

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TEXARKANA DIVISION**

NATIONAL OILWELL VARCO, L.P.,

Plaintiff,

v.

AUTO-DRIL, INC., JAMES RAY,

Defendants.

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CIVIL ACTION NO. 5:15-CV-00027-RWS

ORDER

Before the Court is Plaintiff National Oilwell Varco, L.P.’s (“NOV”) Motion to Bifurcate (Docket No. 253). For the reasons set forth below, the motion is **DENIED**.

I. BACKGROUND

Defendant Auto-Dril, Inc. (“Auto-Dril”) asserts a fraud claim against NOV. Docket No. 164 ¶¶29–41. As part of that claim, Auto-Dril asks for exemplary damages. *Id.* ¶41. NOV asks the Court to bifurcate the exemplary damages phase of trial from the liability and compensatory damages phase. Docket No. 253. NOV says bifurcation would “help prevent prejudicial evidence that supports punitive damages from coming before the jury and being considered while the jury is assessing liability or compensatory damages.” *Id.* at 3–4. NOV appears particularly concerned about the potential prejudice from the jury hearing about its size compared to that of Auto-Dril. Docket No. 263 (“Hoping to play on the jury’s sympathy and emotion, Auto-Dril wants to paint a ‘David vs. Goliath’ picture – suggesting that a bigger, more powerful NOV tried to eliminate a small competitor by filing a wrongful patent infringement suit.”).

In response, Auto-Dril commits that it will not seek to introduce evidence of NOV's net worth. Docket No. 256 at 1. It argues that bifurcation is unnecessary here, however, because evidence of NOV's size is admissible during the liability phase of its fraud claim. *Id.* at 2. Auto-Dril also acknowledges that the Court can instruct the jury to not allow either parties' size to influence the jury's decision. *Id.* at 3.

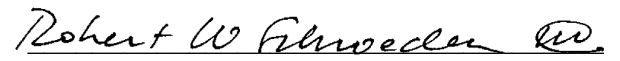
II. LEGAL STANDARD

Federal Rule of Civil Procedure 42(b) provides, "For convenience, to avoid prejudice, or to expedite and economize, the court may order a separate trial of one or more separate issues, claims, crossclaims, counterclaims, or third-party claims." "A motion to bifurcate is a matter within the sole discretion of the trial court, and we will not reverse the court's decision absent an abuse of that discretion." *Nester v. Textron, Inc.*, 888 F.3d 151, 162 (5th Cir. 2018) (quoting *First Tex. Sav. Ass'n v. Reliance Ins. Co.*, 950 F.2d 1171, 1174 n.2 (5th Cir. 1992)) (finding district court did not abuse its discretion when it refused to bifurcate liability from punitive damages in automobile design defect case). Federal courts are not bound by state law when deciding whether to bifurcate. *Nester*, 888 F.3d at 162 (citing *Rosales v. Honda Motor Co.*, 726 F.2d 259, 260 (5th Cir. 1984); *Getty Petroleum Corp. v. Island Transp. Corp.*, 862 F.2d 10, 15 (2d Cir. 1988)).

III. ANALYSIS

After reviewing the relevant pleadings and considering Rule 42(b), the Court finds that bifurcation is not warranted here. It will not provide greater convenience for the Court or parties, particularly in light of the ongoing COVID-19 pandemic, enable the avoidance of prejudice, nor will it expedite and economize the trial. Accordingly, NOV's motion to bifurcate (Docket No. 253) is **DENIED**.

So ORDERED and SIGNED this 8th day of April, 2021.



ROBERT W. SCHROEDER III
UNITED STATES DISTRICT JUDGE