

Case Summary: *Medical Marijuana, Inc., et al. v. Horn*, No. 23-365 (U.S. April 2, 2025)

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After a truck driving accident in 2012 left him in chronic pain, Douglas Horn sought out a CBD product manufactured by Medical Marijuana, Inc. called “Dixie X,” a non-psychoactive drug explicitly stated to be free of THC.¹ Later on, Horn was subject to an employee drug test at his place of work which came back positive for THC, leading to his termination from the company after he “refused to participate in a substance abuse program.”² After being fired, Horn sued Medical Marijuana, Inc. in the Federal District Court for the Western District of New York (WDNY) for violating the Racketeer Influenced and Corrupt Organizations Act (RICO), which establishes a cause of action to “any person injured in his business or property” due to a criminal RICO violation.³

When initially brought forth, the District Court issued a summary judgement for Medical Marijuana, claiming that since any loss in this case was a result of Horn’s personal injury (ingesting THC), RICO was not violated and Medical Marijuana was

¹ *Medical Marijuana, Inc., v. Horn* No. 23-365 slip op. at 1 (U.S. April 2, 2025) (“In 2012, Douglas Horn was working as a commercial truck driver when he crashed his truck and injured his back and shoulder. Months later, he was still suffering from chronic pain, and neither physical therapy nor traditional medicine provided relief. While searching for a natural alternative, Horn came across “Dixie X,” a tincture infused with cannabidiol—more commonly known as CBD—sold by Medical Marijuana, Inc.”).

² *Id.* at 2.

³ *Id.* at 1 (citing 18 U.S.C. §1964(c)) (“The Racketeer Influenced and Corrupt Organizations Act (RICO) creates a cause of action for ‘[a]ny person injured in his business or property.’”).

not responsible.⁴ When appealed to the Second Circuit, the court reversed this ruling, asserting that because Horn was terminated from his job, he was considered to be “injured in his business.”⁵ This ruling by the Second Circuit was important considering the status-quo “antecedent-personal-injury bar,” which precludes relief from business injury in the instances it derives from personal injury.⁶

When this case came to the U.S. Supreme Court, Justice Barrett delivered the majority opinion, joined by Justices Sotomayor, Kagan, Gorsuch, and Jackson. Justice Barrett clarified that the central question of the case was not whether Horn sustained a “personal injury” or whether the term “business” encompasses “employment,” but simply “whether civil RICO bars recovery for all business or property harms that derive from a personal injury.”⁷ The Court upheld the Second Circuit’s ruling, arguing that “by implicitly denying a remedy for personal injuries,” RICO does not inherently deny “a remedy for business and property loss that derives from a personal injury.”⁸

A concurring opinion was filed by Justice Jackson, in which she reiterated Congress’s original intent for RICO: that it “shall be liberally construed to effectuate

⁴ *Id.* at 3.

⁵ *Id.* at 4 (citing 80 F. 4th 130 (2023)) (“Adopting the broad definition, the Second Circuit concluded that Horn had been ‘injured in his business’ when he lost his job.”)

⁶ *Medical Marijuana, Inc., v. Horn* No. 23-365 slip op. at 4 (U.S. April 2, 2025)

⁷ *Id.* at 4—5 (“First, we express no view on whether Horn suffered an antecedent personal injury when he consumed TH. . . . Second, we do not decide whether the Second Circuit correctly interpreted ‘business’ to encompass ‘employment’. . . . The only question we address is the one squarely before us: whether civil RICO bars recovery for all business or property harms that derive from a personal injury.”).

⁸ *Id.* at 1 (“We must decide whether the statute, by implicitly denying a remedy for personal injuries, also denies a remedy for business and property loss that derives from a personal injury. It does not.”).

its remedial purposes.”⁹ Justice Jackson contended that this purpose aligned with “particular force” to the provision at hand and that the Court’s decision is consistent with this mission.

Dissenting opinions were filed by Justices Kavanaugh and Thomas.

Justice Thomas stated that he would dismiss the original writ of certiorari granted to the case. He claimed that there was a detrimental lack of information on whether a personal injury was committed in the first place, and whether the phrase “injured in his business and property” even applies.¹⁰

Justice Kavanaugh, joined by Justice Alito and Chief Justice Roberts, dissented, arguing that RICO expressly and restrictively outlines definitions of injury to differentiate between personal injuries and business or property injuries, thereby carefully indicating the conditions in which remedies are required.¹¹ According to Justice Kavanaugh, this case did not meet the necessary conditions. In his view, the Court’s ruling effectively allowed plaintiffs to “circumvent RICO’s categorical exclusion of personal-injury suits simply by alleging that a personal injury resulted

⁹ *Id.* at 1 (Jackson, J., concurring) (“Congress has instructed that the Racketeer Influenced and Corrupt Organizations Act (RICO) ‘shall be liberally construed to effectuate its remedial purposes’ That instruction applies with particular force to the remedial provision of RICO at issue in this case. . . .”).

¹⁰ *Id.* at 1 (Thomas, J., dissenting) (“The parties dispute an important threshold issue: whether the plaintiff here suffered a personal injury in the first place. And, they have inadequately briefed their views on the meaning of the key statutory phrase ‘injured in his business or property’ Rather than opine on ancillary issues, I would dismiss the writ of certiorari as improvidently granted.”).

¹¹ *Id.* at 2—3 (Kavanaugh, J., dissenting) (“And it is not remotely plausible to conclude that Congress excluded personal-injury suits under RICO and then turned around and somehow still implicitly authorized most personal-injury suits under RICO.”).

in losses of business or property, thereby converting otherwise excluded personal-injury suits into business- or property-injury suits.”¹²

The Supreme Court’s decision in *Medical Marijuana, Inc. v. Horn* increases the level of accountability expected from corporations under RICO by permitting individuals to seek damages for business or property losses that derive from personal injuries. However, in the wake of this decision there are some concerns regarding RICO’s broadened role. For example, Medical Marijuana warned that this ruling implies the “evisceration” of the RICO “business or property” limitation.¹³ However, the Second Circuit and Supreme Court both recognized the evolving nature of RICO and its role in upholding ethical standards for business. This dynamic interpretation of RICO is just one example of how the legal field must adapt to changing definitions of injury, enterprise, and accountability.

¹² *Id.* at 2.

¹³ *Id.* at 4 (“Medical Marijuana warns that the Second Circuit’s rule will eviscerate RICO’s ‘business or property’ limitation, allowing plaintiffs to transform personal-injury claims into RICO suits for treble damages.”).