

COURT OF APPEAL OF THE STATE OF CALIFORNIA, SIXTH APPELLATE DISTRICT

Setayesh Padideh v. Ramin Moradi, D.D.S., et al.

No. H048130, Court of Appeal of the State of California, Sixth Appellate District

SUMMARY

****Key Legal Topics:**** Unclean hands defense in malicious prosecution actions; three-pronged ***Blain*** test; sufficiency of evidence for defense; standard of review (independent for analogous-case-law prong, substantial evidence for nature-of-misconduct and relationship prongs). ****Holding:**** The court affirmed that unclean hands may bar a malicious prosecution claim where the plaintiff gave false or misleading deposition testimony in the underlying action, and the defendant made strategic litigation decisions in reliance on that testimony. The court held that the defense does not require proof that the defendant would have prevailed in the underlying action absent the misconduct, as long as the misconduct directly relates to the transaction and affects the equitable relations between the parties.

CASE DETAILS

COURT	Court of Appeal of the State of California, Sixth Appellate District
WRITING FOR THE COURT	Williams, J.; Bamattre-Manoukian, Acting P.J.; Wilson, J.
JURISDICTION	California
DOCKET	H048130
DISPOSITION	Affirmed as to respondent Kamarei; appeal dismissed as to respondent Moradi.
PROCEDURAL POSTURE	Appeal from judgment after jury verdict in favor of defendants on unclean hands defense in malicious prosecution action.
STANDARD OF REVIEW	Independent review for first prong of Blain test (analogous case law); substantial evidence review for second and third prongs (nature of misconduct and relationship to harm).
PRECEDENTIAL VALUE	published
PARTIES	Setayesh Padideh v. Ramin Moradi, D.D.S., Ali Kamarei, Esq., dba InHouse Co.

TOPICS

- torts
- civil procedure
- appellate procedure
- standard of review
- equitable relief

PRACTICE AREAS

Torts

Civil Procedure

Appellate Practice

QUESTIONS PRESENTED

1. Whether the unclean hands defense was properly applied to bar Padideh's malicious prosecution claim.
2. Whether the three prongs of the Blain test were satisfied.
3. Whether additional prejudice or causation showing is required for the unclean hands defense in malicious prosecution actions.

HOLDINGS

1. Yes, because all three prongs of the Blain test were met.

KEY QUOTATIONS

“The doctrine demands that a plaintiff act fairly in the matter for which [they] seek[] a remedy. [They] must come into court with clean hands, and keep them clean, or [they] will be denied relief, regardless of the merits of [their] claim.”

“Whether the particular misconduct is a bar to the alleged claim for relief depends on (1) analogous case law, (2) the nature of the misconduct, and (3) the relationship of the misconduct to the claimed injuries.”

“The unclean-hands defense is not a legal or technical defense to be used as a shield against a particular element of a cause of action. Rather it is an equitable rationale for refusing a plaintiff relief where principles of fairness dictate that the plaintiff should not recover, regardless of the merits of [their] claim.”

FACTUAL BACKGROUND

Padideh was married to Dr. Heidari, co-owner of a dental corporation with Moradi. A dispute arose, and Moradi filed a cross-complaint against Heidari and Padideh for fraud and voidable transfer. Padideh demurred. During her deposition, she denied any involvement in Heidari's business finances. Based on that testimony, Moradi's counsel decided not to contest the demurrer and allowed Padideh to exit the case without amendment or settlement. Padideh then sued for malicious prosecution. Later discovery revealed Padideh had been less than candid: she had a business credit card, was signatory to a business account, and wrote checks on it. The jury found unclean hands.

PROCEDURAL HISTORY

Padideh filed malicious prosecution action after prevailing in underlying action. Trial court bifurcated issues, held bench trials on favorable termination and lack of probable cause in Padideh's favor, then jury trial on malice, damages, and unclean hands defense. Jury found Padideh had unclean hands, barring recovery. Judgment for defendants. Padideh moved for new trial and JNOV, both denied. She appealed.

DISPOSITION

Affirmed as to respondent Kamarei; appeal dismissed as to respondent Moradi.

REMAND INSTRUCTIONS

Immediate issuance of remittitur as to respondent Moradi.

CASES CITED

- Kendall-Jackson Winery, Ltd. v. Superior Court (1999) 76 Cal.App.4th 970
- Blain v. Doctor's Co. (1990) 222 Cal.App.3d 1048
- Unilogic, Inc. v. Burroughs Corp. (1992) 10 Cal.App.4th 612
- CrossTalk Productions, Inc. v. Jacobson (1998) 65 Cal.App.4th 631
- Pond v. Insurance Co. of North America (1984) 151 Cal.App.3d 280
- DeRosa v. Transamerica Title Ins. Co. (1989) 213 Cal.App.3d 1390
- Insurance Co. of North America v. Liberty Mutual Ins. Co. (1982) 128 Cal.App.3d 297
- Fibreboard Paper Products Corp. v. East Bay Union of Machinists (1964) 227 Cal.App.2d 675
- Peregrine Funding, Inc. v. Sheppard Mullin Richter & Hampton LLP (2005) 133 Cal.App.4th 658
- Brown v. Grimes (2011) 192 Cal.App.4th 265
- Jay Bharat Developers, Inc. v. Minidis (2008) 167 Cal.App.4th 437
- Aguayo v. Amaro (2013) 213 Cal.App.4th 1102
- Conservatorship of O.B. (2020) 9 Cal.5th 989
- People v. Johnson (1980) 26 Cal.3d 557
- Leung v. Verdugo Hills Hosp. (2012) 55 Cal.4th 91
- Winograd v. American Broadcasting Co. (1998) 68 Cal.App.4th 624
- Whitely v. Philip Morris Inc. (2004) 117 Cal.App.4th 635
- DeNike v. Mathew Enterprise, Inc. (2022) 76 Cal.App.5th 371
- Meridian Financial Services, Inc. v. Phan (2021) 67 Cal.App.5th 657
- DeGarmo v. Goldman (1942) 19 Cal.2d 755
- Germon Mfg. Co. v. McClellan (1930) 107 Cal.App. 532
- Jade Fashion & Co., Inc. v. Harkham Industries, Inc. (2014) 229 Cal.App.4th 635
- Murillo v. Rite Stuff Foods Co. (1998) 65 Cal.App.4th 833
- Vacco Industries, Inc. v. Van Den Berg (1992) 5 Cal.App.4th 34
- Jamarillo v. County of Orange (2011) 200 Cal.App.4th 811