

Overbroad Geographic Restriction Dooms Covenant Not to Compete

A recent Texas court decision highlights the requirement that any covenants not to compete, including geographic restrictions, must be reasonable to be enforceable, according to **a report** on the Ogletree Deakins website.

Lawrence D. Smith writes about *Fomine v. Barrett*, which involved a non-compete agreement for a case manager in a chiropractic clinic. The agreement prohibited the employee from being involved in any competitive business within a 500-mile radius of the employer's clinic.

The Houston appellate court found the 500-mile radius to be "significantly broader than the geographic scope" of the former employee's actual employment activities on behalf of the clinic. It is therefore "broader than is reasonably necessary" to protect the employer's business interests.

Read the article.