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TOP VERDICTS OF 2018

The largest and most significant verdicts and appellate reversals in California in 2018

TOP DEFENSE VERDICTS

Tradeline Enterprises Pvt. Ltd. v. Jess Smith & Sons Cotton LLC et al.

case INFO

Antitrust

Central District

U.S. District Judge John A. Kronstadt

Defense Lawyers: Daniel J. Woods, Adam Weg, Musick, Peeler & Garrett LLP; Ed Duckers, Jonathan A. Miles, Michael B. Brown, Stoel Rives LLP

Plaintiff's Lawyers: Paul J. Slattery, Dominic Surprenant, Quinn Emanuel Urquhart & Sullivan LLP



DANIEL J. WOODS AND ADAM WEG

In addition to fending off a \$300 million lawsuit filed by an overseas company and winning a few million dollars in attorneys fees, Daniel J. Woods of Musick, Peeler & Garrett LLP learned a thing or two about cotton.

“Everything that goes into the cotton business — including what kind of land you need, what kind of seeds, what kinds of cotton there are, how long it takes to grow cotton, ginning cotton, spinning cotton, weaving cotton,” he said, adding that he’s serious all of the above was interesting.

All the factoids came to him as he defended his client, J.G. Boswell Company, one of the few cotton growers sued by now-defunct Tradeline Enterprises Private Ltd., which is based in India.

The plaintiff claimed its downfall was triggered by Woods’ client conspiring with Supima, a nonprofit, to strip Tradeline of its license to sell its products.

But things quickly went the other way when a Central District federal judge ordered arbitration, even though Tradeline Enterprises had not signed an agreement with Woods’ client.

“It avoided, for example, all the time and expense of doing depositions in a case. ... The case

moved along quicker, there was no jury. All of those things were advantageous to us,” he said.

Woods won support from an International Centre for Dispute Resolution tribunal, which also ruled the plaintiff had to pay for attorney fees because not doing so would be an invitation to bring high value, potentially meritless claims in hopes of winning settlements.

U.S. District Judge John A. Kronstadt confirmed the arbitration decision in July. *Tradeline Enterprises Private Ltd. v. Jess Smith & Sons Cotton LLC et al.*, 15-CV8048 (C.D. Cal., filed Oct. 14, 2015).

Attorneys with Quinn Emanuel Urquhart & Sullivan LLP, which represented Tradeline, did not return messages seeking comment.

Woods said the Tradeline Enterprises case is part of an ongoing trend he’s noticed of overseas businesses taking American companies to court because local antitrust laws are more

generous and lenient.

“There are foreign companies trying to take advantage of U.S. antitrust laws,” he said.

Although the case ended favorably for Woods without having to go to court, there’s still the matter of collecting \$2 million in attorney fees.

The problem with that is Tradeline Enterprises won’t foot the bill since it’s out of business. An outside litigation funder helped the bankrupt company file its lawsuit, a scenario that’s going to require some ongoing legal work, Woods said.

“What we’re trying to do now is a novel approach to try and get the litigation funder to pay the fees,” he said.

Tradeline has also since filed an appeal to the order to compel arbitration in the 9th U.S. Circuit Court of Appeals.

— Arin Mikailian