

United States District Court  
For the Northern District of California

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E-FILED on 3/26/10

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION

DALE ROYAL BUXTON,  
Plaintiff,  
v.  
EAGLE TEST SYSTEMS, INC.,  
Defendants.

No. C-08-04404 RMW  
  
ORDER GRANTING DEFENDANT'S  
MOTION TO DISMISS PLAINTIFF'S CLAIM  
FOR INTENTIONAL INTERFERENCE  
WITH PROSPECTIVE ECONOMIC  
RELATIONS  
  
[Re Docket No. 58]

Defendant Eagle Test Systems, Inc. ("Eagle Test") moves to dismiss plaintiff Dale Royal Buxton ("Buxton")'s claim for intentional interference with prospective economics relations in the Second Amended Complaint ("SAC"). This motion came on for hearing on March 26, 2010. Prior to the hearing, the court posted a tentative ruling granting the motion to dismiss with leave to amend. The parties accepted this tentative ruling. The court therefore grants the motion and sets out its reasoning below.

**I. BACKGROUND**

According to the SAC, Buxton used to live in Singapore and work for Eagle Test as Vice President of Asia Operations. SAC ¶ 4. In March 2008, Eagle Test offered him a position heading a

1 global sales group as Vice President of Sales - Fables/Sub-Contractor in California, and in reliance  
2 on this offer, Buxton relocated to California in April 2008. SAC ¶ 5. Shortly after Buxton's  
3 relocation, Eagle Test informed him that he would not have a global sales group to manage and  
4 limited his job responsibilities. SAC ¶ 6. On May 16, 2008, Eagle Test terminated Buxton's  
5 employment. SAC ¶ 7. Buxton brings claims for breach of contract, fraud and misrepresentation,  
6 unlawful inducement to move, wrongful termination, intentional interference with prospective  
7 economic relations, and intentional infliction of emotional distress. Eagle Test moves to dismiss  
8 Buxton's claim for intentional interference with prospective economic relations for failure to state a  
9 claim upon which relief can be granted.

## 10 II. ANALYSIS

11 To state a claim for intentional interference with prospective economic advantage,<sup>1</sup> one must  
12 plead facts showing: "(1) an economic relationship between the plaintiff and some third party, with  
13 the probability of future economic benefit to the plaintiff; (2) the defendant's knowledge of the  
14 relationship; (3) intentional acts on the part of the defendant designed to disrupt the relationship; (4)  
15 actual disruption of the relationship; and (5) economic harm to the plaintiff proximately caused by  
16 the acts of the defendant." *Korea Supply Co. v. Lockheed Martin Corp.*, 29 Cal. 4th 1134, 1153  
17 (2003) (quoting *Westside Ctr. Assoc. v. Safeway Stores 23, Inc.*, 42 Cal. App. 4th 507, 521-22  
18 (1996)).

19 To establish the first element, plaintiff must allege the existence of "a specific prospective  
20 relationship, not [potential relationships] with a class of unknown investors or purchasers."  
21 *Westside*, 42 Cal. App. 4th at 520 n.15. In *Westside*, the plaintiff contended that the trial court  
22 should not have limited its proof to the disruption of a particular relationship with a known third  
23 party, *id.* at 520, and argued for "an expansive view of the tort which protects WCA's economic  
24 relationship with the entire market of all possible but as yet unidentified buyers for its property," *id.*  
25 at 527. The court rejected this view because "[w]ithout an existing relationship with an identifiable  
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27 <sup>1</sup> The terms "intentional interference with prospective economic relations" and "intentional  
28 interference with prospective economic advantage" are often used interchangeably and refer to the  
same tort.

1 buyer, WCA's expectation of a future sale was 'at most a hope for an economic relationship and a  
2 desire for future benefit.'" *Id.* (quoting *Blank v. Kirwan*, 39 Cal. 3d 311, 331 (1985)). The California  
3 Supreme Court approved this holding, quoting *Westside* as properly limiting the tort of intentional  
4 interference with prospective economic advantage to "protect[ing] the expectation that the  
5 relationship eventually will yield the desired benefit, not necessarily the more speculative  
6 expectation that a potentially beneficial relationship will arise." *Korea Supply*, 29 Cal. 4th at 1153  
7 (quoting *Westside*, 42 Cal. App. 4th at 524).

8 Buxton's claim for intentional interference with prospective economic relations is based on  
9 the following factual allegations: (1) Eagle Test enticed him to move from Singapore to California  
10 with false promises; (2) Eagle Test failed to take the necessary steps to change his employment  
11 status in Singapore, causing him to be unable to secure employment in Singapore; and (3) Eagle Test  
12 refused to return his personal documents containing contact information for other professionals in  
13 his field. SAC ¶¶ 36-37. Plaintiff alleges that these acts by defendant "deprived Plaintiff of  
14 securing new employment in Singapore and limited his pursuit of other positions in the semi-  
15 conductor industry" and that defendant knew its conduct would have this effect. SAC ¶¶ 37- 38.

16 Notably, the SAC does not contain factual allegations about the existence of any specific  
17 economic relationships with identifiable third parties, which defendants knew about and  
18 intentionally disrupted through a wrongful act. The SAC does not state that specific employers  
19 expressed interest in hiring Buxton, nor does it provide factual allegations suggesting that any of his  
20 unnamed professional contacts would have offered him employment. To state a claim for  
21 intentional interference with prospective economic advantage, plaintiff must plead facts showing  
22 that it is reasonably probable that he would have received some expected benefit had it not been for  
23 defendant's wrongful interference. *Westside*, 42 Cal. App. 4th at 523. Without any identifiable  
24 prospective employers, plaintiff's expectation of future employment is "at most a hope for an  
25 economic relationship and a desire for future benefit." *Blank*, 39 Cal. 3d at 331. The court finds that  
26 Buxton has not pled sufficient facts to state a claim for intentional interference with prospective  
27 economic relations.


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**III. ORDER**

For the foregoing reasons, the court dismisses plaintiff's claim for intentional interference with prospective economic relations with 20 days leave to amend.

DATED: 3/26/10

  
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RONALD M. WHYTE  
United States District Judge

