ABSTRACT

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VALIDITY OF INCLUSION OF NON-COMPETITION CLAUSE IN EMPLOYMENT AGREEMENT AND LEGAL PROTECTION OF BOUND PARTIES

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In the employment agreement there is a clause named non competition clause which regulates that the employee agrees not to work as an employee or agent of a company that is considered a competitor or engages in the same line of business within a certain period. This clause aims to protect trade secrets and other confidential company information. The inclusion of non-competition clause in employment agreement has contradicted several regulations in Indonesia related to the human rights of everyone to freely choose a job and work so that the validity of of the non-competition clause is questioned. In this research, there are two focus issues that are examined. The first is to analyze the validity of the inclusion of noncompetition clause in employment agreement. The second is to analyze the legal protection for workers and employers who are bound in employment agreement which contains a non competition clause. The research method used is normativeempirical legal research in the form of non-judicial case studies with an approach to legal principles and using secondary data in the form of primary, secondary, tertiary legal materials. The results of this research indicate that the Inclusion of a non-competition clause in an employment agreement does not have legal validity and has not been able to provide legal protection for bound parties.

References : 40 (2003-2022)

Keywords : Non-Competition Clause, Non-Disclosure Agreement, Employment Agreement