

# Cleveland Clinic Dispute Intensifies

**Fired Doctor Sues,  
Claiming Conflicts  
Pervasive at Hospital**  
By DAVID ARMSTRONG

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A former department head at the Cleveland Clinic sued the hospital over alleged defamation and discrimination, saying that the institution is plagued by financial conflicts of interest similar to the kind that were cited as grounds for his dismissal.

Jay Yadav, who headed the clinic's vascular intervention unit until he was fired last year, said a number of the hospital's top doctors promote devices and treatments that they have a financial interest in, sometimes without informing patients.

The suit highlights the dangers facing big hospitals and academic medical centers as they respond to pressure over conflicts of interest. Dr. Yadav was dismissed for allegedly not complying with the clinic's conflict of interest policies. His lawsuit, filed yesterday in Ohio state court, says he was being scapegoated.

The clinic, in a statement, denied the allegations in the lawsuit and said it planned to file a response as well as a "counter claim for substantial expenses incurred to review his research."

Getting rid of doctors over issues related to conflicts of interest is rare. Dr. Yadav says others at the clinic weren't sanctioned -- and his legal action could become an embarrassing public battle for the clinic.

The clinic instituted tougher conflict policies in early 2006 after The Wall Street Journal detailed the undisclosed investments of the clinic and certain of its doctors in unproven products used there on patients. Dr. Yadav had financial stakes in two companies whose experimental products were tested on clinic patients. He says the clinic was well aware of his conflicts and that he properly reported them -- but that he was fired so that the clinic could look tough ahead of a Cleveland Plain Dealer article about his outside activities.

His suit alleges the clinic has been "indifferent" to financial conflicts of interest and that such situations are "widespread and pervasive." Those conflicts start at the top with clinic chief executive Delos "Toby" Cosgrove, according to the complaint.

The lawsuit says the clinic heavily promotes and uses an invention of Dr. Cosgrove's in patients undergoing heart-valve surgery. Dr. Cosgrove and the clinic both receive royalties from sales of the product, known as the Cosgrove-Edwards ring and marketed by Edwards Lifesciences Corp. The lawsuit says patients aren't given the choice of using competing rings or told that the hospital and its chief executive profit from sales of the Cosgrove-Edwards ring.

The clinic confirmed Dr. Cosgrove and the hospital share royalties, but declined to answer questions about what patients are told and how much the institution and Dr. Cosgrove earn from sales of the ring. The clinic said the royalty payments were proper.

In another case, the lawsuit says orthopedic surgeon Isador Lieberman, a member of the hospital's conflict-of-interest committee, failed to disclose his significant financial interests in [Kyphon](#) Inc. That company manufactures equipment for an orthopedic procedure that Dr. Lieberman advocated and tested at the clinic. The clinic said Dr. Lieberman fully cooperated with a review of his conflict disclosures and that "all appropriate actions were taken."

In all of the cases cited in the lawsuit, Dr. Yadav alleges there was no disciplinary action taken against those doctors. The lawsuit alleges that Dr. Yadav, who was born in India, was a victim of discrimination. The clinic, however, said it "consistently and fairly applied its policies to all of its physicians."

Dr. Yadav says his reputation has been tarnished by the clinic. He says his state medical license notes that he lost his privileges at the clinic, and he hasn't found a new job practicing medicine. He has been serving as chief executive of [Cardiomems Inc.](#), an Atlanta company he helped create while still at the clinic.

Dr. Yadav says the clinic accused him of not properly disclosing royalty payments for a device he invented to prevent blockages in patients who receive a neck stent. While he doesn't receive royalty payments, Dr. Yadav says he was compensated with shares by the company that acquired his technology. That company, called [Angioguard Inc.](#), was bought by a unit of [Johnson & Johnson](#) in 1999.

A copy of that purchase agreement indicates that all shareholders of [Angioguard](#) were entitled to deferred payments if certain milestones were met, such as sales targets. Among the other shareholders entitled to the same deferred payments were top officials at the clinic, such as surgeon [Kenneth Ouriel](#), according to the lawsuit.

Dr. Ouriel didn't disclose these payments, according to the lawsuit. The clinic yesterday said: "Dr. Ouriel received a few hundreds of dollars versus tens of thousands of dollars that Dr. Yadav received. Dr. Ouriel's situation was thoroughly reviewed and he fully cooperated by taking appropriate actions to rectify the situation immediately. After the review, the Clinic officials determined that Dr. Ouriel had not knowingly violated Cleveland Clinic policies."

Dr. Yadav says he properly disclosed the deferred payments as early as 2002 in a document filed with a clinic review board. The document, which was reviewed by the [Journal](#), states Dr. Yadav was entitled to deferred payments tied to sales. In 2003, he made a similar disclosure to the [Food and Drug Administration](#), according to a copy of that filing.

**Write to** David Armstrong at [david.armstrong@wsj.com](mailto:david.armstrong@wsj.com)