

**BLOGS**

Preliminary Injunctions

Ohio Federal Court Grants Keg Distributor's Motion for Temporary Restraining Order Prohibiting Fellow Distributor from Spouting Off

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A federal court in Ohio recently granted Cavalier Distributing's motion to temporarily restrain a fellow distributor, MicroStar Logistics, from contacting other keg suppliers to accuse Cavalier of failing to pay a debt or encourage other suppliers to join MicroStar's efforts to collect from Cavalier. *MicroStar Logistics LLC v. Cavalier Distributing Co.*, 2025 WL 815385 (S.D. Ohio Mar. 14, 2025).

MicroStar and Cavalier operate complimentary keg-distributing businesses for breweries. For 15 years, MicroStar and Cavalier operated within an informal distribution network without a written contract. MicroStar provided kegs to suppliers, while Cavalier picked up filled kegs from suppliers and delivered those kegs to retailers. Cavalier, in turn, retrieved empty kegs from the retailers and returned them to MicroStar and other distributors. As a safeguard against lost or damaged kegs, suppliers and distributors paid keg deposits, which were refunded as kegs were returned to their point of origin. MicroStar sued Cavalier, alleging that Cavalier failed to pay refundable keg deposits to MicroStar. MicroStar further claimed that Cavalier's failure to pay these keg deposits caused MicroStar to incur significant debt because it had to refund keg deposits to other suppliers. Cavalier counterclaimed, asserting that it had no obligation to pay MicroStar keg deposits. Cavalier also alleged that MicroStar made false and misleading statements about Cavalier's alleged debt to certain suppliers with whom Cavalier conducted business; Cavalier thus sought injunctive relief against MicroStar,

The court granted Cavalier's motion for a temporary restraining order against MicroStar. The court found that Cavalier showed a likelihood of success in its Lanham Act, Ohio Deceptive Practice Act, and tortious interference claims against MicroStar because MicroStar's statements to suppliers – which included statements about Cavalier's alleged failure to pay debts, claims that Cavalier lost kegs, and claims that Cavalier was avoiding discussions about resolving the alleged debts – could reasonably be shown to have deceived or misled certain suppliers. Because MicroStar and Cavalier had operated for years without a written contract, the court noted that MicroStar's claim that Cavalier is responsible for past debt may be an "uphill battle," even though the court was quick to note that it did not question whether MicroStar's claim was frivolous or without merit. The court further found that Cavalier showed MicroStar's statements could cause

Related People

Craig Knobbe

Partner

Denver

720.931.3214

craig.knobbe@lathropgpm.com

Brandon Mickelsen

Associate

Minneapolis

612.632.3490

brandon.mickelsen@lathropgpm.com

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Cavalier irreparable harm because, in response to MicroStar's statements, several suppliers reduced the amount of business conducted with Cavalier.