

SUMMARY STATEMENT

Taylor v. Taylor

Docket No. 48380

This appeal concerned the enforceability and severability of a noncompetition provision of a contract. Robert, David, and Troy Taylor were partners in a commercial fire prevention business based in Alaska. Troy later formed his own business that directly competed with the partnership. In January 2015, Robert, David, and Troy signed an eight-paragraph agreement (“the Agreement”) that settled all potential legal claims relating to Troy’s competing business. The Agreement provided that Robert and David would buy Troy’s interest in the partnership. In exchange, Troy agreed to pay Robert and David \$30,000 each and not work in the fire prevention industry in Alaska and Nevada, where Robert and David owned fire suppression businesses. In March 2018, Robert and David brought this action alleging, among other things, that Troy had breached the Agreement by working for a competing fire prevention business in Nevada. Troy counterclaimed, asserting Robert and David had breached the Agreement. Robert and David voluntarily dismissed some claims and the district court dismissed the rest. In addition, the district court granted summary judgment in Troy’s favor on his breach of contract counterclaim. Robert and David appealed, challenging the district court’s rulings that: (1) the noncompete provision in the Agreement was unenforceable, (2) the Agreement was severable and could be enforced without the noncompete provision, and (3) they could not assert an affirmative defense of excusable nonperformance based on their allegation that Troy materially breached the Agreement.

The Idaho Supreme Court affirmed in part, reversed in part, and remanded the matter for further proceedings. The Court held that the district court properly concluded that the noncompete provision was unenforceable as a matter of law because it lacked any time limitation. However, the Court held that the district court erred in determining that the Agreement was severable as a matter of law, because there was a genuine dispute of material fact as to whether the parties’ intended the Agreement to be severable. Finally, the Court held that Robert and David could not assert an affirmative defense of excusable nonperformance because the provision of the Agreement they contended Troy breached was unenforceable.

This summary constitutes no part of the opinion of the Court, but has been prepared by court staff for the convenience of the public.