Restrictive Covenants Can Swing Both Ways: A 3-Step Plan To Avoiding Legal Risks When Onboarding New Employees

Employers have been using restrictive covenant agreements – contracts that contain non-compete, customer non-solicitation, employee non-solicitation, or non-disclosure of confidential information – with increasing frequency in recent times, writes **Michael Elkon** with **Fisher Phillips**.

"Increased media attention on the practice of forcing lower-level employees to sign non-compete covenants, combined with the widely publicized report on non-compete restrictions issued by the Obama White House in its waning days, has led to an increase in the number of reported cases. Further, several states are passing new laws or considering changes to existing laws on the subject," he explains.

He describes three basic steps a company can take to reduce the chances of a lawsuit from a competitor, or at least put the company in a favorable position if litigation is threatened.

These include "Ask questions on the front end," "Structure the job on the front end to ensure compliance," and "Emphasize the importance of purging all former employer materials."

Read the article.

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