

50 State Desktop Reference

What Businesses Need To Know About Non-Compete and Trade Secrets Law



Dear Clients and Friends.

We are pleased to provide you with the 2018–2019 edition of our 50 State Desktop Reference: What Businesses Need to Know about Non-Compete and Trade Secrets Law. We continue to see significant new cases and legislation regarding trade secret and non-compete issues. As reported by industry sources, litigants are filing more and more cases in federal court asserting claims under the Defend Trade Secrets Act ("DTSA"). We also continue to see high profile trade secret and non-compete cases involving the world's largest companies and concerning emerging technologies. Some states passed legislation further narrowing the use of restrictive covenant agreements, including most recently Massachusetts. Some media outlets, academics, and regulators have continued their criticism of such agreements, including "no poaching" agreements. Our 50 State Desktop Reference is a useful guide to know how the law is currently applied in each state.

Any company that seeks to use non-competition and non-solicitation agreements to protect its trade secrets, confidential information, client relationships, goodwill, or work force needs to stay informed of the varied and everevolving standards in each state. This one-stop desk reference surveying many of the questions related to the use of employee covenants and intellectual capital protection in all 50 states provides a starting point for the HR professional, in-house counsel, or company executive to answer your questions about protecting your company's most valuable and confidential assets. Of course, the information contained in the booklet is condensed and simplified, and thus, while it provides a convenient point of reference, always consult with an attorney before making any decisions, as the law is constantly changing.

The breadth of information included in this booklet complements our attorneys' impressive knowledge when it comes to non-competition, non-solicitation, computer fraud, and trade secret issues across the United States and abroad. As leaders in this field, demonstrated by the team's recent third consecutive "Top Tier" ranking in the 2018 edition of The Legal 500 United States, the attorneys of Seyfarth Shaw's Trade Secrets, Non-Compete, and Computer Fraud practice group provide a variety of client-focused services in this significant space, ranging from counseling and transactional deal advice to trade secret audits to cost-effective injunctions and litigation.

Remaining abreast of current developments is also one of our top priorities. We invite you to visit our award-winning blog at www.tradesecretslaw.com for commentary and analysis on hot new topics in the world of trade secret, noncompete, unfair competition, computer fraud law, privacy, and social media, including significant legislative and case updates. Our practice group's extensive webinar series serves as another source for up-to-date information on a variety of interesting topics. Visit our blog to playback previous podcasts or webinar recordings. We invite you to join in on these webinars (a list of upcoming webinars is listed in the booklet). Seyfarth Shaw is able to offer CLE credit in certain states. We hope this booklet proves a useful and informative tool. Please do not hesitate to contact a Seyfarth Trade Secrets, Non-Compete, and Computer Fraud attorney if you have any questions.

Michael Wexler

Chicago Partner and Practice Group Chair mwexler@seyfarth.com | (312) 460-5559

Robert Milligan

Los Angeles Partner and Practice Co-Chair rmilligan@seyfarth.com | (310) 201-1579

State	Are employee non-competes allowable?	State statutes governing employee non-competes	Are employee non-solicitation agreements allowable?	Are customer non-solicitation agreements allowable?	Continued employment sufficient consideration?
AL Alabama	Yes	Ala. Code §8-1-190 et seq.	Yes	Yes	Yes
AK Alaska	Yes	None	Not yet decided	Yes	Not yet decided
AZ Arizona	Yes	None	Yes	Yes	Yes
AR Arkansas	Yes	Ark. Code Ann. §4- 75-101	Yes	Yes	Yes
CA California	No (with narrow exceptions)	Cal. Bus. and Prof. Code §16600, 16601, 16602, and 16602.5	Split in authorities	There may be a trade secret exception	Likely, yes
CO Colorado	Yes	Colo. Rev. Stat. §8- 2-113	Yes	Yes	Yes
CT Connecticut	Yes	Conn. Gen. Stat. Ann. § 20-14p (governs non-competes for physicians) Conn. Gen. Stat. § 31-50a (governs non-competes in security industry) Conn. Gen. Stat. § 31-50b (governs non-competes in broadcast industry)	Yes	Yes	Likely, yes
DC District of Columbia	Yes	None	Yes	Yes	Likely, yes
DE Delaware	Yes	Del. Code Ann. tit. 6, § 2707 (governs non-competes for physicians)	Yes	Yes	Yes

