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Musick Peeler prevails in two-week trial over complex contract dispute

A federal jury's verdict overwhelmingly rejected claims brought against a Mexican flooring business

PRNewswire -- After nearly eight years of litigation and a grueling two-week jury trial, Musick Peeler & Garrett Partners Kenneth Katel and Juan Torres and paralegal Ali Shapar prevailed on behalf of a father-and-son flooring business in Mexico wrongly accused of contract breach by a former U.S. business partner.

Plaintiffs Kolay Flooring International, LLC and its owner Daniel Mitchell filed suit in 2018 against Mexico based Luis Barroso De La Fuente, Pisos Kolay, S.A. de C.V., and LALUR S.A. de C.V., alleging trademark infringement and breach of contracts and fiduciary duties among numerous other claims.

The plaintiffs' complaint insisted De La Fuente had entered into partnership agreements in 2014 to sell in Mexico Kolay flooring branded products. Plaintiffs terminated the business relationship in early 2015. De La Fuente then established his own flooring products distribution business in Mexico under his own brand which is now a major flooring products distribution business.

Prior to trial, five of the 14 claims brought against the defendants were dismissed, including three via summary judgment. That left claims for contract breach, breach of fiduciary duty, unjust enrichment and fraud as the primary point of contention.

On October 14, after two weeks of trial, a Central District of California jury returned a verdict that represented a near-total victory for the defendant. The jury found in the defendant's favor on all but one of the remaining claims - breach of fiduciary duty, for which it awarded the plaintiff only $1.

The result was vindicating given the severity of the plaintiffs' initial claims and the intensity with which they pursued the case.

"We walked into this case when it was already an extremely complicated scenario, and it felt like an uphill battle in many ways ever since. Right up until the moment that verdict was read, we were dealing with unexpected developments, difficult and uncooperative witnesses, and other concerns," said Torres. "We're grateful that the jury saw through all that noise and recognized the heart of the case."

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