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# Reassessing the Enforceability of Non-Compete Clauses in Indonesia: Good Faith, Proportionality, and Comparative Insights from the United States

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## ABSTRACT

This article analyzes the enforceability of post-employment non-compete clauses in employment agreements, with particular emphasis on Supreme Court Decision No. 3549 K/Pdt/2023 juncto Supreme Court Decision No. 1248 PK/Pdt/2024. It explores how the Supreme Court interprets such clauses in balancing the protection of trade secrets with the constitutional right to work, and the limits of their application to ensure compliance with the principles of justice and proportionality. It employs a normative juridical method, utilizing a case approach and a comparative study with the United States law. The findings indicate that the Supreme Court starts to adopt a substantive approach by emphasizing the principles of good faith and proportionality, thereby reframing non-compete clauses not merely as restrictions on the right to work but as instruments for safeguarding legitimate business interests. This approach enhances the legal protection of trade secrets while promoting a fair balance between the interests of employers and employees. Accordingly, this article recommends the formulation of clearer judicial guidelines for assessing the enforceability of non-compete clauses and calls for more comprehensive regulatory frameworks to strengthen legal certainty and fairness in employment relationships.

## KEYWORDS

Non-Compete Clauses; Trade Secrets; Good Faith



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## INTRODUCTION

The evolution of modern employment relationships reflects a fundamental shift from traditional task-based work models toward knowledge-based employment relations. Employees no longer merely perform operational functions; they increasingly gain access to strategic information, trade secrets, and company-specific competitive advantages of high economic value.<sup>1</sup> In this context, the termination of an employment relationship does not automatically eliminate potential legal and economic risks for employers, particularly regarding the potential use or disclosure of trade secrets by former employees. Accordingly, post-employment conduct that facilitates or enables a competitor's access to a company's trade secrets and strategic information cannot be regarded as a purely private contractual issue.

From the perspective of competition law, such conduct may be qualified as a prohibited form of collusion, where it involves the acquisition or disclosure of confidential business information capable of distorting fair competitive conditions.<sup>2</sup> This interpretation aligns with Article 23 of Law No. 5 of 1999, which prohibits collusive practices that may lead to unfair business competition. Conversely, the Indonesian legal system recognizes the right to work and to freely choose one's employment as fundamental rights guaranteed by the 1945 Constitution of the Republic of Indonesia, the Human Rights Law, and the Manpower Law.<sup>3</sup> The tension between protecting trade secrets and safeguarding freedom of employment becomes increasingly pronounced when employment agreements contain post-employment restrictive covenants, particularly non-compete clauses.<sup>4</sup> These clauses have generated significant legal debate because they may restrict labor mobility while being viewed as preventive measures to protect legitimate business interests.

A number of prior studies demonstrate a dominant view that non-compete clauses are contrary to workers' fundamental rights. For example, Ria Sutarko and Sudjana conclude that non-compete clauses in employment agreements violate the freedom to choose one's employment and are therefore unenforceable under Indonesian law.<sup>5</sup> Similarly, Ahsana Nadiyya argues that non-compete clauses are null and void because they contravene the Manpower Law and the Human Rights Law and fail to satisfy the objective requirements for contractual validity under

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<sup>1</sup> Quri'syaich Say Mandari, Ernu Widodo & Fathul Hamdani, "Urgensi Hak Buruh dalam Kebijakan Pengupahan" (2025) 2:1 *Polit Progresif J Hukum, Polit dan Hum* 243–259, online: <<https://journal.lpkd.or.id/index.php/Progres/article/view/1339>>.

<sup>2</sup> Ismail Rumadan et al, *Kewenangan Pengadilan Niaga dalam Mengadili Permohonan Keberatan atas Putusan Komisi Pengawas Persaingan Usaha Tidak Sehat* (Jakarta: Kencana Prenada Media Group, 2021).

<sup>3</sup> Sri Muliana Azhari & Heru Susetyo, "Perbandingan Kebijakan Indonesia dan Malaysia Mengenai Pemberian Hak Untuk Bekerja" (2024) 6:3 *UNES Law Rev* 8743–8755, online: <<https://review-unes.com/law/article/view/1761>>.

<sup>4</sup> Matt Malone, "Non-Competes and Protections for Confidential Information and Trade Secrets: Reconsidering the Public Interest" (2021) 36 *Can Intellect Prop Rev* 1–38, online: <[https://ipic.ca/\\_uploads/61a14159c370d.pdf](https://ipic.ca/_uploads/61a14159c370d.pdf)>.