State	Blue penciling or reformation permissible?	Enforceable against discharged employees?	Adopted the UTSA?	Applicable statute of limitations (UTSA and breach of contract)	Adopted inevitable disclosure doctrine?	Restrictive covenants extended for violation?
AL Alabama	Reformation	Not specifically decided, but likely yes	Ala. Code. §8-27-1	2 years (ATSA) 6 years (breach of contract)	Not yet decided	Yes
AK Alaska	Reformation	Not yet decided	Ala. Stat. §45.50.910	3 years (ATSA) 3 years (breach of contract)	Not yet decided	Not yet decided
AZ Arizona	Blue pencil	Unclear	Ariz. Rev. Stat. Ann. §§44-401 to 44-407	3 years (AUTSA) 6 years (breach of contract)	Not yet decided	Unclear
AR Arkansas	Reformation	Not addressed since enactment of the statute. Prior cases suggest covenants are not enforceable if employee's termination considered a material breach of the employment contract	Ark. Stat. Ann. §4-75-601	3 years (ATSA) 5 years (breach of contract)	Yes	Not yet decided
CA California	No, in employment context; blue pencil with respect to narrow exceptions	No, with respect to non-competes; yes, with respect to non-solicitation of employee	Cal. Civ. Code §3426.1-3426.11.	3 years (CUTSA) 4 years (breach of contract)	No	Not yet decided
CO Colorado	Blue pencil	Not yet decided	Col. Rev. Stat. §7-74-101	3 years (CUTSA) 6 years (breach of contract)	No	No
CT Connecticut	Blue pencil	Yes	Conn. Genl. Stat. §35-50	3 years (CTSA) 6 years (breach of contract)	Yes	No
DC District of Columbia	Unclear	No	D.C. Code §§ 36-401	3 years (DCUTSA) 3 years (breach of contract)	No	Yes
DE Delaware	Reformation	Yes	Del. Code Ann. Title 6 §2001	3 years (DTSA) 3 years (breach of contract)	Yes	Yes

State	Are employee non-competes allowable?	State statutes governing employee non-competes	Are employee non-solicitation agreements allowable?	Are customer non-solicitation agreements allowable?	Continued employment sufficient consideration?
FL Florida	Yes	Fla. Stat. Ann. §542.335	Yes	Yes	Yes
GA Georgia	Yes, but ability to enforce restriction varies based on when the agreement was signed; post-5/10/11 much easier to enforce	O.C.G.A. §13- 8-50 et seq.	Yes	Yes (for all periods)	Yes (for all periods)
H I Hawaii	Yes (but certain exceptions)	Haw. Rev. Stat. §480(c)	Not with employees in a technology business, otherwise unclear	Yes	Not yet decided
ID Idaho	Yes	Idaho Code §§44-2701 to 2704	Yes	Yes	Yes
Illinois	Yes	820 ILCS 90 prohibits non-compete agreements with low wage employees	Yes	Yes	Yes, may depend on the length of employment (At least 2 years, but questioned by Federal Court)
IN Indiana	Yes	None	Yes	Yes	Yes
IA Iowa	Yes	None	Undecided	Yes	Yes
KS Kansas	Yes	None	Undecided	Yes	Yes
KY Kentucky	Yes	None	Yes	Yes	No
LA Louisiana	Yes	La. Rev. Stat. Ann. §23:921	Yes	Yes, if limited to specified parishes or municipalities	For agreements entered into after 1989, yes. For agreements entered into in or before 1989, unclear

