow, approved only for usable in the Boca matters,
11 which are the New Jersey State Court and specifically
12 not this MDL. That's what we thought the whole time.

13 Number three, throughout 2015, McNeil, and
14 behind our back, negotiated a unilateral one-sided
15 agreement of unequal access for this data. Let me be
16 really clear.

17 We attached two agreements, Exhibit 1 and
18 Exhibit 2 to our motion that we filed yesterday.
19 Exhibit 1, which was -- which was entered on May 28th,
20 2015, allows McNeil and its consultants access to this
21 data, signed by a Butler Snow attorney, David Cohen,
22 not the expert, David Cohen.

23 Several days later, they reached a separate
24 agreement for plaintiffs. That separate agreement says
25 that neither our consultants nor our experts can have

1 access to this data, and you know who signed that
2 agreement, the same Butler-Snow attorney. We were
3 never given copies of that, to my knowledge.

4 The next thing that happens is I get -- we
5 are in middle of trial and we wouldn't have known this
6 for -- but for fortuitous questions by Judge Johnson.

7 We are in the middle of trial and Dr. Temple,
8 one of their witnesses, get up and said exactly what
9 Ms. Jones said in his videotaped deposition. We were
10 trying to get some of this data at the time and Dr. Lee
11 didn't turn it over, and Judge Johnson said wait a
12 second, counsel. This data they requested and you
13 didn't turn over, and Mr. Hughes stood up and said, the
14 quote was the, "We have massive and massive amounts of
15 data, Judge. We did get it, and we have our
16 epidemiologist going through the data." Okay, that was
17 in the middle of trial. We couldn't do anything about
18 that.

19 We then come back to this Court in October
20 and November, and each time the attorneys for McNeil
21 file status conference reports with this Court telling
22 this Court what's purportedly going on in New Jersey.
23 At no time during any of those hearings prior to any of
24 those reports did they ever say you know something, we
25 got these documents.

1 On November 23rd, they renegotiated their
2 unilateral agreement to allow their experts to now look
3 at the data, not just their consultants, but now their
4 experts.

5 And while Ms. Jones gets up here and says oh,
6 we're willing to facilitate this, they left in place
7 the very agreement that Mr. Cohen negotiated back in
8 May that doesn't allow us or our experts to take a look
9 at it. We weren't concerned about it, because those
10 applied in New Jersey that didn't apply in this case,
11 and we were actually preparing for this case.

12 If you read those agreements, they
13 specifically exclude the only -- the only cases in
14 which they could be used were New Jersey State Courts,
15 not the MDL.

16 So then we get the email from Allison Jones
17 the other day bearing the -- bearing the news of well,
18 we got this new information on these published peer
19 reviewed articles and we looked into it. You know,
20 Judge, they try to minimize this and say well, you
21 know, there are only 19 cases that they're concerned
22 about. Well, I don't want to be presumptuous here, but
23 when we looked at the documents there are 130,000 pages
24 of documents in the -- in the production of doc -- of
25 production, almost 20,000.

1 Now, the fact that they have had these
2 documents for six months and chose to actually look at
3 19 and decide how they wanted to focus their inquiry,
4 well, you know, I think that's great of them, but we
5 may want to look at them.

6 If we are going to be fair about this, we may
7 want to go and look at the entire 130, and we may look
8 at it and say you know, it's not so shocking at all
9 what your experts say.

10 So now we're in a position here where we were
11 supposed to be arguing and, in fact, did argue Daubert
12 today. We still don't have access to all of the
13 documents. We still don't have an agreement --

14 THE COURT: Do those documents affect the
15 motions that we've argued today?

16 MR. TISI: In part. They argued -- they
17 argued that Dr. Blume cannot rely on case reports to
18 support her opinions. One of the articles that Dr.
19 Blume testified to was the Larson article, the efforts
20 of the Acute Liver Failure Study Group.

21 I mean I've got to tell you, Judge, you know,
22 there is only one other time that I can recall in my
23 MDL experience where a company went behind the data of
24 a published peer reviewed article and they did so in
25 the very early part of the case.

1 This is not what they're doing here, okay?
2 This is a case in which the Acute Liver Failure Study
3 Group has -- is -- and I don't want to diminish this at
4 all. They've been around for 20 years.

