Nelson Hardiman obtains permanent injunction on behalf of medical marijuana dispensary

Nelson Hardiman attorneys Zachary Rothenberg and Aaron Lachant recently obtained a permanent injunction on behalf of a Los Angeles medical marijuana business, as part of a global settlement with an illegal competitor business. The settlement was reached on the second day of trial in Los Angeles County Superior Court.

Nelson Hardiman brought suit on behalf of its client, a dispensing collective meeting Los Angeles Measure D requirements, alleging claims including unfair competition, based on the unlawful and fraudulent conduct of a cadre of individuals led by a former member of the client's board of directors. Among other things, the illegal competitor used the medical marijuana dispensary's name, logo and brand images, and corporate EIN number to confuse customers and potential customers into soliciting the illegal business. The former director argued that he was actually still on the Board, and therefore had a right to conduct business as the legitimate business.

After obtaining a preliminary injunction early on in the case, and defeating the defendants' summary judgment motion, Nelson Hardiman and its client proceeded to trial on February 29th. On the first day of trial, Nelson Hardiman prevailed on its hotly contested "motions in limine" – motions made right at the start of trial that generally determine how the trial will be conducted – which would give the dispensary a distinct strategic advantage as the trial proceeded. Based largely on that early victory, Nelson Hardiman was able to secure a global settlement centered around the Court's entry of a permanent injunction prohibiting the illegal competitor from ever doing business as, using a name similar to, or saying they have any affiliation with, the Nelson Hardiman client.

As a result of the permanent injunction, the dispensary can continue to run the business free and clear of the threat of illegal competition from an impostor business.
The medical marijuana industry is becoming increasingly competitive. In the current environment it is critical that a business protect its name, brand, and business from unfair competition.

For more information/questions regarding any legal matters, please email info@nelsonhardiman.com or call 310.203.2800.