

An Annual Ritual: Massachusetts Non-Compete Legislation

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We [wrote last year](#) about significant legislative efforts to ban non-competes in Massachusetts. Proponents of such a ban, including [Governor Patrick](#), contend that Massachusetts suffers a brain drain in the high-technology field because talent flees to California, where as many readers will know, non-competes are virtually banned.

In other words, a tech whiz would rather work in California where she may move freely from company to company rather than being limited by a non-compete. Certain [high-tech interests](#) in Massachusetts support a ban, whereas most traditional industry has tended to oppose it. There was substantial legislative activity last year, ultimately resulting in no action at all.

It's back.

Recently, a legislative committee heard testimony on five different bills related to non-competes, including virtual outright bans. While [non-compete laws vary significantly from state to state](#), very few states outside of California ban them outright. To have such a ban in Massachusetts, our 14th most populous state, would be significant. Even if you are not in Massachusetts, if you might possibly "be competed with" there, these developments can affect your business even if your contracts specify your own state's law. An outright ban seems unlikely, but there is talk of some sort of a compromise version that may come to pass.

We will continue to monitor this development at BT Currents. Few employment issues are higher stakes if a key employee is looking to move to a competitor.

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