

**MURPHY AND ASSOCIATES, INC.**

**CONFIDENTIALITY, NON-SOLICITATION, INVENTIONS and ARBITRATION  
AGREEMENT**

THIS AGREEMENT (the “**Agreement**”) is made on \_\_\_\_\_, 20\_\_\_, between MURPHY AND ASSOCIATES, INC. (“**Company**”) and \_\_\_\_\_ (“**Employee**”), collectively referred to herein as “the parties.”

**RECITALS**

A. Company is engaged in the business of providing computer related services to its clients, including but not limited to IT consulting.

B. During his/her relationship with Company, Employee will be exposed to and learn confidential information related to the business of Company’s clients, including product designs and concepts, processes, suppliers, vendors, partners, methods, business plans and other information developed by Company’s clients or partners. Such information is an integral part of Company’s and/or its clients’ business and the parties desire to protect such information as provided herein.

C. During his/her relationship with Company, Employee will develop certain work product, and the parties desire the ownership of such work product to be as provided herein.

D. In the event that a dispute arises between the parties arising from this Agreement or relating in any way to the employee’s employment with the Company, the parties desire the dispute to be resolved as provided herein.

**AGREEMENT**

In consideration of his/her employment or continued employment with Company, the receipt of Confidential Information while associated with Company, and other good and valuable consideration, Employee agrees that:

**1. Confidentiality.**

1.1 Restrictions. Employee agrees during the term of Employee’s employment with Company and at all times thereafter: (i) to hold Confidential Information in the strictest confidence; (ii) not to use Confidential Information except as required in the performance of his or her duties as an Employee of the Company; (iii) not to disclose Confidential Information to any person or enterprise (except to co-workers on a “need-to-know” basis to the extent needed for them to perform the duties of their employment); and (iv) to exercise the highest degree of care in safeguarding Confidential Information against loss, theft, or other inadvertent disclosure.

1.2 Confidential Information Defined. “Confidential Information” means (i) any information that relates to the business, services, products, product design and concepts, sales,

marketing, technology, clients, vendors, suppliers, finances, plans, proposals, or practices of Company's clients, including, but not limited to, sales manuals, pricing information, technical information, drawings, cost data, marketing strategies, lists of members, clients, vendors and suppliers, nonpublic financial information, budgets, and projections; methods, processes, procedures and techniques; and (ii) any other information that Company's client designates in writing or otherwise treats as confidential. Confidential Information includes information in any form, whether oral, written, film, video, tape, computer disk, or other medium. The Confidential Information shall exclude any information that is or becomes part of the public domain other than through a violation of this Agreement.

1.3 Ownership of Confidential Information. The Confidential Information shall be the sole and exclusive property of Company and/or Company's client, shall be considered trade secrets of Company and/or Company's client, and shall be entitled to all protections given by applicable law to trade secrets.

1.4 Return of Confidential Information and Property. Immediately upon termination from Employment or on the written request of the Company and/or Company's client, Employee agrees to return to the Company and/or Company's client all equipment and property in Employee's possession and control belonging to the Company and/or Company's client, including without limitation, laptop computers, cell phones, pagers, fax machines, copiers, and all originals and copies of records, data, reports, documents, lists, plans, drawings, designs, correspondence, memoranda, notes, and other materials related to or containing any Confidential Information, in whatever form they exist, whether written, film, tape, computer disk, or other medium.

**2. Non-Solicitation of Co-Workers.** Employee covenants and agrees that during the term of Employee's employment with Company, Employee shall not solicit any person employed by Company or its clients (either on Employee's own behalf or on behalf of any other person, partnership, corporation or other entity).

**3. Ownership of Inventions and Work Product.**

3.1 The Company shall own all rights to Work Product created by Employee. Employee acknowledges and agrees that Work Product that is copyrightable is "work for hire" as that term is used under the copyright laws of the United States. Employee hereby assigns to the Company, or to the appropriate party identified by the Company, all copyright, trademark, trade secrecy, mask works, patent, and any other intellectual property rights in Work Product. Employee will take all action reasonably requested by the Company to transfer rights to the Work Product to the Company or the party identified by the Company and to permit the Company to obtain copyright, trademark, patent, or similar protection for the Work Product in its own or the identified party's name. If Employee makes any invention during his or her employment that Employee believes does not belong to the Company or the appropriate party identified by the Company under this Agreement, Employee will promptly notify his or her immediate supervisor and will supply a written explanation of the reasons for such belief. If Employee makes any invention relating to Employee's work at the Company within one year

after his or her employment with the Company ends, Employee will promptly disclose the invention to the Company's president in writing.

