# Exhibit 7

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DEFENDANT

# JUDGEMENT

# DISTRICT COURT OF AMSTERDAM

# INTERLOCUTORY PROCEEDINGS

Subdistrict Sector

Location Amsterdam

Case number: 968215 KK EXPL 08-639 Judgement of: 13 August 2008 F. no.: 182

## Judgement in interlocutory proceedings by the subdistrict court judge

Concerning

#### **R.P.J. DE MOS,**

residing in Leidschendam plaintiff, hereinafter referred to as De Mos authorised representative: J.P. Koets,

against:

# IBM Nederland NV,

established in Amsterdam, defendant, hereinafter referred to as IBM authorised representative: E.J. Henrichs

# **COURSE OF THE PROCEEDINGS**

By summons of 10 July 2008 Mos claimed a preliminary injunction.

At the session held on 1 August 2008 the oral proceedings took place.

Mos appeared in person accompanied by his authorised representative. IBM appeared in the person of Mr H. van Dorenmalen, managing director and assisted by his authorised representative. The parties explained their positions on the basis of notes and subsequently requested a stay for further consultation among themselves.

By letter dated 6 August 2008 they then advised that no solution had been achieved and requested a decision.

The judgement was then set for today.

## **GROUNDS OF THE DECISION**

- 1. The following have been established and insufficiently contradicted:
  - a. Mos has been employed by IBM since 1 April 2002, since 1 November 2005 as "vice-president Global Technology Sources IMT Benelux".
  - b. Since September 2006 Mos has been part of IBM's "Integration & Value Team" (hereinafter referred to as IVT). He shares that membership with approximately 300 senior Executives at IBM from throughout the world, who jointly determine IBM's worldwide strategy and ensure implementation of the decisions taken in that context.
  - c. In connection with Mos's accession to IVT he agreed a non-competition clause with IBM on 27 July 2006. Article 1b of that clause reads as follows:

You acknowledge and agree that during your employment with IBM and for one (1) year, following the termination of your employment either by you for any reason, by IBM, for "Cause" as defined under 2(b) of this agreement, or by IBM without cause, to make certain payments to you, you will not directly of indirectly within the "Restricted Area" as defined under 2(d) of this Agreement

(i) "Engage in or Associate with" (a) any "Business Enterprise" or (b) any significant competitor or major competitor of the company; or (ii) solicit, for competitive business purposes, any customer of the Company with which you were involved as part of your job responsibilities during the last one (1) year of your employment with the Company. You further agree that, for the two (2) year period following the termination of your employment by either you or by IBM for any reason, you will not directly or indirectly within the "Restricted Area", hire, solicit or make an offer to any employee of the Company to be employed or perform services out the side the company.

*i. If you are in breach of the obligations as defined under 1(b), you shall owe the Company without any demand of other prior notice a non-recurrent penalty of Euro 25.000. to be increased by a penalty of Euro 5000.- for each day, including a portion of a day, that the breach continues. The company shall be entitled to the penalty without prejudice to any claim, for performance of the obligations as defined under 1 (b). The Company shall have the right to claim damages in addition to the aforementioned penalty.* 

Article 2 d of the clause reads:

For purposes of this Agreement. The term "Restricted Area" shall mean any geographic area in the world for which you had job responsibilities during the last twelve (12) months of your employment with the Company.

- d. For membership of IVT and its sub-committees the members, including Mos, receive in addition to their regular income a substantial reimbursement in shares. For 2006 this was some US\$ 100,000 for Mos. For 2007 US\$ 57,000.
- e. In the recent past, in addition to his function within IBM in the Benelux countries and his work for IVT, Mos has carried out substantial work in South-West Europe.
- f. Mos resigned his employment at IBM on 20 May 2008, effective 1 July 2008, to take up employment at Unisys on that date.
- g. IBM suspended Mos with effect from 2 June 2008.

