

2200 NON-COMPETES IMPACTED BY SETTLEMENT BETWEEN NEW YORK AG AND WEWORK

Intellectual Property Litigation Alert
October 1, 2018

The New York Attorney General recently reached a settlement with WeWork on September 18, 2018 which voids or limits 2200 non-competition agreements with WeWork's New York employees. The settlement arose over a NYAG investigation about claims that almost all employees at WeWork were required to sign a non-compete. This included employees of all ranks and those who never had access to confidential information. WeWork released 800 New York employees from non-compete obligations as part of the settlement. Cleaners, mail associates, and executive assistants were among the classes of WeWork employees who were freed from the restrictions. WeWork also agreed to narrow the non-compete obligations of 1400 other employees including community managers, designers, and architects.

The NYAG stated that “too often, non-compete agreements are misused, especially when it comes to low-wage workers.” The NYAG further warned that WeWork's settlement “should serve as an example for all businesses as we continue our efforts to end the use of these overly broad non-competes.” Along with that caution, the NYAG also issued guidance entitled “Non-Compete Agreements in New York State — Frequently Asked Questions.”

If you'd like a comprehensive review of your non-competition agreements contact a member of the IP Litigation Group.

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