3.2 "Work Product" means written materials created by Employee, Inventions made by Employee, programs, fixes, routines, ideas, designs, manuals, improvements, discoveries, processes, computer software programs, databases, mask works, or other work products or ideas, and their tangible expressions, and any other results or properties of Employee's efforts whether produced alone or with others, (i) relating to the Company's actual or anticipated business, or (ii) made or conceived during working hours or developed with the aid of Company personnel or assets.

3.3 "Inventions" includes, without limitation, information, inventions, contributions, improvements, ideas, or discoveries, whether patentable or not, and whether or not conceived or made during work hours.

3.4 Limitations. Employee understands that this Agreement's provision requiring assignment to the Company, without payment, of any rights in any Inventions would not apply to any Invention for which no equipment, supplies, facility, or trade secret information of the Company was used and which was developed entirely on Employee's own time, unless (i) the Invention relates (a) directly to the Company's business, or (b) to the Company's actual or demonstrably anticipated research or development; or (ii) the Invention results from any work performed by Employee for the Company.

**4. Terms of Client Contracts and Policies.** Employee agrees to abide by the terms of Company's contracts with any of its clients for whom employee works, as well as the client's reasonable business and security policies and procedures which relate to the subjects of this Agreement. Such contracts, policies, and procedures will be made available for review by employee upon written request to Company.

**5. Employment At-Will.** Employee understands that this Agreement is not an employment agreement, nor a promise of employment for any specific time. Employee also understands that either Employee or Company may terminate Employee's employment at any time, with or without cause. Employee understands that Employee is an employee of Company, and not Company's client(s). Employee agrees not to hold self out or otherwise represent self as an employee of Company's client(s).

**6. No Conflicting Agreements; Future Employers.** Employee hereby represents that performance of all terms of this Agreement and performance of services for Company does not and shall not breach any agreement to keep in confidence proprietary information acquired by Employee in confidence or in trust prior to the commencement of Employee's employment with Company. Employee represents that he/she has not entered into, and agrees that he/she will not enter into, any agreement that conflicts with this Agreement. Employee agrees and acknowledges that Company may disclose to any future Employers or prospective Employers with which the Employee may be employed the existence, nature and terms of this Agreement without the consent of Employee. **Employee agrees to indemnify and hold Company harmless**

for any breach of a conflicting agreement not otherwise disclosed to Company prior to employment.

## **7. Enforcement of Confidentiality, Non-Solicitation, and Inventions Provisions.**

7.1 Reasonableness of Restrictions. Employee acknowledges that restrictive covenants contained in Articles 1-6 of this Agreement are reasonable in all respects including but not limited to duration and scope and that such covenants are necessary to protect Company's legitimate business interests, including but not limited to Company's goodwill.

7.2 Irreparable Harm. Employee acknowledges that a breach of any of Employee's obligations under Articles 1-6 of this Agreement will result in great, irreparable and continuing harm and damage to Company for which there is no adequate remedy at law.

7.3 Injunctive Relief. Employee agrees that in the event Employee breaches Articles 1-6 of this Agreement, Company shall be entitled to seek, from any court of competent jurisdiction, preliminary and permanent injunctive relief to enforce the terms of this Agreement, in addition to any and all monetary damages allowed by law, against Employee.

7.4 Judicial Modification. The parties hereby agree that, if the scope or enforceability of any restrictive covenant contained in Articles 1-6 of this Agreement is in any way disputed at any time, a court or other trier of fact may modify and enforce the covenant to the extent that it believes to be reasonable under the circumstances existing at that time. The parties intend that each of the covenants in Articles 1-6 be deemed to be a series of separate covenants, one for each and every county of each and every state of the United States, and one for each and every political subdivision of each and every other country where the covenants shall be effective.

## **8. Resolution and Arbitration of Employment Related Disputes.**

8.1 Informal Dispute Resolution. The parties hereby agree in good faith to attempt to informally resolve disputes arising from this Agreement or related in any way to Employee's employment with Company by first discussing the issue(s) which gave rise to the dispute among themselves or their representatives.

8.2 Arbitration in Lieu of Judge or Jury. In the event disputes arising under this Agreement or in any way related to Employee's employment with Company cannot be resolved by the means provided under Article 8.1, the parties agree that they shall be resolved by binding arbitration. The parties understand and agree that by entering into this Agreement, they waive their rights to have such disputes resolved in court by a judge or jury and are choosing instead to have such disputes resolved by a neutral arbitrator.