#### Claim

- 2. Mos claims as relief in the dispute that divides the parties (in summary) suspension of the noncompetition clause, in so far as invocation of the clause applies, in so far as the clause covers an area outside the Benelux countries and outside the business contacts with whom Mos has worked during the last year at IBM. Subsidiarily Mos claims compensation of €10,000 per month during the period of one year from 1 July 2008.
- 3. Mos argues in this context first of all that the clause is limited to the restricted area, the Benelux countries. Since he worked for IBM in that part of the world. Another argument against maintenance of the clause as IBM deems applicable is that his new employer cannot be regarded as a competitor and if only in terms of size is not a serious player on the stage on which IBM appears worldwide. Moreover in terms of position and income Mos can improve himself substantially by taking up employment with Unisys.
- 4. IBM takes the view that the non-competition clause applies in full and throughout the world. Mos's work for IVT was in fact of a pronounced global nature.

### Judgement

- 5. In these interlocutory proceedings it has to be assessed, on the basis of the facts presented by the parties and without further investigation, whether Mos's claim has such chance of success in an action on the substance of the case (*bodemprocedure*) that, acting in anticipation thereof, granting at this stage is justified.
- 6. The subdistrict court adopts the assumption that IBM and Unisys are businesses that compete with each other. This is already apparent from the fact that Mos recognises that he is tied to the clause in respect of the Benelux countries.
- 7. That, although, as Mos has submitted, Unisys may be smaller than IBM, this says nothing about the degree to which it may compete against IBM.
- 8. It is moreover not disputed that, for a year after the end of his employment, Mos is not permitted to work for Unisys in the Benelux countries and in that period to serve business contacts with whom he also did business at IBM. Mos has agreed to respect these limitations to his freedom of action.
- 9. The major point of dispute between the parties is the question of whether the non-competition clause applies only within the Benelux countries or not. In view of the provision of article 2d of the clause the term "restricted area" within which the clause is effective means any area for which Mos had "job responsibility" in the year preceding the end of the employment. It has been sufficiently established for the subdistrict court that membership of IVT constituted a significant part of Mos's work. First of all there is the reimbursement that he received as a member of ITV. In addition it is not denied that only a few people and in fact the best people are selected to form part of this team and that they had to apply for extension of their membership every year. This points to a direct relationship with the regular work and the manner in which this was carried out. It has also been sufficiently established that within ITV significant issues, including worldwide group strategy were topics of discussion, consultation and decision-making.

## District Court of Amsterdam, Subdistrict Sector, Amsterdam KK 08-639

- 10. Then there is also the fact that the non-competition clause was entered into at the same time as the admission of Mos to ITV. This means that it is the understanding of the sub-district court that it will be assumed that precisely the activities in and around ITV fall under the clause and will be counted as part of Mos's job responsibility. It follows from this that the clause has worldwide effect for Mos.
- 11. Mos's second defence is that the clause, as IBM wishes to apply it, affects his interests disproportionately, compared with the interests that IBM may have in undiminished enforcement.
- 12. In this regard Mos has pleaded among other things that it is impossible for him for a period of a year to undertake similar work and that in that period he will therefore not be able to earn an income. This is partly true; partly, as Mos ignores the fact that nothing prevents him from using his talents in another sector of society.
- 13. Moreover Mos has chosen to terminate his employment with IBM and despite the warning from IBM that he had to respect the clause worldwide and the requests by IBM to reconsider his decision to leave, chose to continue on the path he had chosen.
- 14. It is also to Mos's disadvantage that as it has emerged, the fact that IBM is invoking worldwide operation of the clause is a direct result of Mos's choice to join ITV or not to terminate his membership of IVT well (for example a year) in advance of his termination of the contract of employment.
- 15. It has not emerged that the improvement of Mos's financial position is such that IBM cannot reasonably hold Mos to the clause.
- 16. There is no place for payment as requested by Mos to compensate him for his loss of income since Mos opted himself to give up his position at IBM and it has not emerged that compelling reasons other than possibly improvement in Mos's position and income carried weight.
- 17. The above means that Mos's claims are rejected.
- 18. As the unsuccessful party, Mos will be ordered to pay the costs of the proceedings.

#### Decision

The subdistrict court:

- I rejects the claims;
- II. orders Mos to pay the costs of the proceedings estimated to date at €400 of salary of the authorised representative, including VAT in so far as due.

Thus pronounced by A.J.T. Karskens, subdistrict court judge, and pronounced in public session on 13 August 2008 in the presence of the clerk of the court.

# District Court of Amsterdam, Subdistrict Sector, Amsterdam KK 08-639

page 5

The clerk of the court

The subdistrict court judge

[signatures]