

High Court Upholds Decision Not to Enforce Overly Broad Non-Compete Clause



The Employee agrees that during the Employee's employment with the Company and during the one year period following the termination of the Employee's employment with the Company, for any reason whatsoever, the Employee shall not carry on, or be engaged in, concerned with, or interested in, directly or indirectly, any undertaking involving any business the same as, similar to or competitive with the business within a fifteen (15) kilometre radius of the business located at 10 Main Street East, Huntsville, Ontario P1H 2C9.

The court ruled that the above clause contained in a pharmacy manager's contract was unenforceable. Banning the manager from being "concerned", even "indirectly", with an "undertaking involving a business" that was "similar" to Hometown IDA was both too vague and too broad. The Ontario Court of Appeal found the decision reasonable and refused to overturn it. **Note:** Noncompete clauses are now illegal in Ontario under Bill 88; but this case took place before Bill 88 took effect [[M & P Drug Mart Inc. v. Norton](#), 2022 ONCA 398 (CanLII), May 17, 2022].