

SUPREME COURT OF MONTANA

Reier Broadcasting Company, Inc. v. Kramer

72 P.3d 944 (Mont. 2003) · No. No. 02-773 · Decided June 13, 2003

SUMMARY

The Supreme Court of Montana affirmed the denial of Reier Broadcasting's request for injunctive relief against Michael Kramer under an employment agreement containing an exclusivity clause. The court held that Montana Code § 27-19-103(5) prohibits injunctive enforcement of a negative covenant in a personal-services contract when specific performance of the contract would not be available. A dissent would have permitted consideration of a preliminary injunction and argued that the parties were estopped from challenging the contract's enforceability.

CASE DETAILS

COURT	Supreme Court of Montana
WRITING FOR THE COURT	Justice W. William Leaphart; Chief Justice Karla M. Gray; Justice James C. Nelson; Justice Jim Regnier; Justice Patricia O. Cotter; Justice Jim Rice
JURISDICTION	Montana
DECIDED	June 13, 2003
DOCKET	No. 02-773
DISPOSITION	affirmed
PROCEDURAL POSTURE	Reier Broadcasting appealed the Eighteenth Judicial District Court's denial of its motion for relief from judgment after the court dissolved a temporary restraining order and declined to issue a preliminary injunction enforcing an exclusivity clause in a personal-services employment contract.
STANDARD OF REVIEW	Denial or grant of an injunction is generally reviewed for abuse of discretion, but when the decision rests on statutory interpretation, the statutory interpretation and resulting conclusions of law are reviewed for correctness; discretionary determinations are otherwise reviewed for manifest abuse of discretion.
PRECEDENTIAL VALUE	Published Montana Supreme Court opinion; binding Montana precedent.
PARTIES	Reier Broadcasting Company, Inc. v. Michael Kramer

TOPICS

equitable relief specific performance remedy employment contracts statutory interpretation
appellate procedure

PRACTICE AREAS

contracts remedies employment law appellate procedure

QUESTIONS PRESENTED

1. Whether Montana Code Annotated § 27-19-103(5) prohibits injunctive relief enforcing a negative covenant in a personal-services contract when the underlying personal-services obligation cannot be specifically enforced.
2. Whether Reier Broadcasting was entitled to an injunction preventing Kramer from performing services for Clear Channel or other competitors during the remaining term of the employment agreement.

HOLDINGS

1. Montana Code Annotated § 27-19-103(5) prohibits the use of injunctive relief to enforce negative covenants contained in personal-services contracts when the underlying personal-services obligation cannot be specifically enforced.
2. Reier Broadcasting was not entitled to enjoin Kramer from performing services for Clear Channel or other competitors during the life of the employment agreement.

KEY QUOTATIONS

“We determine that § 27-19-103(5), MCA, like its California and Arizona counterparts, prohibits the use of injunctive relief to prevent a party to a personal services contract from performing services elsewhere during the life of the contract.” (72 P.3d at 948)

“We conclude that pursuant to the explicit language of § 27-19-103(5), MCA, Montana courts may not enjoin the violation of a contract, the specific enforcement of which is barred by Montana law.” (72 P.3d at 948)

“In summary, we hold that § 27-19-103(5), MCA, prohibits the use of injunctive relief to enforce negative covenants contained in personal services contracts.” (72 P.3d at 949)

FACTUAL BACKGROUND

Reier Broadcasting and Montana State University football coach Michael Kramer entered into a written employment agreement in January 2001 under which Reier paid Kramer \$10,020 per year for broadcasting and advertising services. The agreement, lasting until November 2004, contained an exclusivity clause prohibiting Kramer from performing for another radio or television station or program without Reier's written consent. After MSU awarded its athletic-event broadcast rights to Clear Channel, it expected Kramer to provide interviews to Clear Channel, prompting Reier to seek injunctive relief.

PROCEDURAL HISTORY

Reier sought a temporary restraining order to prevent Michael Kramer from providing services to Clear Channel Communications in alleged violation of an exclusivity clause. The District Court initially granted a TRO, later amended it to permit media obligations connected with Kramer's coaching duties, and after an evidentiary hearing dissolved the TRO and denied injunctive relief under Montana law. The District Court denied Reier's motion to alter or amend, and Reier appealed.

DISPOSITION

affirmed

CASES CITED

- Spoklie v. Montana Department of Fish, Wildlife & Parks, 2002 MT 228, 311 Mont. 427, 56 P.3d 349
- Hagener v. Wallace, 2002 MT 109, 309 Mont. 473, 47 P.3d 847
- Montana Tavern Association v. Department of Revenue, 224 Mont. 258, 729 P.2d 1310 (1986)
- Westland Enterprises, Inc. v. Boyne, USA, Inc., 237 Mont. 186, 772 P.2d 309 (1989)
- Anderson v. Neal Institutes Co., 37 Cal. App. 174, 173 P. 779 (1918)
- Titus v. Superior Court, Maricopa County, 91 Ariz. 18, 368 P.2d 874 (1962)
- Nassau Sports v. Peters, 352 F. Supp. 870 (E.D.N.Y. 1972)
- Motown Record Corp. v. Brockert, 160 Cal. App. 3d 123, 207 Cal. Rptr. 574 (1984)
- Brundy v. Canby, 50 Mont. 454, 148 P. 315 (1915)
- Seay v. Dodge, 1998 U.S. Dist. LEXIS 12005, 1998 WL 460273 (N.D. Ill. 1998)
- Silling v. Erwin, 885 F. Supp. 881 (S.D.W. Va. 1995)
- Smith v. Hornbuckle, 140 Ga. App. 871, 232 S.E.2d 149 (1977)