8.3 Arbitration Procedure. The arbitration shall be before a single, neutral arbitrator in accordance with the National Rules for the Resolution of Employment Disputes of the American Arbitration Association ("AAA") in effect at the time a demand for arbitration is made. Those rules are available on the Internet at <http://www.adr.org> or by calling the AAA at 1-800-559-3222. The place of arbitration shall be Seattle, Washington, unless otherwise agreed by the parties. Should Employee seek arbitration, Employee is required to pay for arbitration fees only to the extent of the fee for filing a complaint or appearance at that time in the Superior

Court where the arbitration is held. The remaining arbitration fees shall be paid by Company. The Arbitrator, and not any court or agency, shall have authority to resolve any dispute relating to the interpretation, applicability, enforceability, or formation of this Agreement, including but not limited to any claim that all or any part of this Agreement is void or voidable. The parties agree that this substitution of forums involves no surrender by either party of any substantive statutory or common law right, protection, or defense, and that the same types of remedies may be awarded by the arbitrator as could be awarded by a court. The arbitration shall be final and binding upon the parties.

8.4 Claims Which Are Not Arbitrable. This Agreement does not extend to claims that Employee may have for workers' compensation or unemployment benefits. Further, nothing herein precludes Employee from initiating a complaint with the EEOC or any other regulatory or governmental agency. However, if such complaint is not resolved through conciliation or mediation before that agency, any action for money damages shall be submitted to arbitration pursuant to this Agreement.

8.5 Injunctive Relief Available. Notwithstanding this Agreement, either party may seek injunctive or provisional relief as provided for in Article 7.3 or as may be necessary to protect the rights or property of that party and to preserve the status quo pending the Arbitrator's determination of the merits of the controversy.

8.6 Enforcement. Either party may bring an action in any court of competent jurisdiction to compel arbitration under this Agreement and to enforce an arbitration award.

## **9. Miscellaneous.**

9.1 Survival. Employee understands that this Agreement shall be effective as of the date first written above and that the terms of this Agreement shall remain in full force and effect not only during the continuation of Employee's employment, but also after the termination of employment for any reason by Company or Employee.

9.2 Waiver. Failure of the Company to exercise or otherwise act with respect to any of its rights under this Agreement shall not be construed as a waiver of any breach, nor prevent the Company from thereafter enforcing strict compliance with any and all terms of this Agreement.

9.3 Severability. If any part of this Agreement shall be adjudicated to be invalid or unenforceable, as to duration, territory or otherwise, then such part shall be deemed deleted from this Agreement or amended, as the case may be, in order to render the remainder of this Agreement valid and enforceable.

9.4 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of Company, Company's successors and assigns, Employee and Employee's heirs, executors, administrators and legal representatives.

9.5 Governing Law; Venue. The validity, construction and enforceability of this Agreement shall be governed in all respects by the laws of the State of Washington, without

regard to its conflict of laws rules. Employee hereby consents and submits to the exclusive jurisdiction of the courts of the State of Washington and the U.S. District Court for the Western District of Washington with respect to any injunctive relief sought hereunder and agrees that Seattle, Washington shall be the exclusive venue of any such action seeking injunctive relief hereunder (unless, in Employer's judgment, injunctive relief may not be effective unless obtained in some other venue).

9.6 Titles and Captions. All section and paragraph titles and captions contained in this Agreement are for convenience only and shall not be deemed part of the context nor affect the construction or interpretation of this Agreement.

9.7 Waiver. The waiver by either party of any breach of any provision of this Agreement by the other party shall not operate or be construed as a waiver of any subsequent breach of the same provision or of any other provision of this Agreement.

9.8 Entire Agreement; Modification. This Agreement contains all of the understandings and agreements between the parties concerning matters set forth in this Agreement. The terms of this Agreement supersede any and all prior statements, representations and agreements by or between Company and Employee, or either of them, concerning the matters set forth in this Agreement. Employee acknowledges that no person who is an agent or employee of Company may orally or by conduct modify, delete, vary, or contradict the terms or conditions of this Agreement or this paragraph. This Agreement may be modified only by a written agreement signed by both parties.

**I HAVE READ AND FULLY CONSIDERED THE TERMS OF THIS AGREEMENT. I UNDERSTAND THAT BY ENTERING INTO THIS AGREEMENT I AM AGREEING, AMONG OTHER THINGS, TO SUBMIT DISPUTES RELATED TO EMPLOYMENT TO BINDING ARBITRATION INSTEAD OF LITIGATING THEM IN COURT. I ACKNOWLEDGE THAT I HAVE BEEN GIVEN THE OPPORTUNITY TO READ IN FULL THE TERMS OF COMPANY'S CLIENT CONTRACTS AND POLICIES TO WHICH I AM HEREBY AGREEING TO COMPLY. I HAVE HAD SUFFICIENT TIME TO CONSIDER THE TERMS OF THIS AGREEMENT, AND, HAVING DONE SO, VOLUNTARILY ENTER INTO IT BY SIGNING BELOW.**

IN WITNESS WHEREOF, the parties have signed this Agreement as of the date set forth above.

COMPANY:

EMPLOYEE:

MURPHY AND ASSOCIATES, INC.

By \_\_\_\_\_

Signature \_\_\_\_\_

Its \_\_\_\_\_

Printed Name \_\_\_\_\_