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Shumaker's Intellectual Property Team Triumphs in Court: Successfully Opposes Preliminary Injunction Request

CHARLOTTE, NC — In a high-stakes dispute between two competitors in the cold-chain packaging industry, Shumaker's legal team successfully argued against a preliminary injunction, which accused defendants, including Shumaker client Yukon Packaging, LLC., of wrongdoing by plaintiff Eco Fiber, Inc. relating to their exit from Eco Fiber to start their own business. A North Carolina Court recently ruled in favor of the defendants, including Yukon Packaging, LLC., denying Eco Fiber's motion for preliminary injunction, which would have had far-reaching implications for Yukon Packaging's customers who depend on Yukon Packaging for vital temperature-sensitive deliveries. The Court found that Eco Fiber had not met its burden in seeking the "extraordinary relief" of a preliminary injunction, including that Eco Fiber had failed to demonstrate that its own lost sales were caused by Yukon Packaging or its founding members, rather than by its own "excessive freight costs and unfulfilled promises." Conversely, the Court praised Yukon Packaging—led by attorneys Alex Long, Tom BenGera, Lucas Garber, and Spencer Mead—for addressing the key arguments

INDUSTRY SECTOR

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“head-on.” The Court also recognized the significance that none of the defendants were bound by a non-compete and that the only defendant who arguably owed Eco Fiber a fiduciary duty had been released.

Shumaker Partner Tom BenGera, who argued the motion, had this to say: “We are pleased with the Court’s ruling and what it represents for our client, Yukon Packaging, who is now able to continue providing its innovative and high-quality, cold-chain solutions to meet a growing demand. The Court’s decision recognizes the importance of free and lawful competition for North Carolina businesses. Defeating Eco Fiber’s motion took a total team effort, and we are proud and grateful to everyone that contributed.”

Shumaker’s Intellectual Property (IP) team helps clients protect, defend, and maximize the value of their assets in a global marketplace. Shumaker’s three Carolina offices—Charlotte, NC and Charleston and Greenville, SC—boast a wealth of highly experienced IP attorneys who work together to provide comprehensive patent procurement, trademark registration, and IP litigation services.