

Supreme Court expands civil RICO: Cannabis industry faces new risks in wake of Horn decision

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In their latest column for Westlaw Today and ThomsonReuters, Alexander Malyshev and Sarah Ganley of our Cannabis, Hemp & CBD industry group discuss the Supreme Court's decision as to the type of harm that may be actionable under RICO relating to cannabis products that are mislabeled or falsely marketed.

Last month, the United States Supreme Court issued a pivotal 5-4 decision (<https://bit.ly/4k1oQMi>) ruling in favor of a commercial trucker suing three CBD companies under the Racketeer Influenced and Corrupt Organizations Act (RICO). The trucker claimed that he failed a random drug screening and was subsequently fired by his employer as a result of ingesting a product falsely marketed by the companies as containing 0% tetrahydrocannabinol (THC) — the primary psychoactive compound in cannabis. See *Medical Marijuana, Inc. v. Horn*, 604 U.S. __ (2025) (*Horn*).

The case focused on whether the civil prongs of RICO permit plaintiffs to seek redress for economic harms (e.g., loss of employment, future wages) stemming from personal injuries (e.g., unwanted ingestion of THC). In the lead-up to the decision, Circuit Courts were split on the question.

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