

Posted on May 4th, 2015 by Peter Steinmeyer

## Wisconsin Supreme Court Holds That Continued Employment Is Sufficient Consideration For A Non-Compete Signed By A Current At-Will Employee, Provided That The Employee Is Not Fired Shortly After Signing

Over the past 24 months, one of the hottest issues in non-compete law has been whether continued at-will employment, by itself, is sufficient consideration for a non-compete.

Last week, in *Runzheimer International v. Friedlen and Corporate Reimbursement Services, Inc.*, the Wisconsin Supreme weighed in on this issue, holding that continued employment is sufficient consideration for a non-compete signed by a current at-will employee. However, the Court expressly qualified this holding by explaining that if an at-will employee is fired “shortly after signing” a non-compete, the non-compete would “likely” be voidable and subject to rescission. The Court further qualified its holding by stating that “an employer acting in such a deceitful manner may be breaching the doctrine of good faith and fair dealing.”

What the Court did not say, however, is *how long* an at-will employee must be employed after signing the non-compete. There is verbiage in the majority opinion which suggests that so long as the employer does not fire the employee “moments after the employee signs the covenant,” the agreement will be enforceable. Nevertheless, a concurring opinion states that the Court’s decision “in effect transforms the parties’ at-will employment contract into an employment contract for a reasonable duration.” This issue will no doubt be fodder for future litigation.

In the meantime, the Pennsylvania Supreme Court is also in the process of deciding whether mere continued at-will employment is sufficient consideration for a non-compete, and the state and federal Courts in Illinois continue to wrestle with the length of at-will employment required to support a non-compete.

Stay tuned!

Tags: Adequate Consideration, Corporate Reimbursement Services, Friedlen, Non-Compete Agreements, Runzheimer International, Wisconsin

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