

# PUTNEY, TWOMBLY, HALL & HIRSON LLP

ESTABLISHED 1866

COUNSELORS AT LAW  
521 FIFTH AVENUE  
NEW YORK, NEW YORK 10175  
(212) 682-0020  
TELEFAX: (212) 682-9380  
PUTNEYLAW.COM

DANIEL F. MURPHY, JR.  
MICHAEL T. McGRATH  
THOMAS A. MARTIN  
WILLIAM M. POLLAK  
JAMES E. McGRATH, III  
CHRISTOPHER M. HOULIHAN  
THOMAS M. LAMBERTI  
STEPHEN J. MACRI  
HARVEY I. SCHNEIDER  
MARY ELLEN DONNELLY  
JOSEPH B. CARTAFALSA  
GEOFFREY H. WARD  
ANDREA HYDE  
E. PARKER NEAVE  
MARK A. HERNANDEZ  
JAMES M. STRAUSS  
PHILIP H. KALBAN  
SEAN H. CLOSE  
LANSING R. PALMER  
JEROME P. COLEMAN

120 WOOD AVENUE SOUTH  
SUITE 600  
ISELIN, NEW JERSEY 08830  
(732) 632-2505  
TELEFAX: (732) 632-2506

1205 FRANKLIN AVENUE  
GARDEN CITY, NY 11530  
(516) 746-0070  
TELEFAX: (516) 746-0599

2500 NORTH MILITARY TRAIL  
SUITE 200  
BOCA RATON, FLORIDA 33431  
(800) 935-8480  
TELEFAX: (561) 393-9707

COUNSEL  
CHARLES J. GROPPE  
ALEXANDER NEAVE  
DUSTAN T. SMITH  
SPECIAL COUNSEL  
JUDITH M. BANDLER

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## **CLIENT ALERT**

### **Trade Secrets and Restrictive Covenants**

The protection of trade secrets and the requirement of employee covenants are protective measures companies increasingly are taking to protect against misappropriation, unfair competition, and solicitation of clients and current employees by former employees who now work for the competition.

Though popular lore dismisses the legal enforceability of employee covenants, it is manifestly clear that if the restrictions are reasonable in time, place and space, and are narrowly tailored to protect an identifiable company interest, they will be enforced through injunctive relief and damages. The increased movement of executives among competitive companies in recent years has spawned significant litigation in this regard.

Within the last month, two highly respected judges on the federal court in the Southern District of New York have issued injunctions in this area, one concerning the enforcement of trade secrets, IBM v. Apple, enjoining a former top IBM executive from working at Apple, and the other, Marsh v. Aon, enjoining a former executive of Marsh from violating his agreement not to solicit Marsh clients for a specified period. In Marsh, the judge termed the violations “flagrant” and awarded attorneys’ fees to Aon, unusual in these cases.

Our firm’s Practice Group in Trade Secrets and Restrictive Covenants is highly experienced and notably successful in advising companies concerning the creation of enforceable policies and procedures, as well as both enforcing and defending litigation cases in this regard.

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