

Boston Scientific will pay Johnson & Johnson \$600M

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Boston Scientific will pay \$600 million to settle with drugmaker Johnson & Johnson over the medical device maker's \$27 billion acquisition of Guidant Corp. in 2006.

Boston Scientific said Tuesday that Johnson & Johnson had wanted \$7 billion in damages but will dismiss its lawsuit. Under the settlement, Boston Scientific also won't sue Johnson & Johnson over several stent products. Johnson & Johnson confirmed the terms of the settlement.

Boston Scientific Corp. shares rose \$1.65, or 11 percent, to \$16.49 in aftermarket trading. Johnson & Johnson shares were unchanged at \$100.44.

After Johnson & Johnson lost a bidding war for Guidant, it sued Boston Scientific and Abbott Laboratories, accusing them of interfering with a \$24 billion deal it had made for Guidant. New Brunswick, New Jersey-based Johnson & Johnson said Boston Scientific and Abbott induced Guidant to breach its agreement with the drugmaker. Guidant paid Johnson & Johnson \$705 million in return for backing out of the deal.

To avoid antitrust problems, Boston Scientific had sold Guidant's stent and vascular unit to Abbott for \$4.1 billion plus a \$900 million loan. A court dismissed Abbott Laboratories Inc. from the case in 2007.

Johnson & Johnson and Boston Scientific made their final arguments at a trial last month, but the court had not returned a verdict.

Guidant made stents, defibrillators, pacemakers and other medical devices. The deal hurt Boston Scientific's balance sheet for years, as demand for heart-zapping implants fell after the sale was completed and Boston Scientific spent years dealing with lawsuits related to Guidant's business. After the sale closed, the Natick, Massachusetts-based company posted losses every year until 2011. In 2013 Boston Scientific agreed to pay the government \$30 million to settle allegations that Guidant knowingly sold defective heart devices that were implanted in Medicare patients between 2002 and 2005.

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