

# Novartis To Pay \$250M In Damages

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NEW YORK (AP) -- A jury that found Novartis discriminated against women by paying them less than men, promoting fewer of them and allowing a hostile workplace awarded \$250 million in punitive damages on Wednesday.

The massive award may be dwarfed by the damages to 5,600 women at the drug company, a multi-national based in Basel, Switzerland, who were paid and promoted less than men, lawyers say. Jurors declined to speak to reporters after the six-week trial, but lawyers who brought the lawsuit said the jury's decision, coupled with its award of \$3.3 million in compensatory damages to a dozen women Monday, sent a loud message.

"This will make women feel empowered," said Steven Wittels, a lawyer for women who worked for Novartis Pharmaceuticals Corp. from 2002 until the present. "For too long, women have been kept silent and afraid to address the oppressive circumstances they're living with."

In a release, Novartis Pharmaceuticals President Andy Wyss said he was disappointed in the verdict.

"For more than 10 years the company has developed and implemented policies setting high standards with regards to diversity and inclusion for the development of our employees," he said.

David Sanford, another plaintiffs' lawyer, said he believed the award was the largest ever from a jury in a gender-discrimination case.

He said the court will arrange a system so all 5,600 women in the class-action litigation can describe to a court-appointed administrator how they suffered discrimination. Each can receive up to \$300,000 in a process could add hundreds of millions of dollars to the damages in the case.

Sanford said the lawyers also will ask U.S. District Judge Colleen McMahon to award \$37 million more in compensatory damages to the class for back wages lost because of discrimination between 2002 and 2007.

He said the judge will also be asked to order "sweeping changes" to the company's pay and promotion system, its pregnancy policy, its system of performance reviews and its human resources department.

The verdict Wednesday capped a trial that featured two women currently employed by Novartis and 12 others describing their efforts to advance in a company that favored men in pay and promotion and failed to act when complaints were made.

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One witness described how her district manager became so abusive toward female employees that he showed them pornographic images and invited women to sit on his lap.

Other witnesses described an "old boys network" that punished women who became pregnant, finding ways to spoil their careers, pressure them to take shorter leaves or to work while they were on leave.

Plaintiffs' attorney Katherine Kimpel said the women who agreed to testify at trial were "incredibly brave" to overcome societal pressures to stay quiet within corporations.

"We had very bright women willing to come forward and stand up to this company," she said.

Sanford said "many, many more in and out of the country were prepared to get on a plane and come and testify" but there was a limit on how much time could be spent presenting the case to the jury.

Sanford had asked the jury to award up to \$285 million during punitive damage arguments on Tuesday. He said the amount represented 3 percent of the \$9.5 billion in revenues Novartis recorded in 2009.

Novartis attorney Richard Schnadig pleaded with the jury not to react emotionally.

"The company is taking everything you said to heart and is going to change," he promised. "Be fair to us."

The Novartis award was notable for its size, but Wal-Mart Stores Inc. is facing an even bigger class-action lawsuit alleging gender discrimination over pay for female workers. That case could cost the world's largest private employer billions of dollars in legal damages.

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