

LEGAL CORNER



NON-COMPETITION/NON-SOLICITATION AGREEMENTS

Protect Your Company - Legally

Except for very limited circumstances, non-competition agreements are illegal in California. This means that, in California, you cannot prevent a former employee from going to work for a competitor, or even from setting up his or her own security business in direct competition with yours -- even in the same geographic area. Any such provision in a contract with your employees is unenforceable.

That doesn't mean, however, that you can't protect your company from knowledge of your business that an employee gains while working for you.

Trade secrets of your company, such as customer lists, prospects, business methods, costs of doing business, and so forth, **are** protectable under California law. So while you can't prevent a former employee from going to work for a competitor, you **can** require them, by contract, to keep strictly confidential the trade secrets and other confidential information of your company, and not to use that information for their own benefit or the benefit of any other company, including a competitor.

A properly drafted agreement can also prevent a former employee from soliciting any of your current customers and prospects to switch to their company or a competitor's. Such a contract can also prohibit them from soliciting any of your other employees to leave their employment to work for them or someone else.

Mr. Gottlieb is a legal specialist in the security and fire protection industry. He provides contracts and other legal forms, and advises on legal compliance matters.

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