

Saiber Attorneys Arnold B. Calmann and Jakob B. Halpern Help Defeat Appeal of Dismissal of Corporate Tortious Interference Complaint

December 30, 2014

The United States Court of Appeals for the Third Circuit recently denied the appeal of a dismissal of a tortious interference lawsuit brought by the sellers of a financial products company, a result that was obtained by co-counsel Ropes & Gray LLP and Saiber. Previously, Senior United States District Judge Anne Thompson had dismissed the plaintiffs' claims of tortious interference with prospective economic relations, tortious interference with contract, and civil conspiracy, which had been raised in connection with the failure of their former business to meet performance targets that would have netted plaintiffs additional monies.

Among other things, Judge Thompson had found that the sellers lost any standing to sue for tortious interference with prospective relations when they sold the business to another entity. She also found that the Complaint failed to plead that the defendants were purposely interfering with any existing contracts, notwithstanding allegations that they did so in order to block additional payments to the plaintiffs. Finally, she determined that the two defendants – a corporate subsidiary and its principal – were legally incapable of conspiring with each other or with the corporation.

On appeal, the plaintiffs argued that the District Judge had erred by failing to remand the entire removed case back to state court after determining that plaintiffs lacked standing on one of their three claims, and that the District Judge failed to apply the correct legal standard under New Jersey law to the remaining claims.

In an opinion authored by Circuit Judge Maryanne Trump Barry, the panel rejected these arguments. Accepting our clients' position, the panel determined that dismissal for lack of standing did not deprive the District Judge of jurisdiction to decide the remaining claims, and that plaintiffs had waived their arguments concerning the correct legal standard under New Jersey law by not raising them with the motions judge. The panel likewise rejected plaintiffs' argument that they should have been permitted leave to amend, again finding that it had been waived below.

On the successful briefing in the matter were Saiber attorneys Arnold B. Calmann and Jakob B. Halpern, and Robert Fischler, Helen Gugel and Matthew B. Wright of Ropes & Gray LLP.