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Corporate Officer Did Not Lose Agent's Immunity Merely By Acting For Personal Gain

California Employment Law on **September 22, 2026**

Multiple Energy Technologies, LLC v. Casden, 183 F.4th 1149 (9th Cir. 2026)

Multiple Energy Technologies (MET) previously settled a false-advertising lawsuit against competing manufacturer Hologenix, which agreed to pay $2.5 million and restrict claims that its product had been approved by the FDA. After Hologenix filed for bankruptcy but before completing the payments, MET sued Hologenix's CEO, Seth Casden, for inducing the company to breach the settlement and for false advertising under the Lanham Act. The district court awarded MET $2.5 million on the interference claim and, after a jury found a Lanham Act violation, treated Casden's salary as disgorgeable profits, trebled it, and awarded $600,000 in attorneys' fees to MET.

The Ninth Circuit reversed and remanded the case on the tortious interference claim because California's agent-immunity rule ordinarily protects corporate officers and employees acting for and on behalf of their company. However, an officer does not lose that protection merely because the conduct may increase a bonus or otherwise provide a personal advantage; the relevant question is whether the officer acted outside the scope of the agency relationship, such as for personal benefit at the company's expense. The Court reversed the disgorgement award because Casden's salary was not "profits" under the Lanham Act and affirmed the $600,000 fee award to MET based on the finding of Casden's deliberately or intentionally false representations.

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