

Ownership of Rights: Employee Vs. Company

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Question: A salesman from a large company is switching to work for another company. He wants to know if the clients he brought into the company he previously worked for belong to him or to the company.

Answer: Assuming there is no non-compete agreement, the general rule is that any work someone does when he is employed by a certain company, or anything he creates as part of that employment, belongs to the company.

For example, if a teacher creates a curriculum or an extracurricular director creates a play for a school, both the play and the curriculum belong to the school. So too, if a salesman develops a customer base as part of his job working for a company, that customer base belongs to the company?

The Shulchan Aruch brings a similar case. A worker who was hired to do a specific job found a lost item while on the job; the Shulchan Aruch rules that he may keep it for himself being that finding lost objects was not part of the task he was being paid to do. On the other hand, if someone is hired specifically to look for lost objects, if he finds a lost object-even if it is not the kind of object typically found in his area-it belongs to the employer. The reason is because finding lost objects is what he was hired to do; therefore anything that falls under that category is part of his employment and thus belongs to the employer.

Having said this, the only thing that would be forbidden for the salesman to do would be to take the client list he created for his previous company and use it to solicit clients for himself. If a client approaches the salesman and tells him that he enjoys dealing with him specifically and wants to be his client, the salesman would be allowed to sell to that client.