

FINAL BILL REPORT

ESSB 5720

C 176 L 05

Synopsis as Enacted

Brief Description: Placing limitations on employee noncompetition agreements in the broadcasting industry.

Sponsors: Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senators Keiser, Franklin and McAuliffe).

Senate Committee on Labor, Commerce, Research & Development
House Committee on Commerce & Labor

Background: Generally, a noncompetition agreement restricts a former employee from competing against his or her former employer. To be enforceable, the agreement must not impose unreasonable restrictions on the employee and must be necessary for the protection of the employer's business.

Under current law, an employee who has not signed a noncompetition agreement is free to compete against his or her former employer. A former employee may use general knowledge, skills, and experience acquired during the prior employment in competing with a former employer. A former employee may not, however, use or disclose trade secrets belonging to a former employer.

Summary: If a broadcasting industry employee, subject to an employee noncompetition agreement, is terminated without just cause or is laid off, the noncompetition agreement is null and void. This prohibition does not restrict the right of an employer to protect trade secrets or other proprietary information.

Votes on Final Passage:

Senate	26	22
House	56	40

Effective: July 24, 2005