

## What if Mark Hurd Had A Non-Compete in Texas?

Key employees don't always have a non-compete or nonsolicit agreement. You might, however, pay a high price for missing that detail.

Think about HP's predicament after ousting Mark Hurd from its CEO slot. Hurd turned around and took a senior executive role with Oracle which competes head-to-head with HP in several key markets. HP could only sue Hurd for breaching his non-disclosure agreement because he didn't sign a non-compete agreement. A copy of HP's <u>complaint</u> is posted on-line.

To win, HP must prove that Hurd has used or inevitably will use its business secrets. Assume for a second that the lawsuit was in Texas. Unless Hurd took confidential HP documents with him, that may be a hard sell.

Is that good enough? We're talking about an ex-CEO who, no doubt, got boatloads of business secrets. And he's now working for a direct competitor. According to HP, Hurd had been privy to a top secret report that analyzed HP's competitiveness against Oracle.

It's a different game with a non-compete or non-solicit agreement. HP would have Hurd in its crosshairs simply by proving that the non-compete was enforceable and reasonable. At least in Texas, state courts have made noncompete and non-solicit agreements far more enforceable since 2006. That's why many companies insist on them.



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<u>Texas Non-Compete and Non-Solicit Agreements</u>

**Business Secrets** 

**Confidential Information** 

Non-Compete Agreement

Non-Disclosure Agreement

Non-Solicit Agreement

Trade Secrets

Employee Handbook

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