5 They are the source of information of acute
6 liver failure in this country that doctors, the FDA,
7 the NIH, the DEA, and agencies of the government rely
8 on for this disease, not only for acetaminophen. I
9 mean that's been the focus of this. Illicit drugs,
10 over-the-counter drugs, viral causes of hepatitis.

11 That's why the NIH, the FDA support this and
12 have supported this for close to 20 years. That's why
13 over 20 medical centers actually participate in this
14 process.

15 What they are proposing to do, frankly, is to
16 create a -- they don't want to rely on the published,
17 peer reviewed literature of this organization. They
18 want to now start having a trial within a trial, you
19 know, about whether or not this case is truly I assume
20 acute liver failure, this one isn't. This case has
21 this problem, this one doesn't.

22 This kind of sideshow will create, in our
23 view an I will predict this as the day is long, if they
24 are permitted to do this at this point in this
25 litigation, this trial and the ability to conduct this

1 trial in an orderly fashion, which is, after all, why
2 you continued this case several times, will be put on
3 hold a third time, and this bellwether process will be
4 off the rails.

5 I want to show you just to give you a sense
6 of it, yesterday, they sent a letter to my colleague,
7 David Towell (ph) at Seiger-Wise (ph), if I can
8 approach, Your Honor, here -- in New Jersey, proposing
9 a schedule for the analysis of this data.

10 Now, mind you, plaintiffs don't even have an
11 agreement with UT Southwestern that our consultants or
12 experts can even look at this stuff, and their experts
13 have been looking at this stuff, epidemiologists.

14 I mean if you look at the -- look at the
15 quote that I put in the brief, when the Court
16 specifically asked Mr. Hughes whether he had the data
17 on September 25th -- this is what, three, four months
18 ago now -- Mr. Hughes said, "So the data has started
19 coming in, Your Honor, but it doesn't come in with one
20 page line listing the data. It's a massive, massive
21 amount of data we are trying to pull apart and trying
22 to process."

23 THE COURT: That was the colloquy that the
24 New Jersey judge had?

25 MR. TISI: Correct. Okay. So to come in

1 here and say well, you know, we have these 19 case
2 report forms and maybe a protocol when their lawyer got
3 up in New Jersey three months ago and said we're
4 pulling apart the data and it's a massive, massive
5 amount of stuff, that's exactly what we would have to
6 be doing and we don't even have access to the data yet
7 and we can't give it to our consultants, we can't give
8 it to our experts and, frankly, as a cost matter, we
9 don't have epidemiologists and toxicologists and we
10 can't go back to McNeil and go into their labs and say
11 here's a document dump of data. Help us figure this
12 out before we give it to our experts.

13 So, now we're in a position a week and a half
14 before Christmas holidays and we get this motion. We
15 don't have anything in place. Now, I just gave you a
16 copy of the letter that they sent to my colleague in
17 the New Jersey litigation where this is -- where this
18 is properly, and they propose a schedule.

19 Let's look at what they say. If you go to
20 the proposed schedule, they say, "Defendant shall be
21 permitted to serve supplemental expert reports on or
22 before January 30. Plaintiff, you get 30 days," okay.
23 That's not 30 days to look at 19 case report forms.
24 That's 30 days to look at -- to look at 130,000 pages
25 of documents.

1 Then, they propose that the experts get --
2 they get 60 days beyond that to conduct follow up
3 depositions. That takes us, Judge, until April 30th,
4 May 1st.

5 But, now if you look at the end paragraph --
6 of paragraph four, it says, "The parties may engage in
7 third party discovery related to the above reference
8 materials, including, but not limited to, depositions
9 and written discovery to establish authenticity and
10 admissibility."

11 So, they anticipate not only expert
12 depositions, but now follow up depositions, maybe Dr.
13 Lee, maybe other people, in connection with this. This
14 takes us -- this takes us up until the eve of trial.

15 Now, again, I'm just trying to put this on a
16 calendar to try to be practical here. You, the Court
17 wanted to have Daubert hearings this month so that you
18 could give us guidance on what we're doing for a trial
19 in May. The schedule that they propose brings us to
20 May 1st, and we haven't even filed motions yet.

