

# M&A Hotline

December 22, 2020

## NON-COMPETE CLAUSES: PROTECTION OR RESTRAINT?

### SUMMARY

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The article analyses the uncertainty in enforcement of non-compete clauses along with delving into the meaning of non-compete clauses, and the rationale behind such clauses. The article particularly deals with restrictions on enforcement of non-compete clauses in India and its narrow exceptions. It delves into situations where courts enforce certain non-compete clauses and enumerates principles espoused by the Indian courts.

It further analyses the restriction, uncertainty and enforceability of non-compete clauses in the U.K. and the U.S. along with certain principles evolved by the courts, and the prevailing debates, in respective jurisdictions, like the test of reasonability and the blue pencil principle for enforcing non-compete clauses in limited circumstances.

This article can be accessed [here](#).

— Yashasvi Tripathi & Alipak Banerjee

You can direct your queries or comments to the authors

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