

## Important Recent Development in French Case Law

October 12, 2009

A French court decision affects the mobility clauses inserted into employment contracts governed by French law.

By a decision dated September 23 (Société Renault Reagroup n° 07-44.200 FS-PBR), the Cour de cassation (French Supreme Court) reversed the decision of a court of appeal that had sustained the use of an employment contract provision whereby the employee accepted in advance any transfer to another company within that employer's company group. According to the Cour de cassation, such a clause is null and void on the grounds that "an employee cannot accept a change of employer in advance."

Employers should review all employment contracts governed by French law to determine whether they include intra-group mobility clauses.

As a result of the new case law, these intra-group mobility clauses are henceforth invalid. The employer can no longer require an employee to transfer to another company without his or her written consent. An employee's refusal of a transfer does not constitute valid grounds for termination of the working relationship.

If you would like more information on the issues discussed in this LawFlash, please contact any of the following Morgan Lewis attorneys:

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