21 So, when Ms. Jones stands up here and says
22 well, you know, there may be -- there may be additional
23 motions, of course there are going to be additional
24 motions. They're going to come marching in here saying
25 no, Judge, this proves our point. This peer reviewed

1 public literature can't be relied on.

2 And then we're going to have a big sideshow
3 and a big debate about whether or not you can look at
4 the peer reviewed literature or you can look at their
5 experts, paid experts who looked at the original data
6 and perhaps come to a different conclusion than the
7 people who actually looked at this in the process.

8 Judge, I have to tell you, we have to rely on
9 the process of this Court and we have to rely on the
10 process of science. We have a process of peer review
11 for a reason, okay.

12 This organization, this is not some fly-by-
13 the-night scientist who just happened to pick up the
14 issue and say let me -- let me conduct a -- let me see
15 if I look at a couple of cases. This is the Acute
16 Liver Failure Study Group, FDA/NIH-funded.

17 You would have to think that 20 -- the 20
18 different medical centers, including Yale, University
19 of Chicago, UCLA, different groups that have been part
20 of this, I think University of Pennsylvania was part of
21 it at one point, somehow collaborated to create cases
22 that perhaps weren't acute liver failure or didn't have
23 acetaminophen or had the wrong dose or whatever theory
24 the defendant is going to come in and try to undermine
25 these published, peer reviewed studies, and we're going

1 to be here for the next year on this issue.

2 This is not a small matter. And it's not a
3 small matter involving 19 cases because to be fair to
4 us, if you want to talk about due process, to be fair
5 to us, we're going to want to say, you know, maybe the
6 issue isn't as narrow as those 19 cases. Maybe we want
7 to do a little bit more. And, you know, maybe we want
8 to get behind some of your peer reviewed published
9 literature, Dr. Temple, who published for McNeil.
10 Maybe we'll start looking at that cases that you --
11 that were here, and maybe we'll -- we'll be here
12 forever.

13 I can be a passionate guy and I can be a very
14 -- you know, and I know I sometimes can say something
15 is really important, and to me everything is important,
16 but we're going to be -- we need to get this MDL
17 moving.

18 If this was as important as Ms. Jones
19 suggested, they could have come in here a long time ago
20 when we were setting bellwether trials and said, you
21 know, there is this one outstanding issue. It's taking
22 too long in New Jersey. Can you intervene, Judge?

23 THE COURT: All right.

24 MR. TISI: Can you assist us?

25 THE COURT: So they didn't, all right, and

1 we have no trial date yet for the bellwether case. It
2 had been my hope that we would set a trial date. We
3 have an issue that's come up. I mean what is the
4 prejudice?

5 MR. TISI: Enormous prejudice, Your Honor. I
6 mean I've already -- we have argued -- we have briefed
7 and argued multiple motions dealing with issues related
8 to science, medicine, admissibility of issues.

9 THE COURT: I'm aware. I've been here.

10 MR. TISI: Yeah. I mean you've issued almost
11 200 pages of orders, a lot dealing with these -- a lot
12 of these issues.

13 THE COURT: Right.

14 MR. TISI: And now we're going to unravel the
15 yarn? Why? Because they -- because they can't rely --
16 they cannot rely on the published peer reviewed
17 literature.

18 And if they don't like the Larson article and
19 somehow we don't do that, then they're going to pick
20 another article and we're going to do this all over
21 again.

22 Sometimes, Judge, you know -- I had a judge
23 say to me at one point said, you know, sometimes enough
24 is enough. You know, Mr. Tisi, I was asking to do one
25 more thing, kind of like what they're doing now. The

1 judge said -- it was in context of asking depositions
2 and he said, judge -- you know, Mr. Tisi, no. He said
3 depositions are to lawyers what peanuts are to
4 elephants. I'm going to suggest to you that you give
5 out some peanuts here, this elephant is going to be
6 eating for the next couple years.

7 This is -- this is -- there's enormous
8 prejudice. I want, frankly, this case to go to trial.
9 I want to get the bellwether process done. We have 200
10 plus cases in this MDL. I want to figure out a way to
11 get to the end of this process, and we can't do it and
12 you can't have an orderly administration of justice if
13 we have this kind -- this kind of sandbagging, and make
14 no mistake, we don't even have access to these
15 materials. We can't start.