<sup>5</sup> Ria Sutarko & Sudjana, "Klausul Non-Kompetisi dalam Perjanjian Kerja Dikaitkan dengan Prinsip Kerahasiaan Perusahaan dalam Perspektif Hak untuk Memilih Pekerjaan Berdasarkan Hukum Positif Indonesia" (2018) 1:1 *Al Amwal* 90–100, online: <<http://ojs.staibhaktipersada-bandung.ac.id/index.php/Alamwal/article/view/10>>.



Article 1320 of the Indonesian Civil Code.<sup>6</sup> Moreover, Windi Afdal and Wulan Purnamasari further emphasize that the inclusion of non-compete clauses conflicts with constitutional labor rights and reflects a policy orientation that potentially undermines labor protection.<sup>7</sup>

However, not all scholars adopt an absolute rejection of non-compete clauses. For instance, Wahyu Prasetyono argues that such clauses may be considered valid if they are formulated in a limited and clear manner and accompanied by adequate compensation, particularly for employees with access to strategic company information.<sup>8</sup> Furthermore, Muhammad Bisri Affandi acknowledges the absence of explicit regulation governing non-compete clauses under Indonesian law but emphasizes that their assessment must be grounded in the principles of equal freedom and substantive justice.<sup>9</sup>

Despite their important contributions, prior studies generally frame non-compete clauses within a rigid dichotomy of “prohibited or permitted” and rely predominantly on textual normative analysis without paying insufficient attention to developments in cassation-level judicial practice. Moreover, comparative perspectives—particularly those that have developed a reasonableness or proportionality test to non-compete clauses—remain relatively underexplored. In this regard, Supreme Court Decision No. 3549 K/Pdt/2023 *juncto* Supreme Court Decision No. 1248 PK/Pdt/2024 reflects a shift in judicial reasoning. Rather than treating non-compete clauses solely as restrictions on the right to work, the Supreme Court evaluates them through the principles of good faith, protection of trade secrets, and proportionality. This approach expands the conceptual framework of Indonesian civil and labor law by emphasizing a balanced assessment of the parties' interests.

Accordingly, this study has both urgency and academic significance. It reassesses the legal construction of non-compete clauses by analyzing the aforementioned Supreme Court decision and comparing it with legal practice in the United States. The novelty of this research lies in its effort to reconceptualize non-compete clauses not merely as prohibitions on employment, but as legitimate civil law instruments that comply with standards of good faith and proportionality, thereby contributing to doctrinal development and the future direction of Indonesian labor law.

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<sup>6</sup> Ahsana Nadiyya, “Analisis Pengaturan Klausul Non-Kompetisi dalam Perjanjian Kerja: Studi Perbandingan Indonesia, Malaysia, dan Singapura” (2021) 11:2 *Humani* (Hukum dan Masyarakat) 412–424, online: <<https://journals.usm.ac.id/index.php/humani/article/view/4370>>.

<sup>7</sup> Windi Afdal & Wulan Purnamasari, “Kajian Hukum Non-Competition Clause dalam Perjanjian Kerja Menurut Perspektif Hukum Indonesia” (2021) 7:2 *Komun Huk* 828–842, online: <<https://ejournal.undiksha.ac.id/index.php/jkh/article/view/38705>>.

<sup>8</sup> Wahyu Prasetyono, *Analisa Hukum Keabsahan Perjanjian Kerja yang Memuat Klausul Non-Kompetisi (Non-Competition Clause) (Studi Putusan Nomor 325/Pdt.G/2018/Pn Cbi)* Universitas Islam Indonesia, 2023 [unpublished].

<sup>9</sup> Muhammad Bisri Affandi et al, “Eksaminasi Putusan Klausul Non-Kompetisi Berdasarkan Teori Keadilan: Studi Putusan No. 459/PDT/2019/PT.BDG” (2024) 6:2 *As-Syar'i J Bimbingan Konseling Kel* 1938–1946, online: <<https://journal.laaroiba.com/index.php/as/article/view/6773/4472>>.



