

Stunning \$50m legal coup for ageing thalidomide victims

\$50 million Thalidomide payout

Forty-five Australian and New Zealand victims of the drug thalidomide have won a \$50 million payout.

An 86-year-old war hero and one of Australia's leading plaintiff lawyers have negotiated a \$50 million windfall payment for 45 Australian and New Zealand victims of the drug thalidomide, which caused birth defects in thousands of children around the world in the early 1960s.

The deal was signed off in Sydney yesterday when several "thalidomiders" and their advisers met three senior representatives of the giant Diageo group — the multinational company that took over the UK firm that sold the drug in the early 1960s.

The company agreed to offer the payment after a series of negotiations starting two years ago when former wartime airman Ken Youdale DFC went to London determined to broker a deal for aging "thalidomiders".



Wartime airman ken Youdale (left) and class-action specialist Peter Gordon persuaded global giant Diageo to volunteer the payment, although they had no legal obligation.

Photo: Eamon Gallagher

Mr Youdale and his wife Janet had been involved with the Australian Thalidomide Foundation for 24 years after helping set it up in 1974 to handle the modest compensation then offered by the British company Distillers, which had marketed

thalidomide-based drugs in several countries, including Australia. Diageo later took over Distillers.

After meeting Diageo executives, Mr

Advertisement

Youdale by chance met Melbourne class-action specialist Peter Gordon — former principal of Slater & Gordon — and asked him to work on the deal without payment.

The pair persuaded Diageo's advisers to volunteer the huge payment as a goodwill gesture, despite the fact that the 1970s settlements had ended the company's legal obligations.

It had become clear that the aging thalidomiders — now all approaching 50 — would need far more care as their over-taxed bodies wore out due to often overwhelming physical defects caused by the drug. Many have missing or malformed limbs as well as serious internal problems.

Mr Gordon is well-known for his pursuit of giant corporations over often fatal health problems caused by asbestos, silicone breast implants, tobacco and, most recently, the arthritis drug Vioxx, which causes heart attacks.

He has praised Diageo for "doing the right thing" on moral grounds when it was open to the company to use the courts to delay payment until it would be too late to help many of the increasingly-vulnerable thalidomiders.

For Mr Youdale, engineering the coup is the latest chapter in an extraordinary life, which saw him awarded the Distinguished Flying Cross after surviving 38 air missions over occupied Europe in World War 2, and as a writer of musical comedies, lawyer and successful businessman.

He dedicated himself to helping thalidomide victims after the birth in 1962 of his first daughter Niki, who was affected by the drug. Niki Youdale died in 2003 but Mr Youdale continued his efforts to help other sufferers.

His full story will be published in this week's Good Weekend.