16 THE COURT: What about these letters that go
17 back to December 18th of last year --

18 MR. TISI: The letters?

19 THE COURT: -- where Mr. Buchanan of Seiger
20 Wise was provided documents from the University of
21 Texas Southwest Medical --

22 MR. TISI: Yes.

23 THE COURT: -- Center?

24 MR. TISI: Let me address that. You will
25 notice that in none of those -- none of those are what

1 would be agreements that Mr. Cohen entered into that
2 does not allow our experts to even look at this. Okay.
3 Yes, we have been receiving materials, but, frankly,
4 they are not part of --

5 THE COURT: So you've been getting the
6 documents that we're talking about, right?

7 MR. TISI: But we haven't -- honestly, Judge,
8 we haven't looked at them. The reason why we haven't
9 looked at them is A, they're produced in New Jersey,
10 they have not been the subject of any experts up until
11 now; B, we've been proceeding in this MDL on the basis
12 of what we have.

13 THE COURT: Well, my understanding is these
14 cases are roughly similar to each other, right?

15 MR. TISI: What cases?

16 THE COURT: The New Jersey cases and our MDL
17 cases.

18 MR. TISI: Some of them are, some of them
19 aren't, Judge. Some of them are pediatric cases, some
20 of them are -- some of them aren't. But the point is
21 that the documents --

22 THE COURT: All right.

23 MR. TISI: I'm going to read -- the
24 disclosure says --

25 THE COURT: I see it.

1 MR. TISI: I can't even use them. So the
2 fact that we're getting them, big deal, so we're
3 getting them. I can't use them.

4 THE COURT: Well, have you looked into using
5 them?

6 MR. TISI: We called -- we -- Mr. Gainer, he
7 can certainly -- he can certainly provide -- he called
8 during -- you know recently he called down there and he
9 said yeah, he said the assistant state's attorney or
10 whatever, however they use it down there, yeah, he
11 says, you know, the agreements don't allow you to use
12 it. And they are -- they're -- apparently, they're
13 negotiating -- McNeil is now negotiating to have that
14 evidence imported into this MDL. But none of this was
15 done. I mean look, if any --

16 THE COURT: Right. It's -- so I get it. I
17 get it, okay.

18 MR. TISI: Yes.

19 THE COURT: It's a little late in the game.
20 It may result in some delay, right? And, you know, you
21 can roll your eyes and exhale all you want --

22 MR. TISI: I'm sorry.

23 THE COURT: -- and I appreciate your advice
24 on how I should manage the case, frankly, but, you
25 know, we have an issue that's come up. The defendants

1 have represented that it's important information.

2 If it comes up time and again, then we'll
3 have to at some point cut it off. But I mean it looks
4 to me like it's come up in the New Jersey case within
5 the last couple of months. I would have preferred, I
6 suppose, that it had been flagged in October or
7 November. It wasn't.

8 You know, we have a trial date that's -- we
9 were hoping to try the case in the late spring. We may
10 be able to do that, we may not be able to do that. I
11 simply don't know how long all this is going to take.

12 MR. TISI: I would ask --

13 THE COURT: But --

14 MR. TISI: I would ask this. We have an
15 issue, we have a couple of issues, Judge. Even if we
16 were to get the final documents, which we don't have,
17 apparently, there was some documents that were
18 delivered to McNeil this past week. We don't have
19 them. I have called our -- I have called our experts,
20 and they are simply not available. I mean this is --
21 this is the --

22 THE COURT: I --

23 MR. TISI: -- holiday season.

24 THE COURT: I get it.

25 MR. TISI: Even if everything, the stars, the

1 moon, and the sun, were aligned, I can't even get the
2 stuff to them realistically until some time in
3 mid-January.

4 THE COURT: Right.

5 MR. TISI: And it's -- it's not just -- it's
6 130,000 pages. I mean I may have to name a new expert
7 because it may not be enough for me, frankly. These
8 experts may not have the time or the inclination to
9 sift through 130,000 pages.

10 THE COURT: Okay. Thank you.

11 MR. TISI: No, I'm sorry. Mr. Gainer, who
12 has been negotiating with the state's attorney, has a
13 comment, if you don't mind, Your Honor.

