**Abbott Ordered to Pay $495 Million in Baby-Formula Verdict**

**Jury says Similac maker failed to warn of risk; Abbott says it disagrees with verdict**

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A jury ordered [Abbott Laboratories](https://www.wsj.com/market-data/quotes/ABT) to pay $495 million in compensation and damages after determining that the company failed to warn that its formula for premature infants increased the risk for a bowel disease.

Shares of Abbott, which makes the Similac formula, fell about 5% in extended-hours trading.

“We strongly disagree with the verdict,” an Abbott spokesman said. “We will pursue all avenues to have the erroneous decision overturned.”

The verdict included $400 million in punitive damages. Punitive damages can be reduced by the trial judge or reversed on appeal.

Earlier this year, Mead Johnson, owned by U.K.-based [Reckitt Benckiser](https://www.wsj.com/market-data/quotes/UK/XLON/RKT), was [ordered to pay](https://www.wsj.com/business/retail/reckitt-to-sell-some-home-care-brands-review-infant-formula-unit-in-shake-up-ae21fefa?mod=article_inline) $60 million to plaintiffs in a similar case. Nearly 1,000 such lawsuits are pending against the two companies, JPMorgan Chase analysts have said. Shares in the two companies have trended downward since that March verdict.

On an earnings call on July 18, Abbott Chief Executive Robert Ford said that regulators have deemed the company’s preterm-infant-formula products safe and that every state would experience a public-health crisis if they were no longer available. He said the company makes roughly $9 million in annual sales for the products under scrutiny.

The formula won’t disappear from hospitals as a result of the verdict, said the plaintiff’s lawyer, Jake Plattenberger, of TorHoerman Law.

He had accused the company of failing to highlight the increased risk of necrotizing enterocolitis, a life-threatening gastrointestinal disease, for preterm infants taking the Similac Special Care 24 High Protein formula.

The plaintiff’s daughter will suffer with chronic pain and won’t be able to eat a regular meal after her bout with the disease, Plattenberger said in his closing arguments as seen on Courtroom View Network.