Spotlight on No-Poach Agreements Continues, Expands to New Industries

Some state attorneys general and the U.S. Department of Justice are looking into no-poach agreements that some companies are including in their franchise operating agreements, reports **Skadden, Arps, Slate, Meagher & Flom**.

"Such clauses typically prohibit franchisees from hiring employees directly from the franchisor or other franchisees for up to six months following the end of their employment. [Washington State Attorney General Bob] Ferguson has been touting the ongoing success of his investigation with respect to fast food chains, and franchise-based chains in other industries appear to be his next target," according to the authors.

"Any employers that currently utilize no-poach agreements or are considering doing so should be sure to examine whether there are valid pro-competitive justifications for the agreement that outweigh any anti-competitive effect and whether the benefits of the no-poach agreement are worth the risk of the potential governmental or private challenge that is likely to occur."

Read the article.