

## SUMMARY STATEMENT

*Snap! Mobile v. Vertical Raise*, Docket Nos. 49418 and 49483

This appeal concerns the modification of a jury's verdict and a challenge to an injunction on overbreadth grounds and for lack of specificity under Idaho Rule of Civil Procedure 65(d). There are two separate proceedings at issue involving many of the same participants but with two different district judges. The first proceeding (Docket Number 49418) involved a jury trial in which the district court ("trial court") granted an additur or a new trial following a jury's verdict. The second proceeding (Docket Number 49483) involved a challenge to contempt enforcement of a preliminary injunction, which was originally issued by the trial court. However, the trial court later recused itself, and the case was thereafter assigned to a different district court judge ("contempt court").

Snap! Mobile, Inc. ("Snap") and Vertical Raise, LLC ("Vertical Raise") are online fundraising companies that raise money through online donation campaigns. In 2019, Snap filed suit against Vertical Raise and its CEO Paul Landers (collectively "VR/Landers"), alleging tortious interference with contract, misappropriation of trade secrets, and common law unfair competition. Snap alleged that VR/Landers poached its sales representatives and customers knowing that this would violate non-compete and confidentiality provisions contained in the former sales representatives' employment agreements with Snap.

The trial court granted Snap a preliminary injunction to enforce provisions of its employment agreements and also granted partial summary judgment in favor of Snap on liability for its tortious interference with contract and misappropriation of trade secrets claims. The damages issue proceeded to trial in which a jury awarded Snap \$1,000,000. On Snap's post-trial motion, the trial court entered an additur increasing the jury's total award to \$2,310,021. The trial court also awarded Snap \$238,629 in discretionary costs and entered a permanent injunction against VR/Landers. VR/Landers appealed, arguing that the trial court erred in (1) granting the additur or new trial, (2) awarding discretionary costs to Snap for its expert witness fees, and (3) entering a permanent injunction against VR/Landers.

While the trial court case was pending, Snap alleged violations of the preliminary injunction and brought motions for contempt against VR/Landers and Paul Croghan ("Croghan"), an independent contractor for Vertical Raise. The trial court recused itself from the contempt matters after it recognized that it had committed a procedural error. The contempt matters were then reassigned to the contempt court, which subsequently dismissed the contempt charges after concluding the terms of the preliminary injunction were vague and overbroad. In a separate appeal which has been consolidated for purposes of this opinion, Snap argued that the contempt court erred in dismissing the contempt charges because VR/Landers and Croghan were procedurally barred from challenging the preliminary injunction in a collateral proceeding and because the injunction complied with the specificity requirements of Idaho Rule of Civil Procedure 65(d).

In the first proceeding (Docket Number 49418), the Idaho Supreme Court affirmed the decisions of the trial court in part and reversed in part. The Court held that the trial court: (1) abused its discretion in granting Snap an additur because the jury's award was not solely attributable to passion or prejudice; (2) did not abuse its discretion in awarding Snap discretionary costs; and (3) abused its discretion in entering an overly broad injunction.

In the second proceeding (Docket Number 49483), the Court held that (1) VR/Landers and Croghan were not procedurally barred from challenging the preliminary injunction, and (2) the preliminary injunction complied with the specificity requirements of Idaho Rule of Civil Procedure 65(d). However, the Court further determined that the preliminary injunction was overly broad because it restrains lawful conduct and affirmed the contempt court's decision on this basis.

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