

## M&A Hotline

December 22, 2020

### NON-COMPETE CLAUSES: PROTECTION OR RESTRAINT?

#### SUMMARY

This article first appeared on the website of the Corporate and M&A Law Committee of the Legal Practice Division of the International Bar Association, and is reproduced by kind permission of the International Bar Association, London, UK. © International Bar Association.

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

#### DISCLAIMER

The contents of this hotline should not be construed as legal opinion. View detailed disclaimer.

This Hotline provides general information existing at the time of preparation. The Hotline is intended as a news update and Nishith Desai Associates neither assumes nor accepts any responsibility for any loss arising to any person acting or refraining from acting as a result of any material contained in this Hotline. It is recommended that professional advice be taken based on the specific facts and circumstances. This Hotline does not substitute the need to refer to the original pronouncements.

This is not a Spam mail. You have received this mail because you have either requested for it or someone must have suggested your name. Since India has no anti-spamming law, we refer to the US directive, which states that a mail cannot be considered Spam if it contains the sender's contact information, which this mail does. In case this mail doesn't concern you, please unsubscribe from mailing list.

## Research Papers

### Taxing Offshore Indirect Transfers in India

February 28, 2025

### Unlocking Corporate Philanthropy

February 27, 2025

### Digital Health in India

February 26, 2025

## Research Articles

### Re-Evaluating Press Note 3 Of 2020: Should India's Land Borders Still Define Foreign Investment Boundaries?

February 04, 2025

### INDIA 2025: The Emerging Powerhouse for Private Equity and M&A Deals

January 15, 2025

### Key changes to Model Concession Agreements in the Road Sector

January 03, 2025

## Audio

### CCI's Deal Value Test

February 22, 2025

### Securities Market Regulator's Continued Quest Against "Unfiltered" Financial Advice

December 18, 2024

### Digital Lending - Part 1 - What's New with NBFC P2Ps

November 19, 2024

## NDA Connect

Connect with us at events, conferences and seminars.

## NDA Hotline

[Click here to view Hotline archives.](#)

## Video

### Arbitration Amendment Bill 2024: A Few Suggestions | Legally Speaking With Tarun Nangia | NewsX

February 12, 2025

**What India’s Transition to New Data  
Protection Law Means for Global  
Businesses**

January 23, 2025

**India 2025: The Emerging  
Powerhouse for Private Equity and  
M&A Deals**

January 16, 2025

---