Trade Secrets & Noncompete Blog

NEWS & UPDATES ON DEVELOPMENTS IN THE LAW OF RESTRICTIVE COVENANTS, UNFAIR COMPETITION & TRADE SECRETS



Posted on February 27th, 2015 by Zachary C. Jackson

The Evolving Treatment of Fifield v. Premier Dealer Services, Inc.

In Fifield v. Premier Dealer Services, Inc., an Illinois Appellate Court determined that, absent other consideration, at-will employment must continue for two years in order to constitute consideration for the enforcement of competition restrictions. Clients continue to ask how *Fifield* has been applied by subsequent courts. So far, the results have been mixed. This month, the United States District Court for the Northern District of Illinois rejected *Fifield's* bright line test in the case of *Bankers Life and Casualty Co. v.* Miller, 2015 U.S. Dist. LEXIS 14337 (N.D. Ill. Feb. 6, 2015). In doing so, Judge Shah explained that in light of the Illinois Supreme Court's recent decision emphasizing the need to consider the totality of the circumstances in evaluating competition restrictions, the Illinois Supreme Court "would not adopt a brightline rule requiring continued employment for at least two years in all cases." Bankers Life, at *11-12. Previously, Judge Castillo too rejected Fifield's bright-line test in Montel Aetnastak, Inc. v. Miessen, 998 F. Supp. 2d 694 (N.D. Ill. 2014). However, Judge Holderman reached a different result in *Instant Technology*, LLC v. Defazio, 2014 U.S. Dist. LEXIS 61232 (N.D. III. May 2, 2014) and determined that competition restrictions were not enforceable against employees who had worked for 10, 19, and 21 months and received only that employment as consideration for the restrictions. *Instant Technology* is currently on appeal. So far, however, the score in the United States District Court for the Northern District of Illinois is 2-1 against *Fifield's* bright-line test.

Trade Secrets & Noncompete Blog Epstein Becker & Green, P.C.

Baltimore	Chicago	Los Angeles	Newark	Stamford
7000 Security Boulevard	150 North Michigan Avenue		One Gateway Center	One Landmark Square
Suite 300 Baltimore, MD 21244	35th Floor Chicago, IL 60601-7553	Suite 500 Los Angeles, CA 90067-2506	Newark, NJ 07102-5311	Suite 1800 Stamford, CT 06901-2681
Boston	Houston	New York	San Francisco	Washington, DC.
99 Summer Street Suite 1600	Two Houston Center	250 Park Avenue New York, NY	655 Montgomery Street	1227 25th Street,
Boston, MA 02110	909 Fannin, Suite 3838	10177-1211	Suite 1150 San Francisco,	NW Suite 700
	Houston, TX 77010		CA 94111	Washington, DC 20037