

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MARYLAND

Hagerstown Recovery LLC d/b/a The Valley v. New Spirit Recovery LLC, et al.

Hagerstown Recovery · No. DKC 25-1252 · Decided March 18, 2026

SUMMARY

The United States District Court for the District of Maryland considers motions to dismiss in a trademark infringement action brought by Hagerstown Recovery LLC against New Spirit Recovery LLC, Polaris Detox LLC d/b/a Innovo, Treatment Outreach Services Inc., and Jessica Phelan. The court concludes, in the portion provided, that the plaintiff failed to make a prima facie showing of personal jurisdiction over New Spirit and Innovo based on agency or conspiracy theories. The court also addresses motions to seal, granting Innovo’s motion and denying the plaintiff’s motion.

CASE DETAILS

COURT	United States District Court for the District of Maryland
WRITING FOR THE COURT	Deborah K. Chasanow
JURISDICTION	United States District Court for the District of Maryland
DECIDED	March 18, 2026
DOCKET	DKC 25-1252
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff brought federal and state trademark and unfair-competition claims against New Spirit Recovery LLC, Polaris Detox LLC d/b/a Innovo, Treatment Outreach Services Inc., and Jessica Phelan. New Spirit and Innovo moved to dismiss for lack of personal jurisdiction and failure to state a claim; Innovo and Plaintiff separately moved to seal documents. The court granted both defendants' motions to dismiss, granted Innovo's motion to seal, and denied Plaintiff's motion to seal.
STANDARD OF REVIEW	On a Rule 12(b)(2) motion decided without an evidentiary hearing, the plaintiff bears the burden of establishing a prima facie case of personal jurisdiction, and the court considers the allegations and available evidence in the light most favorable to the plaintiff. The court may consider affidavits and exhibits outside the complaint. The court must address personal jurisdiction before reaching the merits under Rule 12(b)(6). Motions to seal are evaluated under the qualified public right

of access to judicial documents, requiring public notice, consideration of less drastic alternatives, and specific findings supporting closure.

PRECEDENTIAL VALUE

unknown

TOPICS

trademark infringement

personal jurisdiction

motions to dismiss

civil procedure

commercial litigation

PRACTICE AREAS

trademark

civil procedure

personal jurisdiction

sealing of judicial records

commercial litigation

QUESTIONS PRESENTED

1. Whether Plaintiff made a prima facie showing that Maryland's long-arm statute authorized personal jurisdiction over New Spirit.
2. Whether Plaintiff made a prima facie showing that Maryland's long-arm statute authorized personal jurisdiction over Innovo based on agency or conspiracy theories.
3. Whether the exercise of specific personal jurisdiction over New Spirit or Innovo would comport with due process.
4. Whether Innovo's agreement with Treatment Outreach should be sealed.
5. Whether Plaintiff's opposition papers and supporting memorandum should be sealed in their entirety.

HOLDINGS

1. Plaintiff failed to make a prima facie showing of personal jurisdiction over New Spirit under Maryland's long-arm statute because it alleged no facts establishing that Treatment Outreach or Phelan was New Spirit's agent and alleged no facts sufficient to support conspiracy-based jurisdiction.
2. Plaintiff failed to make a prima facie showing of personal jurisdiction over Innovo based on actual agency, apparent agency, or conspiracy.
3. The additional allegations that New Spirit or Innovo independently directed advertising or had other contacts with Maryland did not establish specific personal jurisdiction because Plaintiff did not identify the applicable long-arm-statute provision and the claims did not arise out of or relate to those contacts.
4. Innovo's motion to seal its agreement with Treatment Outreach was granted because the agreement contained confidential competitive business information and the public could understand the court's reasoning from the unsealed briefing.
5. Plaintiff's motion to seal its opposition papers was denied because full sealing was disproportionate and Plaintiff failed to explain why redaction would not suffice.

KEY QUOTATIONS

“The tortious act of trademark infringement, however, “takes place in either the place where the infringer commits acts of infringement or in the place where customers are likely to be deceived and confused.”” (15-

16)

“Just calling the websites “New Spirit’s agents” is not enough.” (18-19)

“Plaintiff cannot make an argument for apparent authority by pointing only to the actions of the alleged agent.” (23-24)

“The Public Citizen court further explained that: When presented with a motion to seal, the law in this Circuit requires a judicial officer to comply with the following procedural requirements: (1) provide public notice of the sealing request and a reasonable opportunity for the public to voice objections to the motion; (2) consider less drastic alternatives to closure; and (3) if it determines that full access is not necessary, it must state its reasons—with specific findings—supporting closure and its rejections of less drastic alternatives.” (25-26)

FACTUAL BACKGROUND

Hagerstown Recovery operates a Maryland residential addiction-treatment center under the trademark "The Valley." Plaintiff alleged that treatmentpages.com and treatmentadvisors.info used Google advertisements containing "The Valley" and directed prospective Maryland patients to treatment providers New Spirit in California and Innovo in Pennsylvania. Plaintiff alleged that Treatment Outreach Services and Jessica Phelan operated or controlled the websites and acted as agents or co-conspirators of New Spirit and Innovo. Innovo acknowledged an independent-contractor agreement with Treatment Outreach but denied an agency relationship; New Spirit denied any relationship with the website operators.