14 MR. GAINER: Your Honor, I appreciate it and
15 I will be brief.

16 THE COURT: Sure.

17 MR. GAINER: And let me start out by saying
18 this, Your Honor. I'm not an MDL lawyer. I am a
19 lawyer of 35 years, and you have been very
20 conscientious and you have gone out of your way time
21 and time again to see that the motions of the defense
22 are accommodated, that they are fully briefed, that
23 they are heard, oral arguments. You have gone above
24 and beyond.

25 This article is a decade old, a decade old.

1 If it was a searing, burning issue, they have had ten
2 years to pursue through Texas a subpoena to get these
3 records and to analyze them all that they wish. But in
4 this case, Your Honor, and we have worked so diligently
5 and so hard, discovery is closed. Discovery has to
6 close at some point.

7 This is one article, hardly the entirety of
8 what Dr. Kaplowitz and Dr. Davern rely on. They have
9 testified and Dr. Kaplowitz, frankly, is not even a
10 member of the Acute Liver Failure Study Group, neither
11 is his center.

12 But he's 30 years and he runs a liver
13 research center at University of Southern California
14 that is funded by the NIH, and his opinions are
15 informed by his own work for 30-plus years. He is
16 published on drug-induced liver failure. It's in its
17 third edition.

18 He has seen patients who have had acute liver
19 failure at four grams or less. He's read the
20 literature where hospitals have administered patients
21 four grams or less and have had acute liver failure.

22 This is not the whole sum and substance. In
23 fact, it's a very small part of Dr. Kaplowitz. If the
24 defense is allowed to take any tangential point that
25 Dr. Kaplowitz or Dr. Davern may have relied upon,

1 discovery will never end. If they want to pursue this,
2 then fine. But should it derail our bellwether process
3 that you have worked so hard to get us to, I think not.

4 I think that in fairness, they can pursue
5 this through New Jersey as they have initiated it. The
6 proposal that they have made that Mr. Tisi went over
7 with you was not even discussed with any of us. It was
8 just sent by a letter. It will be discussed further
9 and I suspect will have to be modified and expanded.

10 They will be able to get to the bottom of
11 this particular issue if they are so inclined to do so.
12 But I do not think, Your Honor, and I would
13 respectfully ask that this supplementation of expert
14 reports in this case, the Hayes case, that has been
15 thoroughly litigated be denied. Thank you.

16 THE COURT: All right, thank you, Mr. Gainer.
17 Ms. Jones?

18 MS. JONES: I don't want to belabor the
19 issue, Your Honor. I have acknowledged that this is a
20 rare circumstance and I understand that, and we
21 wouldn't be here if it were not so crucial.

22 I apologize, I handed the Court our
23 correspondence. There's one piece I neglected to
24 handle. But I think what I want the Court to know are
25 two things.

1 To our knowledge, and I represent to the
2 Court to my knowledge, the plaintiffs have been
3 produced every document that we have. The 19 documents
4 that we are talking about case reports are all found in
5 this specific notebook.

6 This doesn't include the protocols, but this
7 is what we're talking about. We specifically narrowed
8 this not to be unfair, but because we were trying to
9 move this case along.

10 Secondly, we've shown Your Honor the
11 correspondence so that Your Honor can appreciate we
12 weren't operating in secrecy. Plaintiffs were given
13 notice and invited to attend every hearing that was
14 held in Texas.

15 I don't know whether there's been any
16 correspondence or whether there has been any discussion
17 beyond what Mr. Gainer said, but I'm confident that if
18 our experts are given permission under the
19 circumstances of a confidentiality argument by UTSW,
20 theirs will be as well.

21 This is not -- this is not a usual situation,
22 Your Honor, where somebody is simply trying to go
23 behind the documents. This is a crucial article,
24 crucial to the litigation and virtually the only one
25 published that purports to be a study.

1 The documents underlying this study have
2 never been reviewed or seen by the FDA, the NIH, or
3 anybody else as best we can tell, ever. And if we're
4 not able to challenge these and not able to introduce
5 this evidence, it does, in fact or will, in fact,
6 result in a miscarriage of justice to say that the
7 Court has not even considered it.

