

Signed a Non-compete Agreement? Know Your Rights!



Information for workers in Texas

These rights apply to all employees, regardless of immigration status.

What are non-compete agreements? Non-compete agreements (or “non-competes”) are contracts that try to limit your ability to work for another company, or for yourself, after leaving your employer. Some employers require employees to sign these agreements at the beginning of their employment or in the middle of their employment. These agreements are often used to try to limit the ability of a former employee to work for a competing business.

Can my former employer use a non-compete agreement to stop me from working for someone else? Not always. Just because you sign a non-compete agreement, that does not mean the employer can enforce it against you. Non-compete agreements have to meet special requirements under the law in order to be enforceable. These requirements come from the Texas Business and Commerce Code (starting with [Section 15.50](#)).

What requirements does a non-compete agreement have to meet in order to hold up in court?

- ✓ A non-compete has to have reasonable restrictions and can't restrict your future employment: 1) for **too long a period of time**; 2) over **too big a geographic area**; or 3) for **too many types of work**. For example, a one- to two-year restriction may be reasonable. A five- to ten-year restriction may be too long. The non-compete should only apply to geographic areas where you worked or where your employer does business. It should be limited to clients and the type of work you actually performed.
- ✓ Like all contracts, the employer must actually give you **something of value** in return for your agreement. Otherwise, the agreement will not be enforceable. Something of value might include **specialized training or access to an employer's client list**. Here are some examples of what is probably **not** enough to make an agreement enforceable:
 - General skills, knowledge, or experience;
 - Knowledge of a few clients, out of an employer's hundreds of clients;
 - Continued work, unless you were given a contract promising you work for a specific period of time.)

What are non-solicitation agreements, and what requirements do they have to meet to be enforceable? Non-solicitation agreements restrict your ability to ask (solicit) customers of your former employer to do business elsewhere (for example, to become your client or your new employer's client). Non-solicitation agreements have to meet the same requirements as non-competes (see above).

What are non-disclosure agreements, and what requirements do they have to meet to be enforceable? Non-disclosure agreements usually don't have to meet all of the same rules and requirements as non-competes. However, if a non-disclosure agreement is so broad that it makes it impossible for you to use general skills and knowledge that you got working for your prior employer, it may be considered a non-compete agreement. Also, a non-disclosure that restricts your ability to discuss the terms and conditions of employment, such as wages, may violate the National Labor Relations Act (NLRA). For more information on your rights under the NLRA, go to [TRLA's Fact Sheet on NLRA Rights](#) or the [National Labor Relations Board website](#).

Note: this information is not legal advice. For free, confidential advice and information, contact Texas RioGrande Legal Aid at 888-988-9996.