PROCEDURAL HISTORY

Plaintiff filed the original complaint on April 17, 2025, and an amended complaint on June 4, 2025. The amended complaint asserted six counts against all defendants. New Spirit and Innovo moved to dismiss under Federal Rules of Civil Procedure 12(b)(2) and 12(b)(6). The court resolved the motions on the papers without a hearing, concluding that Plaintiff failed to make a prima facie showing of personal jurisdiction over either facility defendant. The court also granted Innovo's request to seal its agreement with Treatment Outreach but required Plaintiff to file redacted versions of its opposition papers rather than seal them in full.

DISPOSITION

other

REMAND INSTRUCTIONS

No remand. Plaintiff was ordered to file redacted versions of its opposition and supporting memorandum within fourteen days.

CASES CITED

- Sucampo Pharms., Inc. v. Astellas Pharma, Inc., 471 F.3d 544, 548 (4th Cir. 2006)
- Grayson v. Anderson, 816 F.3d 262, 267-68 (4th Cir. 2016)
- Combs v. Bakker, 886 F.2d 673, 676 (4th Cir. 1989)

- Jones v. Mut. of Omaha Ins. Co., 639 F.Supp.3d 537, 544, 551 (D.Md. 2022)
- Hawkins v. i-TV Digitalis Tavkozlesi zrt, 935 F.3d 211, 226 (4th Cir. 2019)
- Aerotek Inc. v. Babcock & Wilcox Solar Energy, Inc., No. 24-cv-177-JRR, 2024 WL 4792116, at *2 (D.Md. Nov. 14, 2024)
- Sneha Media & Ent., LLC v. Associated Broad. Co. P Ltd., 911 F.3d 192, 196-97 (4th Cir. 2018)
- UMG Recordings, Inc. v. Kurbanov, 963 F.3d 344, 350-52 (4th Cir. 2020), cert. denied, 141 S. Ct. 1057 (2021)
- Carefirst of Maryland, Inc. v. Carefirst Pregnancy Centers, Inc., 334 F.3d 390, 396-402 (4th Cir. 2003)
- Bradley v. DentalPlans.com, 617 F.Supp.3d 326, 334, 342-43 (D.Md. 2022)
- Christian Sci. Bd. of Dirs. of the First Church of Christ v. Nolan, 259 F.3d 209, 215 (4th Cir. 2001)
- Mylan Laboratories, Inc. v. Akzo, N.V., 2 F.3d 56, 61 (4th Cir. 1993)
- Perdue Foods LLC v. BRF S.A., 814 F.3d 185, 188 (4th Cir. 2016)
- Beyond Sys., Inc. v. Realtime Gaming Holding Co., 388 Md. 1, 22, 26-27 (2005)
- Dring v. Sullivan, 423 F.Supp.2d 540, 545 (D.Md. 2006)
- Pandit v. Pandit, 808 F.App'x 179, 185-86 (4th Cir. 2020)
- Mackey v. Compass Marketing, Inc., 391 Md. 117, 127, 129, 141 n.6, 145 (2006)
- Zinz v. Evans & Mitchell Indus., 22 Md.App. 126, 130-31 (Md.Ct.Spec.App. 1974)
- Ford Motor Co. v. Montana Eighth Jud. Dist. Ct., 592 U.S. 351, 362 (2021)
- Cole-Tuve, Inc. v. Am. Mach. Tools Corp., 342 F.Supp.2d 362, 368-69 (D.Md. 2004)
- Insurance Company of North America v. Miller, 362 Md. 361, 373 (2001)
- Green v. H & R Block, Inc., 355 Md. 488, 503, 506 (1999)
- Lohmuller Bldg. Co. v. Gamble, 160 Md. 534, 539 (1931)
- Howard Cleaners v. Perman, 227 Md. 291, 295 (1961)
- United Capitol Ins. v. Kapiloff, 155 F.3d 488, 498 (4th Cir. 1998)
- Proctor v. Holden, 75 Md.App. 1, 20 (1988)
- Schear v. Motel Management Corp., 61 Md.App. 670, 687 (1985)
- Hardwire, LLC v. Ebaugh, No. 20-cv-0304-JKB, 2021 WL 3809078, at *8-10 (D.Md. Aug. 26, 2021)
- Mobilization Funding II, LLC v. Jessup Constr., LLC, 2024 WL 4769774, at *2 (D.S.C. Nov. 13, 2024), aff'd sub nom. Mobilization Funding, LLC v. Stokes, 163 F.4th 55, 63 (4th Cir. 2025)
- Unspam Techs., Inc. v. Chernuk, 716 F.3d 322, 329-30 (4th Cir. 2013)
- Huntington Mortg. Co. v. Sherman, 3 F.App'x 126 (4th Cir. 2001)
- Nat'l Mortg. Warehouse, LLC v. Bankers First Mortg. Co., 190 F.Supp.2d 774, 780 (D.Md. 2002)
- Doe v. Public Citizen, 749 F.3d 246, 265, 272 (4th Cir. 2014)
- In re Knight Publishing Co., 743 F.2d 231, 234-35 (4th Cir. 1984)
- Ashcraft v. Conoco, Inc., 218 F.3d 288, 302 (4th Cir. 2000)
- Nixon v. Warner Communications, Inc., 435 U.S. 589, 598 (1978)

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