## METHOD

This study adopts a normative juridical research method conducted through library-based research, focusing on the analysis of legal norms and judicial practice governing non-compete clauses in employment agreements. A case approach is employed through an in-depth examination of Supreme Court Decision No. 3549 K/Pdt/2023 *juncto* Supreme Court Decision No. 1248 PK/Pdt/2024, with particular attention to the legal reasoning in applying the principles of good faith, protection of trade secrets, and proportionality in post-employment relationships. In addition, this research employs a comparative law approach by examining the United States legal system, particularly the doctrines of restraint of trade and the application of the reasonableness test in the enforcement of non-compete clauses. The legal materials examined consist of primary legal materials, including statutes and court decisions, as well as secondary legal materials, including legal literature and scholarly journals. These materials are analyzed qualitatively through systematic, comparative interpretation to generate prescriptive conclusions regarding the balanced and equitable limits of non-compete clause enforceability.

## RESULT & DISCUSSION

### **I. Non-Compete Clauses and the Protection of Trade Secrets in Supreme Court Decision No. 3549 K/Pdt/2023 *juncto* Supreme Court Decision No. 1248 PK/Pdt/2024**

Supreme Court Decision No. 3549 K/Pdt/2023 *juncto* Supreme Court Decision No. 1248 PK/Pdt/2024 arose from an employment relationship between PT Berca Schindler Lifts as the employer and Shara Agustina as a marketing employee. As in every employment relationship, rights and obligations are attached to both parties, with the employment agreement serving as the primary legal instrument delineating those rights and obligations.<sup>10</sup> From the outset, the agreement contained a clause obligating the employee to protect the company's trade secrets and prohibiting employment with a competing company for a period of twelve months following the termination of employment.<sup>11</sup> The clause was designed to protect the company's strategic information to which the employee had access during the course of her employment. However, following her resignation, the Defendant joined a competing company operating in the lift and elevator industry, without complying with the agreed waiting period.<sup>12</sup>

At the first-instance level, the Bekasi District Court, through Decision No. 545/Pdt.G/2021/PN Bks, rejected the Plaintiff's claims in their entirety. The court treated the non-compete clause primarily as an unjustifiable restriction on the freedom to work, without conducting a substantive analysis of its relationship to trade secret protection. This perspective was then subsequently upheld by the

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<sup>10</sup> Dewa Gede Giri Santosa, "Perjanjian Kerja Waktu Terwas tentu Pasca Undang-Undang Cipta Kerja: Implementasi Dan Permasalahannya" (2021) 17:2 DiH J Ilmu Huk 178-191, online: <<https://jurnal.untag-sby.ac.id/index.php/dih/article/view/4657>>.

<sup>11</sup> Dwi Sugiarto, *Klausula Perjanjian Kerja Mengenai Larangan Bekerja di Perusahaan Sejenis dalam Jangka Waktu Tertentu Bukan Pelanggaran HAM* (Jakarta: Kepaniteraan Mahkamah Agung Republik Indonesia, 2025).

<sup>12</sup> *Ibid.*



Bandung High Court in Decision No. 753/PDT/2022/PT BDG. Both *judex facti* decisions reflected an absolutist worker-protection paradigm, implicitly positioning non-compete clauses as inherently incompatible with labor law and human rights principles.

At the cassation level, however, the Supreme Court overturned the *judex facti* decisions. Through Decision No. 3549 K/Pdt/2023, the court granted the Plaintiff's claim, while the judicial review petition was rejected in Decision No. 1248 PK/Pdt/2024 on the ground that the cassation judgment did not contain any fundamental error warranting reconsideration. In its cassation reasoning, the Supreme Court reconceptualized the non-compete clause not as an absolute restriction on the freedom to work, but as an integral component of the employment agreement aimed at protecting specific legal interests, particularly trade secrets. The court emphasized that the non-compete clause was a direct extension of the employee's obligation to maintain the confidentiality of company information that had been agreed upon by the parties since the inception of the employment relationship. Consequently, the clause did not operate as an independent prohibition on employment, but rather as a safeguard embedded in the relationship of trust between the employee and the employer, especially given the Defendant's position as a marketing employee who inherently had access to the company's strategic information.

The Supreme Court explicitly linked the enforceability of the non-compete clause to the trade secret protection regime. The judges' legal reasoning affirmed that the employment agreement did not contravene the Human Rights Law or the Manpower Law, as the substance of the post-employment restriction was directly connected to the protection of trade secrets under the Trade Secret Law. Given the Defendant's tenure of more than 10 years, during which she had acquired and mastered sensitive company information, thereby giving rise to a continuing obligation not to misuse such information, persisted beyond the termination of the employment. Within this framework, the twelve-month waiting period was considered a reasonable preventive instrument to mitigate the risk of trade secret leakage to competitors.