State	Blue penciling or reformation permissible?	Enforceable against discharged employees?	Adopted the UTSA?	Applicable statute of limitations (UTSA and breach of contract)	Adopted inevitable disclosure doctrine?	Restrictive covenants extended for violation?
FL Florida	Reformation	Yes	Fla. Stat Ann. §688.001	3 years (FUTSA) 5 years (breach of contract)	Yes	Yes
GA Georgia	Varies based on when the agreement was signed (pre- 11/3/10, no blue pencil or reformation; post-5/10/11, reformation)	Yes	O.C.G.A. §10- 1-760 et seq.	5 years (GUTSA) 6 years (breach of contract)	Not explicitly decided, but likely yes	No
HI Hawaii	Reformation	Not yet decided	Haw. Rev. Stat. §482B-1	3 years (trade secret act) 6 years (breach of contract)	Not yet decided	Unclear
ID Idaho	Blue pencil	Yes	Idaho Code §48- 801	3 years (ITSA) 5 years (breach of contract)	Not yet decided	Unclear
Illinois	Reformation	No, if without cause; Yes, with cause	765 ILCS 1065	5 years (ITSA) 10 years (breach of contract)	Yes	Generally, no
IN Indiana	Blue pencil	Yes	Ind. Code. Ann. §24-3-1	3 years (IUTSA) 10 years (breach of contract)	Generally, no	Yes, where contract permits extension
IA Iowa	Blue pencil	Yes	Iowa Code §550.1	3 years (IUTSA) 10 years (breach of contract)	Yes	Yes
KS Kansas	Reformation	Yes	Kan. Stat. Ann. §60-3320	3 years (KUTSA) 5 years (breach of contract)	Not yet decided but likely, yes	Yes, where contract permits extension
KY Kentucky	Reformation	Yes	K.R.S. §365.880	3 years (KTSA) 10 years (breach of contract executed after July 15, 2014) 15 years (breach of contract executed on or before July 15, 2014)	Not yet decided but likely, no	Yes
LA Louisiana	Blue pencil only; Agreement must contain a severability clause	Yes	La. Rev. Stat. Ann. §51:1431	3 years (LUTSA) 10 years (breach of contract)	Not yet decided	Not yet decided

State	Are employee non-competes allowable?	State statutes governing employee non-competes	Are employee non-solicitation agreements allowable?	Are customer non-solicitation agreements allowable?	Continued employment sufficient consideration?
ME Maine	Yes	None	Yes	Yes	Yes
MA Massachusetts	Yes	For agreements dated on or after October 1, 2018: Mass. Gen. Laws ch. 149, § 24L (general statute). No statute of general applicability for agreements dated prior to October 1, 2018. Mass. Gen. Laws ch. 112, § 12X (governs non-competes for physicians) Mass. Gen. Laws ch. 112, § 74D(governs non-competes for nurses) Mass. Gen. Laws ch. 112, § 135C (governs non-competes for social workers) Mass. Gen. Laws ch. 149, § 186 (governs non-competes in broadcast industry)	Yes	Yes	For agreements dated before October 1, 2018: Yes For agreements dated on or after October 1, 2018: No
Maryland	Yes	None	Yes	Yes	Yes
Michigan	Yes	For agreements executed after March 29, 1985, Mich. Comp. Laws §445.774a; For agreements executed on or before March 29, 1985, Mich. Comp. Laws §445.761, et seq. (repealed)	Yes	Yes	Yes
Minnesota	Yes	None	Yes	Yes	No
MS Mississippi	Yes	None	Yes	Yes	Yes

State	Blue penciling or reformation permissible?	Enforceable against discharged employees?	Adopted the UTSA?	Applicable statute of limitations (UTSA and breach of contract)	Adopted inevitable disclosure doctrine?	Restrictive covenants extended for violation?
ME Maine	Reformation	Likely, yes	M.R.S.A. Title 10 §1541 et seq	4 years (trade secret act) 6 years (breach of contract)	Not yet decided	Not yet decided
MA Massachusetts	Reformation	For agreements dated before October 1, 2018: Yes For agreements dated on or after October 1, 2018: only enforceable against employees terminated "for cause"; may be included in severance agreements if employee is provided 7-day revocation period.	Yes	3 years (Mass. Gen. Laws ch. 93, § 42) 6 years (breach of contract)	Historically, no in state court (and undecided in federal court). Currently unclear, but given recent adoption of UTSA, inevitable disclosure doctrine may be accepted by courts	For agreements dated before October 1, 2018: Generally, no, absent contractual tolling provision; yes with contractual provision. For agreements dated on or after October 1, 2018: Extension of up to 2 years if employee violated fiduciary duty to employer or unlawfully took company property; currently unknown whether contractual tolling provisions will be effective.
MD Maryland	Blue pencil	Generally, no	Md. Com. L. Code §11- 1201	3 years (MUTSA) 3 years (breach of contract)	No	No
Michigan	Reformation	Yes	M.C.L.A. §445.1901 to 445.1910	3 years (MUTSA) 6 years (breach of contract)	No	Yes
Minnesota	Blue pencil	Yes	Minn. Stat Ann. §325C.01	3 years (MUTSA) 6 years (breach of contract)	Not explicitly accepted but likely, yes	Very rarely
Mississippi	Reformation	Yes	Miss. Code Ann. §75- 26-1	3 years (MUTSA) 3 years (breach of contract)	Not yet decided	Not yet decided

