

FAQs on Non-Compete Agreement

What is a non-compete agreement?

In short, a non-compete agreement is a contract between an employer and his or her employee where the employee promises to refrain from competing with that employer's business. Provisions in a non-compete agreement generally include 3 main areas: (i) time, (ii) geographic location, and (iii) purpose.

Are non-compete agreements enforceable?

Yes they are legal and enforceable

What are some examples of an employer's legitimate business interest?

An employer has a legitimate interest in preventing an employee from taking advantage of relationships, information or skills acquired as a result of his or her employment. If an employer gives a new employee its customer list, for example, most courts will enforce an agreement that prevents the employee from contacting those customers on behalf of a competing business.

As another example, an employer can protect its investment in training an employee by preventing the employee from taking the knowledge acquired on the job to compete against the employer.

I signed my non-competition agreement after I started my employment. Is it valid?

Yes it is, the employer reserves the right to protect its interests.

Does the Agreement prevent me from working somewhere else?

No it doesn't. The employee just needs to ensure that the terms are not violated for the time frame specified.

What if I have an offer that is hard to resist?

Talk to your existing manager, discuss and work out a solution. Hiding, lying, manipulating is not a recommended way.

What if I refuse to sign the agreement?

This is a non-negotiable contract with the employer. The employer has the legal right to expect all its employees to sign a non-compete agreement

Do other organizations do the same?

Yes all organizations have a non-compete agreement in their employment contract. It is a standard industry protocol.

