Pennsylvania Courts Must Consider Broader Circumstances When Determining Enforceability of Non-Compete Agreements

By: Beth Lincow Cole

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A new ruling by the Pennsylvania Superior Court says that courts must look beyond the reason why an employee was fired in determining whether or not a non-compete agreement is enforceable.

In <u>Missett v. Hub International Pennsylvania</u>, <u>LLC</u>, the Pennsylvania Superior Court ruled that the circumstances of an employee's termination alone are not sufficient to determine whether a non-compete agreement is enforceable. This decision reverses the previous trend of Pennsylvania courts to reflexively find non-competes unenforceable solely on the grounds that an employee was fired without cause.

In short, what the Pennsylvania Superior Court ruling means is that lower courts must look at other factors beyond the simple fact of dismissal to determine whether or not a non-compete agreement is enforceable. These factors may include whether or not enforcing a non-compete agreement will bring undue financial hardship to the employee, making it difficult for him or her to support themselves or their families, or if enforcement will tend to impoverish the employee. In its final ruling, the Pennsylvania Superior Court ordered the lower court to reexamine the case considering broader circumstances. Notably, Missett received \$300,000 in consideration for signing the agreement.

About Beth Lincow Cole

Employment Law Attorney Beth Lincow Cole has skillfully helped business owners and managers head off the unwanted and unnecessary lawsuits that can arise in the workplace. Drawing on her successful legal experiences both in and outside the courtroom, Beth Lincow Cole understands how to protect employers. By developing solid pre- and post-employment procedures for her clients, she assures that they are legally protected.

Beth Lincow Cole has worked for large regional and national law firms, focusing solely on employment issues, on behalf of management within a wide range of industries. Whether you are a start up company with basic questions about personnel files or a larger company with questions about an employee's Family Medical Leave, Beth Lincow Cole can help. Drawing on her experiences, she counsel's companies in the following practice areas:

- Defense in administrative agency matters such as before the DOL, EEOC, PHRC or NJDCR
- Department of Labor Audits
- Discrimination
- Downsizing/Reduction in Force
- Drug Testing
- Employment Contracts and Severance Agreements
- Employment Law Compliance
- FMLA and other family leave laws
- Independent Contractors/Contingent Workforce

To learn more about Beth Lincow Cole and the services her firm provides visit us at http://www.blclegal.com/