

ACC STL July Newsletter Features Schroeder's Considerations for Companies to Protect Trade Secrets

In the News
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Stinson LLP Partner [John Schroeder](#) authored an article for the Association of Corporate Counsel – St. Louis July 2023 newsletter, "Proposed FTC Ban on Noncompetes: Considerations for Companies to Protect Trade Secrets." The article provides an update to his February 2023 [IPWatchdog guest column](#).

Schroeder refines his review of what businesses need to consider to protect their intellectual property and accounts for the latest status of the Federal Trade Commission's (FTC) proposed rulemaking with a focus on the St. Louis metropolitan region.

"Within the bi-state greater St. Louis region, noncompete clauses are only valid in Illinois for employees earning more than \$75,000 per year. Even where noncompete clauses are permitted, they are generally considered 'disfavored' and typically subject to a reasonableness inquiry," Schroeder writes. "For example, courts in Missouri will typically scrutinize whether the length and geographic scope of a noncompete clause is narrowly tailored to protect the employer's legitimate interest."

The FTC unveiled the proposed rule January 2023. They sought comments on whether the rule should apply uniformly to all workers – as currently proposed – or whether there should be exemptions and different standards for different categories of workers. The FTC is expected to vote on a final version of the proposed rule April 2024.

"There has been a clear trend toward reducing the enforceability of noncompete clauses, even before the FTC's proposed rule," Schroeder says. "Employers should act now to narrowly tailor their use of noncompete clauses, adopt the use of non-disclosure and non-solicitation agreements and consider the incorporation of additional policies to limit the access to trade secrets and retain the high-quality

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employees who have access to them”

Schroeder leverages his background in engineering and prior experience in the industry to seek custom solutions for his clients' high-stakes technology and intellectual property disputes. He has litigated numerous trade secret disputes, including disputes concerning former employees. He is also proficient in litigating patent disputes, including in *inter parte* review and post-grant review proceedings before the Patent Trial and Appeal Board of the U.S. Patent and Trademark Office. He also assists clients in matters involving patent counseling, patentability and non-infringement opinions, due diligence and licensing.

Read the [full feature](#).

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