

Illinois Supreme Court Denies Invitation to Review Restrictive Covenant Case

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A company bought a business that marketed finance and insurance products to the automotive industry. After the sale, the company made an employment offer to an employee, subject to the employee's agreement to a two-year non-solicitation and non-competition covenant. The employee specifically negotiated a provision that the covenant would not apply if he was terminated without cause during the first year of his employment. The employee started with the company on November 1, 2009 and gave his two-week notice on February 1, 2010. The court held that a job offer itself, standing alone, is not sufficient support for a restrictive covenant unless there has been a period of substantial employment. Additionally, the court went on to create a new bright-line rule that "substantial employment" is a period of two years or more. Many observers believed the holding starkly diverged from established case law and hoped the issue would be taken up by the Illinois Supreme Court. On September 25, 2013, the Illinois Supreme Court denied the defendant's Petition for Leave to Appeal. Employers should evaluate the status of the restrictive covenants currently in place with employees and determine whether additional consideration is required in light of this holding.

For more information read [Fifield v. Premier Dealer Services, Inc., No. 1-12-0327 \(Ill. App. Ct. Jun. 24, 2013\)](#).

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