State	Are employee non-competes allowable?	State statutes governing employee non-competes	Are employee non-solicitation agreements allowable?	Are customer non-solicitation agreements allowable?	Continued employment sufficient consideration?
MO Missouri	Yes	Mo. Stat. Ann. §431.202	Yes	Yes	Yes, if combined with something else (such as access to confidential information)
MT Montana	Yes	Mont. Code Ann. §§28-2-703 to -705	Yes	Yes	No (if signed after date of hire)
NE Nebraska	Yes	None	Not yet decided	Yes	Yes
Nevada	Yes	Nev. Rev. Stat. §613.200 and AB 276, Section 1	Yes	Yes	Yes
NH New Hampshire	Yes	NH RSA 275:70 (notice requirement) NH RSA 329:31-a (limitations on physician non- competes)	Yes	Yes	Yes
New Jersey	Yes	None	Yes	Yes	Yes
New Mexico	Yes (but certain exceptions)	None	Yes	Yes	Likely, yes but not yet explicitly addressed
New York	Yes	None	Yes	Yes	Yes
NC North Carolina	Yes	N.C. Gen. Stat. §75-1 et seq	Yes	Yes	Generally no, but continued employment may be sufficient if offered for a specified duration
North Dakota	No	N.D. Cent. Code §9- 08-06	Yes	No	No, but yes with respect to non-disclosure agreements
OH Ohio	Yes	None	Yes	Yes	Yes

State	Blue penciling or reformation permissible?	Enforceable against discharged employees?	Adopted the UTSA?	Applicable statute of limitations (UTSA and breach of contract)	Adopted inevitable disclosure doctrine?	Restrictive covenants extended for violation?
MO Missouri	Reformation	Judicial discretion	Mo. Stat. §417.450 to 417.467	5 years (MUTSA) 5 years (breach of contract)	Not yet decided, but likely, yes	No
MT Montana	Not yet decided but can change and enforce as modified to comport with MT law	Yes but heightened burden on employer	Mont. Code Ann. §30-14- 401	3 years (MUTSA) 8 years (breach of contract)	Not yet decided	Not yet decided
NE Nebraska	No	Not yet decided	Neb. Rev. Stat. §87-501	4 years (NTSA) 5 years (breach of contract)	Not yet decided at state level, but recognized by federal courts applying NE law	Not clear
Nevada	Blue-pencil	Yes	Nev. Rev. Stat. §600A.010	3 years (trade secret act) 6 years (breach of contract)	Not yet decided	Yes
NH New Hampshire	Reformation	Yes	N.H. R.S.A. §350- B:1	3 years (NHUTSA) 3 years (breach of contract)	Not yet decided	No
New Jersey	Reformation	Yes	N.J.S.A. 56:15-1, et seq.	3 years (NJUTSA) 6 years (breach of contract)	Yes	No
New Mexico	Yes but no bright line rule	Generally, yes	N.M. Stat. Ann. §57-3A-1	3 years (NMUTSA) 6 years (breach of contract)	Not yet decided	No
New York	Reformation	Yes, only with cause	No	3 years (tort) 6 years (breach of contract)	More likely to be accepted in federal than state court	Yes
NC North Carolina	Blue pencil only	Yes, but if the termination constitutes a material breach of an employment, the discharged employee's performance may be excused	N.C. Gen. Stat. §66-152 et seq.	3 years (NCTSPA) 3 years (breach of contract)	Not yet decided	Yes
North Dakota	Not applicable	Not applicable	N.D. Cent. Code §47-25.1-01	3 years (NDUTSA) 6 years (breach of contract)	Not yet decided	Not applicable
OH Ohio	Reformation	Yes	R.C.Secs. 1333.61	4 years (OUTSA) 8 years (breach of contract)	Considered but not adopted	Yes

