NONCOMPETITION CLAUSE

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Often a designer working with an illustrator, photographer, or even another designer will place that supplier in direct contact with a client. In such a case, the normal expectation would be that the supplier would not then go directly to the client seeking business that the original designer might have been able to handle for the client. However, this expectation may not always be realized and sometimes it becomes wise to include the expectation as a clause in the contract with the supplier. Such a clause might read as follows:

> Supplier understands that in the course of working for the Designer, the Supplier may sometimes have direct contact with the clients of the Designer or access to confidential information such as lists of the Designer's clients. The Supplier agrees not to seek work from such clients of the Designer without the Designer's express, written permission. This clause shall include but not be limited to the following clients of the Designer:
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> In the event of any breach of this clause, the Supplier shall pay the Designer_____ as liquidated damages and shall also be responsible for the Designer's reasonable attorneys' fees and court costs. The parties have considered and agree that this amount of liquidated damages represents a reasonable estimated fair average compensation for losses Designer might sustain as a result of a violation of this paragraph.

The amount of the liquidated damages might be two or three times the fee paid to the supplier if the supplier is doing an assignment for the designer. If the supplier is not working for the designer but gains access to confidential client lists, the liquidated damages might be an amount per client contacted. The clause should serve as a warning to any supplier that the designer considers clients to be proprietary and will not tolerate any attempts by suppliers to compete for the designer's clients.