The Supreme Court's construction of breach of contract (*wanprestasi*) demonstrates its substantive approach. Unlike the *judex facti*, the Supreme Court did not require proof of actual and measurable disclosure of trade secrets. Instead, it assessed the existence of a contractual breach based on the failure to comply with the agreed waiting period. The Defendant's immediate employment with a competitor was regarded as a strong indicator of bad faith and a violation of contractual obligations as contemplated under Article 1243 of the Indonesian Civil Code. Accordingly, *wanprestasi* was not constructed merely as a formal failure to perform contractual obligations, but as a breach of the substantive elements of post-employment trust and loyalty.

Furthermore, the Supreme Court affirmed the existence of a causal link between the breach of the non-compete clause and the actual losses suffered by the Plaintiff. Such losses did not need to be quantified with economic precision, but could be inferred from the direct risk of strategic information leakage, resulting from the contractual breach. The award of damages amounting to IDR 100,000,000 reflects the application of the principles of reasonableness and proportionality,



correcting excessive claims while imposing an effective civil sanction to reinforce trade secret protection.

Taken together, Supreme Court Decision No. 3549 K/Pdt/2023 *juncto* Supreme Court Decision No. 1248 PK/Pdt/2024 affirms a paradigmatic shift in the assessment of non-compete clauses. The focus has shifted from an exclusive emphasis on the freedom to work toward a balanced interest-based approach. Non-compete clauses are perceived as legitimate civil law instruments insofar as they are directly connected to the protection of trade secrets, temporally limited, and implemented in good faith. This reasoning strengthens the legitimacy of non-compete clauses in Indonesian civil law as mechanisms for protecting lawful interests, rather than as discriminatory restrictions on the right to work.

## II. The Principles of Good Faith and Proportionality in Judicial Assessment

The principle of good faith constitutes a cornerstone of Indonesian contract law, governing not only the formation and performance of agreements but also extending beyond their termination, where the obligations remain relevant.<sup>13</sup> In employment relationships, this principle manifests as a residual duty of loyalty, particularly for employees entrusted with trade secrets and strategic information.<sup>14</sup> Supreme Court Decision No. 3549 K/Pdt/2023 *juncto* Supreme Court Decision No. 1248 PK/Pdt/2024 demonstrates that good faith is not confined temporally during the employment, but operates as a continuing standard of conduct where post-employment obligations serve a legitimate legal purpose.

This approach marks a significant departure from the formalistic understanding that previously dominated Indonesian judicial practice. In many earlier cases, courts often assessed non-compete clauses solely from the perspective of labor protection and human rights, without examining the parties' conduct or the presence of bad faith. For example, in the dispute between PT Metindo Perkasa and Rany Puspitasari (Bandung High Court Decision No. 459/PDT/2019/PT.BDG), the court rejected the enforceability of the non-compete clause on worker-protection grounds without conducting an in-depth examination of whether the employee had acted in bad faith or exploited confidential information. Such reasoning reflects an absolutist worker-protection paradigm that insufficiently accounts for the modern realities of information-driven employment relationships.

In contrast, the Supreme Court in the present case treated good faith as the primary parameter in assessing contractual breach. The Defendant's immediate employment with a competitor, in disregard of the agreed waiting period, was interpreted as a conscious violation of contractual obligations and, therefore, as indicative of bad faith. This assessment aligns with contemporary civil law doctrine, which conceives good faith as an objective standard of conduct rather than merely a subjective intention, and as a tool for evaluating the reasonableness of the exercise of the parties' rights and obligations.

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<sup>13</sup> Yeri Antoni et al, "Keabsahan Jual Beli di Market Place Shopee dengan Sistem Mystery Box Ditinjau dari Perspektif Hukum Perdata" (2025) 9:1 Lex J Kaji Huk dan Keadilan 187-210, online: <<https://ejournal.unitomo.ac.id/index.php/hukum/article/view/11039>>.

<sup>14</sup> Rizki Nur Annisa, Adi Sulistiyono & Emmy Latifah, "Urgensi Kontrak Kerja yang Berkeadilan sebagai Upaya Perlindungan Hukum Rahasia Dagang" (2018) 47:4 Masal Huk 357-373, online: <<https://ejournal.undip.ac.id/index.php/mmh/article/view/19890/14361>>.



