Restrictive Covenants

They are reshaping career mobility in the industry

by: Greg Goldberg, BTA General Counsel

In the office technology dealer channel, a salesperson's career seldom follows a straight line. More often, it zigzags. A salesperson builds a book of business at one dealership, then migrates to another and then repeats the process — sometimes every few years, sometimes every few months. The salesperson may sell different equipment lines, software solutions or service commitments, but the clients are often the same offices, the same CIOs or the same operations managers calling about printer jams or network slowdowns at 4:45 p.m. on a Friday.

Despite all of this career mobility, there remains a growing sense that the dealer channel has actually become stickier — not because people do not want to move, but because courts are increasingly involved in deciding whether they can. The past year has made the tension more difficult to ignore. While headlines about a sweeping federal ban on noncompete agreements ultimately fizzled out, the quieter truth is more unsettling for sales professionals: restrictive covenants are not going away. They are multiplying, mutating and being tested in courtrooms and legislatures across the country. If anything, 2025 clarified that mobility in sales is no longer just a professional choice; it is a legal negotiation.

For dealers, the stakes are personal. In most cases, what drives businesses are not the OEM logos on the equipment sold. Rather, it is the relationship between the dealership and the customer that establishes continuity, responsiveness and trust over time. Employers know this. So do their lawyers. Thus, depending on where businesses are located and what state laws allow, new hires are often asked to sign some combination of noncompete, nonsolicitation and/or nondisclosure agreements designed to protect their employers' MIFs and, more importantly, the relationships underlying those machines.

What changed in 2025 is not that these restrictions went away, but that the ground beneath them began to shift. State legislatures, responding to a workforce that changes jobs more frequently and an economy that evolves more quickly than contracts can be revised, have taken a harder look at who should be restrained and for how long. Many have concluded that blanket restrictions — particularly on lower- and middle-income workers — are out of step with reality. Income thresholds, duration caps, notice requirements and penalties for overreach are becoming common features of the legal landscape.

For a mid-career sales rep, the result is odd. In California, for example, a noncompete might be largely unenforceable. But cross a border and the same noncompete could suddenly have teeth. Florida, for instance, went in the opposite direction last year, strengthening protections for employers and extending the life of certain noncompete agreements for higher earners. The result is not clarity; it is fragmentation. A routine career move in one state may pose a significant legal risk in another.

In reaction to the shaky foundation underlying traditional restrictive covenants in certain states, employers seeking to protect their MIFs are increasingly employing a new tool: trade-secret litigation. Confidential information that employees take with them when they leave — things like pricing strategies, customer lists, service configurations, internal playbooks, etc. — may all be considered protected trade secrets. And juries, it turns out, are often receptive to trade-secret arguments. Damage awards in trade-secret cases climbed to new heights in 2025, reinforcing a message that courts may hesitate to block someone from working, but they will not tolerate what looks like unfair competition.

For salespeople, this blurs an already fuzzy line. Where does experience end and a "trade secret" begin? Is knowing which clients are unhappy proprietary knowledge — or simply the byproduct of doing one's job well? These questions are rarely answered in advance but argued after the fact, with lawyers reconstructing emails, CRM exports and LinkedIn messages into narratives of loyalty or betrayal.

For sales reps in the office technology industry, the lesson of 2025 is that mobility — the defining feature of modern sales careers — is being renegotiated in real time. The dealer channel has consolidated, technology cycles have accelerated and loyalty has become more difficult to define. Courts have stepped into that vacuum — sometimes as guardrails, other times as tripwires.

The irony is that the very skills that make a salesperson valuable — adaptability, relationship-building and institutional memory — are the ones most likely to be contested when he (or she) tries to move on. In a business built on service and trust, the next phase may require a new form of professionalism: understanding not just how to sell, but how to leave. ■

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