	Are employee	State statutes	Are employee	Are customer	Continued
State	non-competes allowable?	governing employee non-competes	non-solicitation agreements allowable?	non-solicitation agreements allowable?	employment sufficient consideration?
OK Oklahoma	No	Okla. Stat. tit. 15, §217 to 219B	Yes	Yes, if limited to established customers	Not yet decided
OR Oregon	Yes (some limitations)	Or. Rev. Stat. §653.295 (notice requirement)	Yes	Yes	No
PA Pennsylvania	Yes	No	Yes	Yes	No
RI Rhode Island	Yes	R.I. Gen. Laws 5-37-33 (limitations on physician non- competes)	Not yet decided	Yes	Yes per Superior Court; undecided by RI Supreme Court
Sc South Carolina	Yes	None	Yes	Yes	No
SD South Dakota	Yes	S.D. Codified Laws §53-9-8	No	Yes	Yes
TN Tennessee	Yes	None	Yes	Yes	Yes, so long as the employer substantially performs the promise of employment
TX Texas	Yes	Tex. Bus. & Com. Code §15.5052	Yes	Yes	No
UT _{Utah}	Yes (but certain exceptions)	UT Code Ann. §34- 51-101	Likely yes	Yes	Yes
VT Vermont	Yes	None	Not yet decided	Yes	Yes

State	Blue penciling or reformation permissible?	Enforceable against discharged employees?	Adopted the UTSA?	Applicable statute of limitations (UTSA and breach of contract)	Adopted inevitable disclosure doctrine?	Restrictive covenants extended for violation?
OK Oklahoma	Reformation, but Court cannot supply material contract terms or add terms not already in the agreement	Not yet decided	Okla. Stat. tit. 78, §85	3 years (OUTSA) 5 years (breach of contract)	Not yet decided	No
OR Oregon	Reformation	Likely yes but not decided	Or. Rev. Stat. §646.461	3 years (OUTSA) 6 years (breach of contract)	Not yet decided	No
PA Pennsylvania	Reformation	Yes per lower courts; undecided by PA Supreme Court	12 Pa. Cons. Stats §5392	3 years (PUTSA) 4 years (breach of contract)	Not yet decided, but superior courts have treated the idea favorably and Third Circuit appears to have applied it	No
RI Rhode Island	Blue pencil normally; reformation rarely	Not yet decided	R.I. Gen. Laws §6-41-1	3 years (RIUTSA) 10 years (breach of contract)	Not yet decided	Yes
South Carolina	Blue pencil only. Limited reformation of overly broad territorial restrictions may be allowed, but agreements with unreasonable restrictions generally invalidated	Yes, unless employer breached its own obligations under the employment contract	S.C.C.A. §39- 8-10 et seq.	3 years (SCUTSA) 3 years (breach of contract)	Not yet decided	Not yet decided
SD South Dakota	Blue pencil	Yes	S.D. Cod. Laws §37-29-1	3 years (SDUTSA) 6 years (breach of contract)	Not yet decided	Not yet decided
TN Tennessee	Reformation. (termed the "Rule of Reasonableness")	Yes	Tenn. Code §47- 25-1701 et seq.	3 years (trade secret act) 6 years (breach of contract)	Not yet decided	Not yet decided
TX Texas	Reformation	Yes	Tex. Civ, Prac. & Rem. Code Ann. §§134A.001 et seq.	3 years (TUTSA) 4 years (breach of contract)	Not yet decided	Yes
UT _{Utah}	Not yet decided	Yes	Utah Code Ann. §13-24-1	3 years (UUTSA) 6 years (breach of contract)	Yes	Not yet decided
VT Vermont	Unclear	Yes	Ch. 143 §4601	3 years (VTSA) 6 years (breach of contract)	Not yet decided	No

State	Are employee non-competes allowable?	State statutes governing employee non-competes	Are employee non-solicitation agreements allowable?	Are customer non-solicitation agreements allowable?	Continued employment sufficient consideration?
VA Virginia	Yes	None	Yes	Yes	Yes
WA Washington	Yes	None	Not yet decided	Yes	No
West Virginia	Yes	Article 47-11E-1- 5 (limitations on physician non- competes)	Not yet decided	Maybe	No
Wisconsin	Yes	Wis. Stat. Ann. §103.465	Yes	Yes	Yes
WY Wyoming	Yes	None	Not yet decided	Yes	No