8 So we will do our very best to accommodate
9 the Court, to move it along as quickly as we possibly
10 can. But we think that justice in this case is more
11 important than simply rushing through something. Thank
12 you, Your Honor.

13 THE COURT: Thank you. I appreciate the
14 suggestion that this proceed in New Jersey and that we
15 keep the bellwether on track. You know, and just
16 thinking through this perhaps, one of the reasons to
17 have the bellwether case is so that you have one case
18 that's fully litigated, presented to a jury, and then
19 you have the benefit of the result of that case to
20 inform the disposition of the remaining cases,
21 sometimes through settlement, sometimes through further
22 trial.

23 I'm concerned that if we move to trial on
24 this case with what appears to be a significant
25 discovery issue proceeding in New Jersey but not here,

1 that any result that we would have in this bellwether
2 case could be less convincing and less important to the
3 parties if there's a feeling that there was an
4 important component, at least from a defense
5 perspective, that was left out.

6 So, while I appreciate the suggestion that we
7 let this proceed in New Jersey and cut it off here, I I
8 think I don't want to go that route. Do we have a
9 proposed order from you in terms of a schedule, or is
10 the only schedule this one that was proposed --

11 MS. JONES: I don't think --

12 THE COURT: -- to the --

13 MS. JONES: -- we do, Your Honor. We can
14 certainly submit one later today or in the morning, but
15 I don't think we submitted one setting a particular
16 schedule.

17 My recollection is that we said in the motion
18 that we would file the supplemental expert reports
19 within 30 days of an order, which would take us to
20 mid-January. But we'll do whatever Your Honor asks, or
21 if Your Honor wants to give us some dates, we'll supply
22 an order promptly.

23 THE COURT: All right. Let me take a look at
24 this. Can I hang on to these copies --

25 MS. JONES: Yes, Your Honor.

1 THE COURT: -- of these e-mails and these
2 letters? And, Mr. Tisi, you handed up a consent order.
3 Can I hang on to this?

4 MR. TISI: Absolutely, Your Honor.

5 THE COURT: Okay. All right. Let me give
6 this some thought. And I can say I'm inclined to grant
7 the motion, but I want to look at the papers a little
8 more carefully. I looked at them in preparation for
9 today but really only went through them once. And then
10 we'll get a decision out to you probably by sometime
11 tomorrow.

12 If I allow the defendant to supplement the
13 expert reports, you know, obviously the plaintiff would
14 have the opportunity to, if you need to, obtain a
15 confidentiality order from the university and then
16 share those documents with your experts. So we'll need
17 -- we'll need to talk further about the time frame for
18 that, but okay.

19 Let's end it there. I had hoped to talk
20 about a trial date, but I think I want to see what's
21 involved with --

22 MR. TISI: Judge, may I ask the Court for
23 clarification?

24 THE COURT: Yes.

25 MR. TISI: I'm obviously reacting on my feet

1 a little bit on this, but I do anticipate some
2 difficulty with either Dr. Davern or Dr. Kaplowitz. It
3 may be that they're capable of looking at this data.

4 It may be that the time constraints do not
5 permit that to be the case. And I suspect for one or
6 both of them, that may be the case. I may have to be
7 in a position where I have to go out and find somebody
8 different, and I don't want there to be a -- just
9 because it was framed in terms of supplementing expert
10 reports, I don't want there to be a suggestion that
11 either of our two experts --

12 THE COURT: Right.

13 MR. TISI: -- or any others are -- you know,
14 that were confined --

15 THE COURT: Well, it's the defendant's
16 request to supplement their own expert reports --

17 MR. TISI: Yeah, and it may be --

18 THE COURT: -- and your response is your
19 response. I mean if your experts can fold this in to
20 their analysis, fine. If you have to get somebody
21 else, then we'll have to talk about that.

22 MR. TISI: And, you know, there may be some
23 other -- we're trying to dig out some information to
24 try to address this and provide the Court with written
25 papers before today, but technically it's before they

1 are due, so we may need to supplement and provide you
2 with additional information we get from UT
3 Southwestern.

4 I mean it may be, frankly, that we take
5 somebody's deposition at UT Southwestern depending
6 upon -- one of the things I would like to see is if
7 McNeil can make a representation even at this point as
8 to what they think their experts will testify about, it
9 will give us something we can focus on.