In addition to the principle of good faith, the principle of proportionality serves as a critical tool for evaluating the legitimacy of non-compete clauses. Proportionality requires that post-employment restrictions be limited to what is necessary to protect legitimate legal interests, without exceeding that purpose.<sup>15</sup> The Supreme Court implicitly applied this principle by assessing the twelve-month restriction as a reasonable duration, given the Defendant's position, length of service, and access to trade secrets. The restriction was neither indefinite nor exclusionary of all employment opportunities, but was narrowly targeted to employment within the same line of business for a defined period.

This approach contrasts with the tendency of first-instance and appellate court decisions to reject non-compete clauses without examining their reasonable limits. From a doctrinal perspective, proportionality assessment enables judges to distinguish between excessive restraints and legitimate protective measures. Without such an assessment, judicial reasoning risks being reduced to a narrow dichotomy between labor protection and business interests, neglecting the balance inherent in contractual justice.

Furthermore, Supreme Court Decision reasoning No. 3549 K/Pdt/2023 *juncto* Supreme Court Decision No. 1248 PK/Pdt/2024 reflects a shift in judicial reasoning from formalistic evaluation toward a substantive approach. Judges no longer confine their analysis to the mere existence of a non-compete clause but also examine its design, implementation, and breach within the concrete context of the employment relationship. This shift enhances the judiciary's role as a balancer of interests and opens doctrinal space for a contextual reasonableness standard in post-employment relationships.

Accordingly, the principles of good faith and proportionality operate as a conceptual bridge between the freedom to work and the protection of trade secrets. This Supreme Court decision demonstrates that the legitimacy of non-compete clauses is not determined a priori, but depends on a substantive assessment of the parties' conduct and the reasonable limits of the restriction. Nevertheless, in the absence of consistent judicial guidelines, the application of these principles remains susceptible to divergent interpretations, underscoring the urgent need for further doctrinal development and clearer practical judicial guidance.

### **III. A Comparative Analysis of Non-Compete Clause Enforcement in the United States**

The approach adopted by the Indonesian Supreme Court in the present case shows a conceptual convergence with the reasonableness test developed in United States law, notwithstanding differences in legal tradition. In the United States, non-compete clauses are understood as contractual instruments within the principal-agent relationship, designed to protect legitimate employers' interests, particularly trade secrets and business investments, while providing *ex ante* notice to employees

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<sup>15</sup> Muhammad Firman Ahsan, "Pengadopsian Asas Proporsionalitas dalam Kontrak Kerja Berdasarkan Undang Undang Cipta Kerja" (2025) 3:6 Sains Student Res 789-797, online: <<https://ejurnal.kampusakademik.co.id/index.php/jssr/article/view/6862/5973>>.



regarding post-employment restrictions.<sup>16</sup> These clauses are designed to reduce future conflict through the clarification of the parties' expectations. Therefore, these clauses serve as preventive mechanisms in information-based employment relationships rather than as absolute prohibitions on labor mobility.

In U.S. jurisprudence, the enforceability of non-compete clauses is generally assessed under the reasonableness test as articulated in Restatement (Second) of Contracts § 188. This test examines whether a restraint exceeds what is necessary to protect legitimate business interests or whether those interests are outweighed by the burden imposed on the employee and potential harm to the public interest. Factors commonly considered include duration, geographic scope, and the nature of the restricted activities. This assessment of reasonableness is contextual and flexible, emphasizing a balance of interests among business protection, individual freedom, and broader economic considerations.<sup>17</sup>

While Indonesia adopts a relatively homogeneous normative framework, U.S. practice is marked by significant interstate variation. California and North Dakota, for example, impose nearly a prohibition on non-compete clauses, based on the policy premise that labor mobility and economic innovation are better served in the absence of post-employment restraints.<sup>18</sup> California's success as a hub of the technology industry is frequently cited as evidence that prohibiting non-compete clauses may promote innovation rather than undermine business interests. Conversely, Florida's statutory regime explicitly prioritizes the protection of employers' business interests,<sup>19</sup> so long as they serve to protect legitimate business interests, whereas employees' economic hardship may not be considered a primary factor.

Most U.S. states occupy the middle ground, applying common law reasonableness tests that vest judges with a central role as arbiters of the balance of interests, rather than as mere enforcers of contractual text. This approach underscores that non-compete clauses are neither inherently valid nor inherently invalid, but depend on the proportionality of the restraint and the concrete context of the employment relationship. Recent trends in U.S. case law even indicate a more restrictive stance toward non-compete clauses, in line with growing concern for labor mobility and the knowledge-based economy, although the clauses themselves are increasingly drafted in narrower and more specific terms.

