

Opinions About Noncompetes: Actual Supporting Data Not Required

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William A.
Nolan
Partner
Columbus
Managing Partner

I have expressed skepticism here before about theories about the impact of noncompetes on the economy and human behavior. Maybe the expressed theories are right and maybe they're not, but it just seems that the actual support behind the theories is quite limited. So of course I had to read " Noncompete Clauses Increasingly Pop Up in an Array of Jobs" in none other than the New York Times. And as expected it is a series of anecdotes, though there are "plenty of other examples," and one law professor is quoted as saying there has been a "definite, significant rise in the use of noncompetes." No actual data is cited in the article, though perhaps said professor has such data that simply is not quoted. Maybe there is, maybe there isn't a significant rise, just as maybe there is and maybe there isn't a particular effect on the economy and/or human behavior. Our anecdotal experience is that noncompete litigation has been a fairly steady issue over the years. In any event, for some reason it seems to be a topic where people feel rather unconstrained to leap to broad conclusions. More than anything it seems there is an increasingly vocal school of thought to limit the availability of noncompetes in recent months, and these conclusions support their arguments. We will see whether this translates into any legislation, or if this proves to be a passing fad.

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