

Court Rejects Johnson & Johnson's Latest Bankruptcy Maneuver in Talc Litigation

Plaintiffs' attorneys representing ovarian cancer victims look forward to the tort process continuing in court.

HOUSTON, TX, UNITED STATES, April 3, 2025 /EINPresswire.com/ -- The U.S. Bankruptcy Court for the Southern District of Texas has issued a decisive ruling rejecting Johnson & Johnson's latest attempt to use the bankruptcy system to resolve its talc-related cancer litigation. In a strongly worded opinion, U.S. Bankruptcy Judge Christopher Lopez denied confirmation of Red River Talc LLC's prepackaged Chapter 11 plan, citing voting irregularities, impermissible third-party releases, and procedural flaws that undermined the integrity of the process.



Chris Tisi joined a panel of attorneys at MTMP Spring 2025 to talk about the news regarding the bankruptcy court decision, and what it means for the talc ovarian cancer multidistrict litigation.

The rejected plan, which proposed a \$9 billion settlement to resolve over [90,000 ovarian and gynecological cancer claims](#), was the third attempt by Johnson & Johnson (J&J) to use bankruptcy

to shield itself from liability. The Court emphasized that despite broad support from some plaintiffs' firms, the plan was legally unsound and failed to meet fundamental bankruptcy requirements.

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ATTORNEY CHRIS TISI,
ATTORNEY, LEVIN
PAPANTONIO

Key Findings of the Court's Opinion:

* The Court found that prepetition voting on the plan was flawed, with tens of thousands of claimants' votes cast by

law firms without direct client authorization. “Votes are voices,” the opinion stated, underscoring that many claimants were denied a meaningful say in the process.

* The plan included nonconsensual third-party releases that would have shielded J&J's corporate affiliates and retailers from future liability without giving claimants the ability to opt in or out. The Court ruled this provision "impermissible" under bankruptcy law.

* The Court questioned the legitimacy of Red River's formation and the bankruptcy filing itself, noting that J&J had previously assured claimants there would be no further divisional mergers after the failed LTL cases. The opinion highlighted that "J&J's use of the Texas divisional merger statutes was an abuse of the bankruptcy system."

* The Court rejected arguments that the plan provided certainty for victims, noting that the proposed structure risked depleting funds for future claimants while failing to ensure fairness in allocation.

Judge Lopez wrote in his opinion:

"There is not any one individual factor that requires this result. It is all of them together that require the Court to dismiss this case. While the Court's decision is not an easy one, it is the right one. The Plan references a potential out-of-court deal if the Fifth Circuit would have overturned plan confirmation. The Court hopes something gets done for J&J, Red River, and claimants who also want finality on their cases. For reasons stated above, it is hereby Ordered that this case and related Adversary Case No. 24-03194 are dismissed."

[Chris Tisi](#), of Levin Papantonio, who is a steering committee member in the national talc multidistrict litigation ([MDL 2738, In Re: Johnson & Johnson Talcum Powder Products Marketing, Sales Practices, and Products Liability Litigation](#)) views the court's decision with cautious optimism:

"The Court made it clear that bankruptcy is not the place to resolve these cases," Tisi said. "In so doing, the Court recognized that there are out-of-bankruptcy ways to compensate these families, and it urged J&J to take a good hard look at these options. We hope that J&J heeds the Court's advice and does the right thing."

The decision marks the latest chapter in J&J's ongoing legal battle over claims that its talc-based products, including Johnson's Baby Powder, contained asbestos and caused cancer.

With the plan's rejection, talc-related litigation against J&J is expected to resume in courts across the country. The ruling also raises significant questions about whether J&J will attempt yet another bankruptcy filing or shift its legal strategy moving forward.

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