Against this background, Supreme Court Decision No. 3549 K/Pdt/2023 *juncto* Supreme Court Decision No. 1248 PK/Pdt/2024 demonstrates an implicit adoption of the logic underlying the reasonableness test. Rather than automatically

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<sup>16</sup> Jay P Kesan & Carol M Hayes, *The Law and Policy of Non-Compete Clauses in the United States and Their Implications, in Business Innovation and employers'the Law* (Northampton: Edward Elgar Publishing, 2013).

<sup>17</sup> Hui Shangguan, "A Comparative Study of Non-Compete Agreements for Trade Secret Protection in the United States and China" (2016) 11:5 *Washingt J Law, Technol Arts* 405-438, online: <<https://digitalcommons.law.uw.edu/wjlta/vol11/iss5/3/>>.

<sup>18</sup> Robert W Gomulkiewicz, "Leaky Covenants-Not-to-Compete as the Legal Infrastructure for Innovation" (2015) 49 *UC Davis Law Rev* 251-304, online: <<https://digitalcommons.law.uw.edu/faculty-articles/65/>>.

<sup>19</sup> Hyo Kang & Lee Fleming, "Non-competes, Business Dynamism, and Concentration: Evidence from a Florida Case Study" (2020) 29:3 *J Econ Manag Strateg* 663-685, online: <[https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3172477](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3172477)>.



invalidating or enforcing the non-compete clause, the court assessed its duration, the employee's strategic position, length of service, and potential access to trade secrets. The finding of bad faith on the defendant and the determination that a twelve-month waiting period was reasonable reflect functional convergence with U.S. interest-balancing principles, despite Indonesia's civil law system.

The comparative relevance of U.S. practice lies in doctrinal flexibility. Rather than imposing absolute prohibitions or permissions, a reasonableness-based approach enables Indonesian judges to assess non-compete clauses contextually, taking into account industry characteristics, the employee's position, and the public interest. At the same time, structural differences between the two legal systems caution against mechanical adoption. Labor market conditions, industrial structures, and levels of social protection in Indonesia differ significantly from those in the United States. Accordingly, what is relevant to adopt is not a particular normative model, but rather an evaluative methodology that emphasizes proportionality, good faith, and the balancing of interests.

This comparative study demonstrates that Supreme Court Decision No. 3549 K/Pdt/2023 *juncto* Supreme Court Decision No. 1248 PK/Pdt/2024 may be understood as an initial step toward a more mature and nuanced judicial approach to non-compete clauses in Indonesia. As in the United States practice, the legitimacy of such clauses is not determined by their form alone, but by the reasonableness of their substantive content. The remaining challenge in Indonesian law lies in developing a consistent and predictable evaluative framework, either through sustained jurisprudence or normative guidelines, so that the balance between business protection and the freedom to work may be maintained fairly and contextually.

## CONCLUSION

This study affirms that Supreme Court Decision No. 3549 K/Pdt/2023, *juncto* Supreme Court Decision No. 1248 PK/Pdt/2024, represents a significant shift in the assessment of non-compete clauses in Indonesia, from an absolutist paradigm centered on the freedom to work toward a balanced, interest-based approach between employees and employers. The Supreme Court positions non-compete clauses as legitimate civil law instruments, provided that they are directly connected to the protection of trade secrets, narrowly tailored in scope and duration, and implemented in good faith. By construing breach of contract (*wanprestasi*) substantively, focusing on post-employment conduct, residual loyalty, and the risk of information leakage, this decision enriches the doctrine of *wanprestasi* and reinforces the role of the principles of good faith and proportionality as primary parameters in resolving post-employment disputes.

From a comparative perspective, this judicial approach demonstrates functional convergence with the reasonableness test applied in United States law, notwithstanding its differences in legal tradition. The legal implication is an enhanced doctrinal legitimacy of non-compete clauses within Indonesian civil and labor law, accompanied by a heightened need for consistency in judicial assessment to prevent divergent outcomes. Accordingly, this study recommends the formulation of clear evaluative guidelines for non-compete clauses grounded in the principles of reasonableness, good faith, and proportionality, whether through



sustained jurisprudence or normative regulation, so that the protection of trade secrets and the freedom to work may be preserved in a balanced, predictable, and contextually sensitive manner.

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The authors state that there is no conflict of interest in the publication of this article.

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