

DOJ Stomping Out 'No Hire' Agreements Among Competitors

A recent article published by Goodwin Procter describes a Department of Justice challenge to an agreement between two of the largest rail equipment suppliers in the world that prohibited them from competing to hire each other's employees, often referred to as "no poach" or "no hire" agreements.

"The negotiated settlement requires the Defendants to cease participation in these agreements and imposes a slew of onerous compliance obligations to assure no conduct of this sort occurs in the future," according to the article. "This is a notable harbinger of the DOJ's future enforcement intentions. Companies with any such agreements with competitors – be they written or informal – should consult with counsel immediately to assess their potential exposure. Agreements that are reasonably necessary to achieve a legitimate business transaction or collaboration between or among companies remain lawful."

[Read the article.](#)