

## **PROTECT YOUR BUSINESS: RESTRICTIVE COVENANTS AND INJUNCTIONS**

During the course of their employment, employees will often have access to client details and other sensitive confidential information which belong to their employer. Serious damage can be caused where an employee misuses such confidential information; either to set up a rival business of his own or for the benefit of a new employer. Individuals may also cause harm by poaching members of staff or dealing with or soliciting customers, prospective customers and suppliers of their ex-employer.

Employers should consider whether they have sufficient protections in the express terms of their contracts of employment. Otherwise, there is very limited protection provided by terms which are ordinarily implied into all employees' contracts of employment.

Restrictive covenants are clauses in an employment contract that seek to expressly restrict the activities of an employee after termination of employment, for example clauses that prevent an employee from working for a competitor business or from dealing with a former employer's customers. They are the single most effective tool in an employer's armoury of protection against exploitation of its confidential information and other interests, and act as a deterrent to prevent future disputes arising. However, restrictive covenants will only be enforceable in the courts if they are deemed to be reasonable (i.e. they must not extend further than is reasonable necessary to protect the legitimate interests of the business). Further, it is crucial that such provisions are specifically tailored to reflect the parties' circumstances.

We have a specialist Employment team that can assist with the review and drafting of appropriate restrictive covenants and related employment provisions. We work closely with our Commercial Litigation Team once a dispute reaches Court, typically this may entail launching or defending injunction proceedings and/or claims for compensation and loss of profits.

### **HOW WE CAN HELP:-**

- Advising as to the enforceability of existing restrictive covenants in employment contracts;
- Drafting restrictive covenants and confidentiality clauses/agreements which are tailored specifically to your business;
- Advising as to recruitment of individuals who are subject to existing restrictive covenants and confidentiality provisions from previous employment;
- Enforcing restrictive covenants and confidentiality provisions where suspected breaches have occurred;
- Obtaining injunctions against current or former employees;
- Defending injunction proceedings; and

- Pursuing and defending Contempt of Court proceedings (when a party breaches an injunction order).

CONTACTS:

To discuss the above services further, please contact any member of our employment team:

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