10 Right now, this is such a nebulous, out-of-
11 the-blue suggestion, I don't really know the issues. I
12 mean I think I can guess if I'm, you know, being a
13 lawyer for 30 years, but I would like to have some
14 sense so I can focus my experts as to what they think
15 they're doing. It sounds like they've had people
16 looking at this stuff for three months. Can we have a
17 proffer?

18 THE COURT: Wait, you're asking for that
19 today?

20 MR. TISI: Yes, today, so I can -- so I can
21 call them and say can you do this? Can you address
22 these questions?

23 THE COURT: You know, I want to look at the
24 motions.

25 {Pause in proceedings.}

1 MS. MAZUR: Did you -- did you get everything
2 from Texas? Is that complete production --

3 MS. A. JONES: Yes.

4 MS. MAZUR: Okay. And they have it all?

5 MS. C. JONES: And they have it all.

6 MS. A. JONES: And they have it all. Okay.

7 MR. TISI: I do not have it all. I did not
8 get the most recent production. We did not get it.

9 MS. C. JONES: Well, it's been sent to you.

10 MR. TISI: To my knowledge --

11 THE COURT: When was -- when was it sent?

12 MS. MAZUR: Do you know the date?

13 MS. C. JONES: It was sent in December.

14 MR. BERMAN: Two days ago.

15 MR. TISI: Oh, two days ago.

16 THE COURT: Okay.

17 MR. TISI: So it may be sitting --

18 THE COURT: All right. So --

19 MR. TISI: -- on my desk.

20 THE COURT: Right, it may be there.

21 MR. BERMAN: It's not part of this issue.

22 THE COURT: And I guess -- I guess the issue
23 is your getting the consent from University of Texas
24 Southwest --

25 MR. TISI: I guess we got to go --

1 THE COURT: -- to share the information with
2 your experts?

3 MR. TISI: Yes, because what I understand --
4 maybe Mr. Gainer could -- I understand that going back
5 to the -- to the Texas judge in some fashion to
6 finalize an agreement. I haven't been part of that
7 process.

8 I had to do in the past week a lot of digging
9 to figure out what the issues were and where they
10 stood, but I don't know whether we're going to get
11 consent. We may or may not. I mean I don't -- what I
12 don't really understand, frankly, Your Honor, is how we
13 came to the point where we had two different agreements
14 that -- I don't understand why -- it may be that they
15 had a particular problem with us looking at the data.
16 I don't know.

17 THE COURT: I have no idea.

18 MR. TISI: I don't either.

19 THE COURT: Let me look at this motion. As I
20 said, we'll get a decision on this to you shortly, and
21 then maybe you want to meet and confer and --

22 MR. TISI: Sure.

23 THE COURT: -- figure out what --

24 MR. WEINKOWITZ: Your Honor, can I just --

25 THE COURT: -- you have to do.

1 MR. WEINKOWITZ: -- point out that the
2 protective order that you do have in place in this
3 litigation has a provision that extends to third
4 parties. I don't know if that would in any way
5 facilitate our ability to get the materials to our
6 experts, but --

7 THE COURT: Well, it certainly might help
8 with the discussions with the University of Texas
9 Southwest --

10 MR. WEINKOWITZ: I just wanted to point --

11 THE COURT: -- I would think.

12 MR. WEINKOWITZ: -- that out.

13 THE COURT: Thank you. Okay. We'll take a
14 look at this, as I said. We'll get a decision to you
15 and then I'll ask you to get together and work on some
16 schedule. I will probably want you to supplement your
17 expert reports in fairly short order, okay. I would
18 think by the end of January we should be able to do
19 that.

20 MR. BERMAN: We will do so, Your Honor.

21 THE COURT: Okay. Okay. All right, good.
22 Thank you very much.

23 (Proceedings adjourned, 12:58 p.m.)

24 * * *

25

1

2

3

4

5

6

CERTIFICATION

7

8

9

10

11

12

13

14

15

I, Donna Anders, do hereby certify that the foregoing is a true and correct transcript from the electronic sound recordings of the proceedings in the above-captioned matter.

12/18/15
Date

Donna Anders
Donna Anders

16

17

18

19

20

21

22

23

24

25