

Non-Compete Risk Assessment

A 15-minute self-audit before you start a side business while employed.

Print this, grab your employment contract, and work through all six sections. Score at the end.

Free checklist by [InvisibleExit](#). This is a self-education tool, **not legal advice** — for contract-specific decisions, consult an employment attorney in your jurisdiction.

Section 1 — Contract Clauses (find your contract first)

Locate each clause in your employment agreement and mark what you find.

#	Clause to find	Found?	Risk if present
1.1	Non-compete clause (restricts working for/starting competitors)	☐ Yes ☐ No	HIGH
1.2	Non-solicitation clause (clients or colleagues)	☐ Yes ☐ No	MEDIUM
1.3	IP-assignment clause ("all inventions belong to employer")	☐ Yes ☐ No	HIGH
1.4	"Moonlighting" / outside-employment clause (requires disclosure or approval)	☐ Yes ☐ No	MEDIUM
1.5	Conflict-of-interest policy referenced in handbook	☐ Yes ☐ No	MEDIUM
1.6	Exclusivity clause ("full time and attention")	☐ Yes ☐ No	MEDIUM
1.7	Confidentiality / trade-secrets clause	☐ Yes ☐ No	LOW*

Low only if your side business uses zero employer information.*

Score: +3 for each HIGH found, +2 for each MEDIUM, +1 for each LOW. → **Section 1 total:** ____

Section 2 — IP Assignment Deep-Dive (the clause that catches most people)

- ☐ 2.1 Does the IP clause cover inventions made **outside working hours**? (+3 if yes)
- ☐ 2.2 Does it cover inventions made **without employer equipment**? (+3 if yes)
- ☐ 2.3 Does it cover work "related to the employer's business or anticipated R&D"? (+2 if yes)
- ☐ 2.4 Are you in a state/country with statutory carve-outs (e.g. California §2870, Washington, Illinois, Minnesota, Delaware, Germany's Employee Invention Act)? (−3 if yes)
- ☐ 2.5 Is there a signed "prior inventions" exhibit you could have listed projects on? (−1 if yes and used)

Section 2 total: ____

Section 3 — Overlap With Your Employer

- ☐ 3.1 Is your side-business idea in the **same industry** as your employer? (+3 if yes)
- ☐ 3.2 Could your employer's customers plausibly buy your product? (+3 if yes)
- ☐ 3.3 Does your idea use knowledge you could **only** have gained at this job (pricing, roadmap, customer lists)? (+4 if yes — stop, pick another idea)
- ☐ 3.4 Would a reasonable colleague describe your product as "what we do, but smaller"? (+4 if yes)
- ☐ 3.5 Is your idea in a completely unrelated industry? (−3 if yes)

Section 3 total: ____

Section 4 — Operational Hygiene

- ☐ 4.1 Have you ever opened side-project files/repos/email on a work device? (+3 if yes)
- ☐ 4.2 Have you used a work email to register anything for the project? (+3 if yes)
- ☐ 4.3 Have you worked on it during compensated hours? (+3 if yes)
- ☐ 4.4 Do you use employer-licensed software/subscriptions for it? (+2 if yes)
- ☐ 4.5 Is the project on separate hardware, accounts, and network entirely? (−2 if yes)

Section 4 total: ____

Section 5 — Identity Exposure

- ☐ 5.1 Is your real name on the product website, blog, or social accounts? (+2 if yes)
- ☐ 5.2 Is your domain WHOIS record unproxied (shows your name/address)? (+2 if yes)
- ☐ 5.3 Do payments land in an account bearing your personal name? (+2 if yes)
- ☐ 5.4 Have you told any colleague about the project? (+2 if yes)
- ☐ 5.5 Is the business run through an entity with a registered agent, privacy-protected domain, and faceless brand? (−3 if yes)

Section 5 total: ____

Section 6 — Jurisdiction Modifiers

- ☐ 6.1 Non-competes banned or heavily restricted where you work (e.g. California, Oklahoma, North Dakota, Minnesota)? (−3 if yes)
- ☐ 6.2 You earn below your jurisdiction's non-compete enforceability threshold? (−2 if yes)
- ☐ 6.3 You're in a jurisdiction known for broad enforcement (e.g. Florida, Texas for executives)? (+2 if yes)

Section 6 total: ____

Your Risk Score

Grand total (Sections 1–6): ____

Score	Risk level	What it means
≤ 5	 LOW	Standard hygiene is enough. Follow the stealth rules and build.
6–14	 MODERATE	Buildable, but fix every +2/+3 item you can before launch. Consider a 1-hour attorney consult.
15–24	 ELEVATED	Do not launch in your employer's industry. Restructure (new idea, entity, full separation) first.
≥ 25	 HIGH	Stop. Get an employment attorney to review your contract before doing anything else.

The 5 fixes that lower almost any score

1. **Pick a non-overlapping idea** — different industry, different buyer (fixes Section 3).
2. **Total device/account separation** — personal laptop, new email, personal network only (fixes Section 4).
3. **Faceless brand + entity** — LLC with registered agent, WHOIS privacy, no real name anywhere (fixes Section 5).
4. **Zero employer resources, zero compensated hours** — makes most IP claims dramatically weaker (fixes Sections 2 & 4).
5. **Know your carve-outs** — many jurisdictions protect off-hours, off-equipment, non-overlapping inventions (fixes Section 6).

Want this automated? The [InvisibleExit Stealth Ops Hub](#) runs a full invisibility audit and blocks your launch until your stealth score is ≥ 80/100. Scan your actual contract free at invisibleexit.com/tools/non-compete-scanner.

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