



Attention Employers: Pennsylvania Legislators Seek an End to Non-Compete Agreements

Client Advisories

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As states consider the future of non-compete agreements, some members of the Pennsylvania legislature have introduced a Bill that is decidedly against the interest of employers.

On November 27, 2017, Assembly Members Thomas R. Caltagirone, Anthony M. DeLuca, Michael J. Driscoll and David H. Zimmerman introduced a Bill to the House Labor & Industry Committee that would weaken Pennsylvania employers' ability to enforce non-competes.

Bill No. 1938 seeks to make all non-compete agreements unenforceable, unless they involve business owners that sell their businesses, or the dissolutions or disassociations of partnerships or limited liability companies. Further, if an employee is successful in litigation against an employer related to the enforcement of a non-compete agreement, the employee would be entitled to attorneys' fees and punitive damages.

If it becomes law, the Bill will not impact valid non-compete agreements already in effect. However, those non-competes may not be able to be renewed.

This Bill is the latest recent attempt by a state legislature to curtail the enforcement of non-compete agreements, and reflects a backlash against these agreements that stems from the Obama administration. Recently, both Massachusetts and New Jersey have introduced legislation limiting the scope of non-competes.

Passage of this legislation would be a blow to employers throughout the Commonwealth. While the Bill is a long way from passage, it could result in a fundamental shift in the law.

If you or your business have any questions about how Bill No. 1938 may affect your business or employees, please contact [Jonathan Rardin](#) at (215) 963-3300 in our [Trade Secret & Non-Compete Practice Group](#).