Preface

The extent to which duties of loyalty proscribe employees from entering into competition with their former employers is relevant today more than ever. In a globalizing and service-driven economy, the ability of a business to protect its investment in human resources, customer relationships, and confidential business information is critical to ensuring continued economic viability. Employees often have access to the corporate opportunities, proprietary information, trade secrets, and other confidential data of the employer. Certain employees frequently have key relationships with customers and obtain specialized training or technical knowledge, expertise, or skills on the job, often at substantial expense to the employer. Duty of loyalty principles of law operate to preserve employers’ interests in such assets and investments by limiting the steps former employees may take when entering into competitive employment and otherwise eroding a former employer’s market share.

This 2014 Supplement to the Fifth Edition of Employee Duty of Loyalty: A State-by-State Survey provides detailed guidance on the limits of the duty of loyalty. Because the cases are very individualized and fact-intensive, the case discussions and detailed parentheticals provided are invaluable. Employing a question-and-answer format, this title provides a quick-look assessment of the law in each state and, thus, a source for immediate answers to the most critical issues. By using this book, both corporate counsel and private practitioners can answer clients’ questions within minutes and at a fraction of the cost that might otherwise be incurred.

This treatise alerts counsel to—and explains the effects of—the many significant developments occurring through the end of 2013 with respect to issues addressed in a multiple-issue question-and-answer format. It also seeks to explain how the courts have refined their analyses and provided much greater guidance on the outer limits of the restrictions imposed by the duty of loyalty.

A work of this scope is necessarily the fruit of the efforts of many talented individuals. However, particular thanks must be extended to three individuals, Altaf U. Khan, Adil Altaf, and Timothy J. Darby,
and to thank also their families for sparing them the extra time required by this project. The dedicated efforts of these three gentlemen have helped assure a thorough, timely, and greatly expanded treatment of the employee duty of loyalty.

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