

Nelson Hardiman Protects Physicians from Preliminary Injunction



Nelson Hardiman successfully defended the owner of a

physician medical group in an action seeking temporary restraining order (TRO) and preliminary injunction. The physician owner of the Center for Optimum Health (CFOH), a West Los Angeles-based medical practice, had sued two physicians and one of the physician's wives for supposed misappropriation of trade secrets, as well as for alleged violation of contractual non-competition and non-solicitation covenants. Nelson Hardiman attorneys argued that the patient contact information did not constitute trade secrets, and that under California case law (including *Bosley Medical Group v. Abramson* (1984) 161 Cal.App.3d 284 and *Edwards v. Arthur Andersen* (2008) 44 Cal.4th 937), the covenants not to compete and not to solicit were unenforceable under Business & Professions Code Section 16600. The Superior Court, Hon. Robert O'Brien presiding, agreed with Nelson Hardiman's arguments and denied relief. The Court recognized the primacy that California law places on ensuring the right of physicians and others to earn a livelihood.

Nelson Hardiman regularly advises physician group employers and physician employees, as well as buyers and sellers of medical and other healthcare businesses, on the legal limitations of covenants not to compete and not to solicit. This case exemplifies the critical role of ensuring that you understand what is and what is not enforceable when negotiating and structuring business arrangements in professional health care services, and ensuring that your contracts conform to California law.