### Sample Noncompete And Nondisclosure Agreement

THIS NONCOMPETE AND NONDISCLOSURE AGREEMENT(this “Agreement”) is made and entered into effective the \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_, by and between \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ("Employer"), and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_("Employee”).

A. Employer engages in the business of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the "Business").[[1]](#endnote-1)

B. Employee, as the result of employment with Employer, will have access to and will learn or may develop confidential and proprietary information concerning the business operations of Employer.

C. Employer is willing to permit Employee access to confidential and proprietary information concerning the Business of Employer only if Employee agrees not to disclose such information, or to use it for Employee's own benefit, or to compete directly or indirectly with Employer.

NOW, THEREFORE, in consideration of the above and in consideration of the employment of Employee by Employer, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Employer and Employee agree as follows:[[2]](#endnote-2)

1. OWNERSHIP OF CONFIDENTIAL INFORMATION. Employee agrees that Confidential Information (as defined below) disclosed to Employee, or learned by Employee, in connection with Employee's employment with Employer is being disclosed to Employee solely for the benefit of Employer and that Employee shall acquire no right, title, or interest in any such Confidential Information because of its disclosure to Employee. All such Confidential Information is and shall remain the exclusive property of Employer.

2. NONDISCLOSURE. Employee agrees that Employee will not at any time either during or after Employee's employment by Employer disclose to any Person (other than Employer) any Confidential Information disclosed to Employee or learned or developed by Employee in connection with Employee's employment with Employer, except as such disclosure may be necessary to fulfill Employee's duties and responsibilities as an employee of Employer or except as is required to be disclosed by law provided that Employee shall promptly notify Employer and undertake reasonable efforts to obtain a protective order or otherwise assure the confidential treatment of such information subsequent to the legally required disclosure.

3. NONUSE. Employer agrees that Employee will not at any time either during or after Employee's employment use, directly or indirectly, any Confidential Information disclosed to Employee or learned or developed by Employee in connection with Employee's employment with Employer for the benefit of Employee or for the benefit of any Person other than Employer.

4. AGREEMENT NOT TO COMPETE. Employee covenants and agrees that Employee shall not, directly or indirectly, during the Restrictive Period (as defined below) (a) engage in any activity competitive with and adverse to the Business of Employer, whether alone, or as a partner, member, officer, director, employee, manager, agent, representative, shareholder, trustee, fiduciary (or in any other capacity) of any other Person; (b) engage in, become financially interested in or represent or render any advice or services to, or be employed by (as an employee, consultant, agent, representative or in any other capacity), any other business that competes with the Business of Employer; (c) solicit any Person who is a client or customer of Employer to do business with or to obtain services from a firm, other than Employer, that competes with the Business of Employer; (d) interfere with, disrupt or attempt to disrupt relationships, contractual or otherwise, between Employer and its customers, vendors and others who are in any way related to Employer’s business; or (e) solicit for employment or employ any employee of Employer, or aid or assist any other Person in any attempt to hire or employ any person who is an employee of Employer.[[3]](#endnote-3)

5. RETURN OF CONFIDENTIAL INFORMATION. Employee agrees that upon termination of employment with Employer, or at any time upon the request of Employer, Employee will deliver promptly to Employer all documents and materials, including software, notes, data, reference materials, sketches, drawings, memoranda, and records in any way incorporating or reflecting any of the Confidential Information of Employer in the Employee's possession or control, and any Confidential Information in a form not physically returnable shall be promptly destroyed.

6. DEFINITIONS. For purposes of this Agreement,

1. "Confidential Information" shall mean all information pertaining to Employer, including, without limitation, all information or material, written or oral, (i) made known to Employee by or on behalf of Employer in any manner or (ii) originated, discovered or developed in whole or in part by Employee. Confidential Information includes, but is not limited to, the follow­ing, whether or not reduced to writing: discoveries, ideas, concepts, Intellectual Property, software in various stages of develop­ment, source codes, object codes, designs, drawings, graphics, plans, specifications, techniques, models, data, documen­tation, diagrams, flow charts, research, development, processes, technology, procedures, "know-how", marketing techniques and materials, company strategy, long-range plans, trade secrets, contracts, marketing and development plans, project plans, client and potential client lists and other information related to clients or potential clients, price lists, pricing policies, cost information and financial information. Confidential Information also includes any information described above which Employer treats as proprietary or designates as Confidential Information, whether or not owned or devel­oped by Employer. Confidential Information shall not include information which was or becomes publicly known without disclosure by Employee. The burden shall be on Employee to establish that information concerning Employer is not Confidential Information.
2. "Person" shall mean any natural person, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, limited liability company, governmental entity or any other entity.
3. "Restrictive Period" shall mean the period covering any time during which Employee is an employee of Employer and thereafter (regardless of the cause of termination of employment) for a period equal to the lesser of (i) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and (ii) the length of the most recent continuous period of Employee's employment with Employer.[[4]](#endnote-4)