2018 Trade Secrets Webinar Series

- 2017 National Year in Review: What You Need to Know About the Recent Cases/Developments in Trade Secrets, Non-Compete, and Computer Fraud Law
- Protecting Confidential Information and Client Relationships in the Financial Services Industry
- The Anatomy of a Trade Secret Audit
- Protecting Trade Secrets from Cyber and Other Threats
- 2018 Massachusetts Non-Compete and Trade Secrets Reform
- Protecting Trade Secrets Abroad and Enforcing Rights Abroad and in the U.S.
- Criminal Trade Secrets Theft Updates

For more information about our webinars and more upcoming events, please visit our events page at: www.seyfarth.com/Seyfarth-Events.

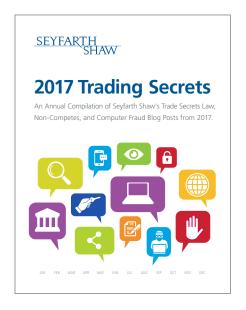
To view recordings of previously held webinars, visit the Trading Secrets Law Blog webinars page at: www.tradesecretslaw.com/webinars/

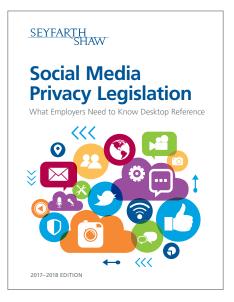
As part of our commitment to provide superior and tailored client service, we strive to provide legal updates on matters of interest to our clients' businesses. To that end, we are able to present to you and your team a number of custom CLE presentations, either by webinar or in person. Please contact a Seyfarth attorney for more information.

This Desktop Reference should not be construed as legal advice or a legal opinion on any specific facts or circumstances. The contents are intended for general information purposes only, and you are urged to consult a lawyer concerning your own situation and any specific legal questions you may have. Additionally, this Desktop Reference is not an offer to perform legal services nor establishes an attorney-client relationship.

State	Blue penciling or reformation permissible?	Enforceable against discharged employees?	Adopted the UTSA?	Applicable statute of limitations (UTSA and breach of contract)	Adopted inevitable disclosure doctrine?	Restrictive covenants extended for violation?
VA Virginia	No	Yes	Va. Code. Ann. §59.1-336	3 years (VUTSA) 5 years (breach of contract)	No	Yes
WA Washington	Reformation	Yes	Wash. Rev. Code §19.108.011 to .940	3 years (WUTSA) 3 years (breach of contract)	Unclear	Unclear
West Virginia	Reformation	Not yet decided	W. Va. Code §47- 22-1	3 years (WVUTSA) 10 years (breach of contract)	Not yet decided	No
Wisconsin	Not likely	Undecided	Wis. Stat. §134.90	3 years (WUTSA) 6 years (breach of contract)	Not yet decided	Not yet decided
WY Wyoming	Reformation	Yes	Wyo. Stat. §§40- 24-101 to 110	4 years (WUTSA) 10 years (breach of contract)	Not yet decided	Unclear

Additional Resources







2017 Trading Secrets Year in Review

Social Media Privacy Legislation

The Defend Trade Secrets Act













Trading Secrets Law Blog www.tradesecretslaw.com



Atlanta London San Francisco

Boston Los Angeles Shanghai

Chicago Melbourne Sydney

Hong Kong New York Washington, D.C.

Houston Sacramento

"Seyfarth Shaw" refers to Seyfarth Shaw LLP. Our London office operates as Seyfarth Shaw (UK) LLP, an affiliate of Seyfarth Shaw LLP. Seyfarth Shaw (UK) LLP is a limited liability partnership established under the laws of the State of Delaware, USA and is authorised and regulated by the Solicitors Regulation Authority with registered number 556927. Legal services provided by our Australian practice are provided by the Australian legal practitioner partners and employees of Seyfarth Shaw Australia, an Australian partnership. Our Hong Kong office "Seyfarth Shaw," a registered foreign law firm, is a Hong Kong sole proprietorship and is legally distinct and independent from Seyfarth Shaw LLP, an Illinois limited liability partnership, and its other offices.