

## **Cannabis Litigation**

Quinn Emanuel has represented some of the world's most prominent businesses and investors in the cannabis industry in litigation and arbitration. As the largest firm in the world dedicated to litigation and arbitration, we are well-positioned to successfully represent companies in the cannabis industry in virtually any type of dispute. Our team of cannabis industry litigators knows the industry and the patchwork of federal, state, and local regulations that govern cannabis. We constantly monitor the ever-changing legal landscape and keep our clients abreast of the latest legal and regulatory developments impacting cannabis through our client alerts.

Our deep bench of trial lawyers has the expertise to represent companies in the types of disputes that have been prevalent in the cannabis industry, including disputes with investors and shareholders over management and ownership, securities litigation, and patent, trademark and copyright litigation. We also have vast experience arbitrating disputes and have appeared before virtually every domestic and international arbitration institution. In addition, we have a track record of successfully resolving disputes amicably, before a trial or arbitration hearing, when that is the client's objective.

Some of our representative cannabis industry engagements include the following:

- We represented Jazz Pharmaceuticals Research UK Limited against ten different generic drug companies that sought to market generic versions of the drug product Epidiolex (cannabidiol) prior to the expiry of our client's patents, the latest of which expires in 2039. We reached a favorable settlement with all ten defendant groups that maximizes the value of our client's patent portfolio.
- We defeated a motion for preliminary injunction and temporary restraining order which sought to prevent stockholders from selling more than \$125 million of stock in a publicly-traded cannabis grower and retailer.
- We represented an entrepreneur in a corporate governance dispute related to a publicly-traded cannabis company and succeeded in facilitating his nominee's appointment to the company's board.
- We represented a cannabis retailer in a lawsuit in Delaware Chancery Court that sought to unwind a complex business transaction involving cannabis dispensaries.
- We represented the founders and directors of a major, publicly-traded cannabis grower and retailer in two lawsuits pending in California state court and a related arbitration in which investors alleged that the directors breached their fiduciary duties.
- We successfully represented Juul Labs in a design patent-based investigation pending in the International Trade Commission ("ITC") against numerous respondents, including importers and sellers of vaporizer cartridges containing CBD. In February 2022, the ITC gave notice it would issue a General Exclusion Order ("GEO")

barring the importation of any unauthorized cartridges compatible with the JUUL System that infringe Juul Labs' patented product designs. The GEO will become final in mid-June.

- We represent a world-famous brand in a licensing dispute involving CBD wellness products, in which claimed damages exceed \$100 million.
- We represent a multi-state operator in a dispute over the termination of the sale of an interest in a cannabis business.
- We represent an executive and entrepreneur in a dispute over his entitlement to an ownership interest in a cannabis company.
- We represent a Canadian cannabis company in a securities litigation class action in federal court.
- We represent GW Research Limited against ten generic drug companies in a patent litigation regarding the product Epidiolex<sup>®</sup>. The active ingredient in Epidiolex<sup>®</sup> is cannabidiol (“CBD”). Epidiolex<sup>®</sup> is approved by the FDA for treatment of several childhood seizure disorders. We filed the case, *GW Research Limited v. Teva Pharmaceuticals, Inc. et al* DNJ-2-23-cv-00018, on January 3, 2023, and it is pending in the District of New Jersey. There are currently twenty patents in suit covering certain uses and formulations of CBD.
- We represent investors in separate commercial and securities fraud cases in New York state court and Florida federal court, respectively, arising from events following a failed cannabis special purpose acquisition company (SPAC) transaction. The lawsuit alleges that the company and its former CEO breached its duties to minority investors and also induced a new round of preferred stock investments while withholding critical information and making false statements about the company's financial condition and prospects.
- We represent defendants in a licensing dispute involving cannabis products sold under the Bob Marley brand.
- We represent a multi-state operator in a dispute with a business partner over the failure to make payments under a line of credit.
- We represented the founder of the renowned Los Angeles Kush cannabis brand, and several companies comprising the brand's operations, in a dispute resulting from a failed merger. The dispute consisted of three separate actions in JAMS arbitration (*FEM Ventures LLC v. Kawasaki*), Los Angeles Superior Court (also named *FEM Ventures LLC v. Kawasaki*), and Orange County (*FEM Ventures LLC v. Los Angeles Kush, Inc.*), collectively alleging over \$30 million in damages and disputing ownership of Los Angeles Kush's flagship trademarks. Six months after we were brought in, the client was able to negotiate an advantageous global settlement.

- We represented a publicly-traded cannabis company in a federal court lawsuit and an international arbitration in which our client alleged it had been fraudulently induced to enter into a consulting and patent-licensing agreement.
- We represented an investor in a vertically integrated multi-state cannabis company who alleged the company failed to honor its contractual obligations.
- We represented a financially distressed cannabis company in connection with foreclosure proceedings instituted by a creditor.
- We successfully represented an investment company focused on the cannabis industry and its Chief Investment Officer in a securities class action. The plaintiffs allege our clients violated the securities laws by misrepresenting the value of certain assets sold to a Canadian cannabis company. We obtained a dismissal of the claims against the Chief Investment Officer, and plaintiffs decided not to pursue their case against the investment company.
- We represent a criminal defendant charged with conspiracy to commit bank fraud by allegedly deceiving banks into processing over \$100 million of credit card and debit card payments to marijuana retailers.
- We achieved a favorable settlement against a cannabis company in a confidential breach of contract arbitration.
- We represented CBD company HeavenlyRx in a civil suit in Florida state court involving alleged breaches of a promissory note.
- We represented an executive at a cannabis investment company in connection with an SEC investigation.
- We represented a multi-state operator in connection with cannabis licensing proceedings in Massachusetts.
- We advised an investment fund regarding regulations governing the manufacture and distribution of CBD products.
- We represented a cannabis brand in a licensing dispute with a multi-state operator.
- We represented an investor in a dispute over equity ownership in a cannabis company.
- We represented Sol Global Investments, an investment company focused on the cannabis industry, in a lawsuit seeking a declaration against its lender that debt was repayable in cash, rather than in its public shares of a cannabis company.
- We represent multiple international investment funds accused of participating in a RICO conspiracy involving the distribution of medical marijuana.

- We represent a criminal defendant accused of securities fraud, wire fraud, and conspiracy in connection with investments in certain cannabis stocks.
- We defended a multi-state operator in an action for breach of a licensing agreement.