7. REMEDIES. Employee shall indemnify and hold Employer harmless from and against any and all loss, damage, cost or expense (including attorney fees and expenses) resulting from any use or disclosure of Confidential Information or any competitive activity in violation of this Agreement. Employee acknowledges and agrees that a violation of the covenants set forth above shall entitle Employer to injunctive relief in addition to any other rights or remedies to which Employer may be entitled, including damages.

8. RELATIONSHIP TO EMPLOYMENT. Except for the obligations of Employee expressly stated in this Agreement, nothing in this Agreement shall have the effect of modifying the terms and provisions of Employee's employment by Employer. In particular, Employee agrees that this Agreement shall not alter the nature of Employee's employment by Employer, nor does it guarantee any particular term of employment. Furthermore, this Agreement shall be enforceable without regard to the cause or basis for any future termination of Employee's employment with Employer.

9. REASONABLENESS. The parties agree that the scope of the geographical area, the duration and the restricted activities set forth in the covenants contained in this Agreement are fair and reasonable. Notwithstanding anything to the contrary in this Agreement, and if, and only if, any one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to time, duration, geographical scope, activity or subject, such provisions shall be construed by limiting and reducing them so as to be enforceable to the extent compatible with the applicable law as it should then be determined.

10.MISCELLANEOUS.

(a) Enforceability. This Agreement shall inure to the benefit of and may be enforced by Employer, its successors or assigns and shall be binding upon Employee, his/her heirs, assigns, legal representatives, executors, administrators, and other successors in interest, except that this Agreement may not be assigned by Employee without the prior written consent of Employer.

(b) Waiver, Modification or Cancellation. Any waiver, alteration or modification of any of the provisions of this Agreement or cancellation or replacement of this Agreement shall not be valid unless in writing signed by the parties hereto. The waiver by Employer of a breach of this Agreement shall not constitute a waiver of any subsequent breach.

(c) Construction. This Agreement shall be governed by the laws of the State of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_[[5]](#endnote-5).

(d) Paragraph Headings. The paragraph headings contained herein are for the convenience of reference only and shall not be construed so as to affect the interpretation or construction of any substantive provision of this Agreement.

(e) Severability. If any part of this Agreement, or any part of any provision hereof, is adjudicated to be invalid or void, then the remaining provisions shall be executed insofar as the remaining provisions are capable of execution.

IN WITNESS WHEREOF, the parties execute this Agreement effective as of the day and year first above written.

EMPLOYEE: EMPLOYER:

Print Name & Signature Print Name of Employer

Title: Print Name:

1. Insert a general description of Employer's business. Care should be given to this definition because it defines in part the scope of this Agreement. [↑](#endnote-ref-1)
2. In order for this Agreement to be enforceable against Employee, Employee must have received adequate consideration in exchange for making the promises provided in this Agreement. To help satisfy that requirement, this Agreement is designed for execution by employee as a condition to the commencement of his/her employment with Employer. Modifications to this Agreement and additional consideration may be necessary if Employee signs this Agreement after Employee commences employment with Employer. Consideration requirements may vary from state to state. Consult your attorney for advice. [↑](#endnote-ref-2)
3. Employer should carefully consider the geographic area which Employer has a legitimate reason to protect. This Agreement attempts to provide broad protection by not limiting the restrictions to a specific geographic area. Consult your attorney to determine whether a specific geographic limitation is warranted in your case. [↑](#endnote-ref-3)
4. Employer must insert a period of time, usually at least one year. Employer must have a legitimate and reasonable basis for limiting Employee's activities for the specified length of time. Reasonableness standards may vary from state to state. Consult your attorney for advice. [↑](#endnote-ref-4)
5. Insert the name of the state whose law is to govern the contract. The appropriate state is usually the state in which the employment relationship is based. Consult your attorney for advice. [↑](#endnote-ref-5)