Federal Supreme Court decision on the post-contractual non-competition clause (BGE 4A_210/2018)

25.10.2019

All-clear for employers: The Federal Supreme Court has ruled that the wording "must refrain from any competing activity" (Jede konkurrenzierende Tätigkeit ist zu unterlassen), which is frequently found in employment contracts, remains a valid wording of a post-contractual non-compete provision. If the decision of the Federal Court had turned out differently, the employers would have had to subject their employment contracts to a detailed examination.

Although such non-competition clauses in employment contracts remain valid, they may still be limited by the court. This means that the court can limit the extent of the non-competition clause. For example, the court could decide that the employee does not have to refrain from any competing activity, but only from an activity for explicitly designated competitors.

Link to BGE 4A_210/2018

Martin L. Mueller

Partner
Attorney at law, Dr.iur., LL.M., Fachanwalt SAV Arbeitsrecht
Head Employment, Executive Compensation & Pensions

Pestalozzi Attorneys at Law Ltd
Feldeggstrasse 4
8008 Zurich
Switzerland
T +41 44 217 92 60
martin.mueller@pestalozzilaw.com