Six-Month Restraint Of Trade Against Former Employee Is Reasonable

Imagine one of your top sales representatives resigns today and immediately takes a similar position at a direct competitor, threatening to poach your hard-earned clients and use your confidential business information. Would you be able to stop them from competing in your territory?

The South African legal system recently offered clarity in the case of **NJR Steel Cape Town (Pty) Ltd v Rupert Francois Gordon & Another [2025] ZAWCHC**, affirming that a well-drafted restraint of trade agreement can be a powerful and enforceable tool.

When Gordon initially joined NJR, he signed a "restraint of trade & confidentiality" agreement. This agreement prohibited him from doing similar work in a **250-kilometre radius** and soliciting clients of NJR for a period of 6 months following his resignation or dismissal. Gordon eventually left NJR and took an offer of immediate employment with a direct competitor of NJR. This new employment was located **within 15 kilometres** of NJR's premises, well inside the 250 km limit. NJR claimed this was a clear breach of the agreement and approached the court on an urgent basis to stop him.

The court considered the business interests which NJR could protect and which was at risk of infringement, the client relationships and goodwill, as well as the confidential business information which Gordon possessed and held that there was indeed a real risk of infringement. Gordon tried to argue that his new role at the competitor was supposed to be in a different product line but conceded that there might be some overlap with clients and products. The court found that the area and time period of the restriction is not unreasonable and enforced the restraint of trade. It ordered that Gordon may not proceed with employment at any competitor for a period of 6 months, nor may he sell or supply products similar to NJR's within the 250km zone during the said 6 months.

There are often instances where a restraint of trade is not enforced by the courts due to it being too restrictive. This decision demonstrates that courts will still

enforce post-employment restraints, but only if they are fair, reasonable, and well-supported by evidence. It’s not enough to just say you do not want your former employee competing with you, the employer must show real potential harm and the restriction must not be heavier than necessary. Contact us for assistance with your restraint of trade provisions to ensure that you can enforce it when you need it most!