

# Importance of Non-Compete & Non-Disclosure Agreements

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# What are Restrictive Covenants?



- Non-Compete Agreements
- Non-Disclosure Agreements
- Non-Solicitations Agreements
- Non-Raiding Agreements
- Assignment of Invention Agreements

# Are such Agreements Enforceable?



- Enforceability Governed by State Law
  - Choice of Law Provisions
  - Blue Penciling
  - Consideration
  - Statutes
  - Circumstances of Termination/Departure
  - Forum Selection Clauses

# Restrictions Must be Reasonable



- Fact Specific
- Geographical Scope
- Duration
- Type of Limitations on Activities
- Any Capacity Restrictions

# Why Should I Use Such Agreements?



# Unique Considerations in the Government Contracts Context



# Industry Specific Limitations



- 30 Ill. Comp. Stat. 500/50-25
  - An Illinois employer will be charged with a felony if the employer offers to pay money or any other valuable thing to induce an employee not to be bid for a state contract or as a payment for not having bid on a state contract.
  - Illinois courts have held that a non-compete provision is void if it prohibits parties from bidding on state government contracts.

# E.O. 13494 – Nondisplacement of Qualified Workers



- FAR clause 52.222-17
- Effective Date of January 17, 2013
- Impacts a contractor's staffing approach
- Sets forth transition requirements and new obligations for outgoing and incoming contractors
- Incumbent service employees are given a right of first refusal to employment on follow-on service contracts.





**Questions ?**



# Thank you



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