

Written Statement of Hayley Paige Gutman
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Introduction

I am Hayley Paige, a wedding dress designer and the co-founder of SHE IS CHEVAL. From a young age, I was destined to design wedding dresses. My journey through childhood, education, and industry experience was dedicated to perfecting my craft and bringing joy to women through my designs. Wedding dress design is my identity, passion, and contribution to society.

The bridal fashion industry and brides embraced me. My designs graced the racks of over 250 stores, including Nordstrom and Anthropologie, and gained international acclaim. I was featured on "Say Yes to the Dress" and named one of Vogue's Top Ten bridal designers. The success and recognition I achieved were a testament to my dedication, hard work ethic, and the American Dream.

However, my journey took a harrowing turn when I faced a restrictive noncompete clause. This clause not only stifled my ability to work but also shook my faith in the justice system, left me financially devastated, and prevented me from designing and sharing my creativity with brides across the country. My experience underscores the critical need to ban noncompete agreements, which hinder creativity, suppress innovation, and restrict the potential of individuals and the economy.

This testimony reflects my personal battle and magnifies why banning noncompete agreements is essential for fostering a vibrant, competitive, and innovative economy.

Background and Personal Experience

In 2011, at the age of 25, I signed an employment contract that included a noncompete clause. At the time, I believed this noncompete was reasonably restricted to the duration of my employment. The contract seemed like the opportunity of a lifetime, and I felt compelled to accept its terms or I would lose the opportunity entirely. The imbalance of negotiation power and my intimidation by the prospect of hiring an expensive lawyer left me vulnerable. I could not foresee how this contract—including a separate intellectual property clause—would later be interpreted to strip me of my ability to use my own birth name, threaten my connection to women worldwide, stifle my skill set, and rob me of my livelihood.

My contract did not just impose a restriction during my employment but, as I later discovered, was interpreted in a way that limited my ability to practice my chosen trade in the future. In essence, to secure my dream job, I forfeited my dream once that job ended—or in my case, once my former employer sued me in federal court.

In 2020, I faced a lawsuit and subsequent injunction that prohibited me from using my own birth name in commerce and required me to relinquish control of my personal social media accounts, including my Instagram account which had grown to over 1 million followers. I was also barred from working in my chosen field for five years because of a noncompete provision. Without question, the noncompete provision was the most devastating of the three. I could start over with a new name, I could open new social media accounts and rebuild, but I could not work in my chosen craft.

While this was shocking and devastating, I refused to succumb to victimhood. I publicly changed my name to Cheval and started a new Instagram account. However, the notion of having to learn an entirely new trade after dedicating my life to this industry was unconscionable and unjust.

This lawsuit, coupled with the broad interpretation of my contract, led to a three and a half year long legal battle that led me to incur millions of dollars in legal fees—an amount far beyond what many individuals (myself included) could afford. I spent every dollar I ever earned designing wedding dresses to fight for my right to do so once again.

Being stripped of the talent I had worked so hard to cultivate and encourage has shown me how devastating noncompetes are to personal development and the economy.

Impact of the Noncompete

Where I once found creative freedom and incentive to advance, I soon encountered unreasonable confines that limited my freedom of speech and my ability to publicly practice a trade I had passionately cultivated since childhood. More dramatically, I was limited in my creative expression on social media due to the broad interpretation of my contract. At one point during my litigation, I was even held in contempt of court for sketching dresswear on social media. This harmful restriction on my personal expression was a stark threat to my First Amendment rights.

The residual stress my situation caused brides was devastating to witness. Many women who had followed my personal social media account, @misshayleypaige, from its inception and watched me interact with all types of brides on "Say Yes to the Dress" had their own diverse dreams of one day choosing a Hayley Paige gown for their most special day. The harsh reality was that they were no longer getting a dress from me, the designer they personally connected with and inspired, and there

would be no new dresses to choose from. This tarnished what should have been an emotional and genuine purchase.

Moreover, the noncompete adversely affected bridal retailers who had financially invested in my collections on the premise that I would be the designer providing the work. Many refused to support new Hayley Paige collections that were not designed by me. The market, which demands the freshest and most dazzling designs twice a year during bridal fashion week, was deprived of healthy competition. The industry lost the benefit of my creative contributions and a unique design aesthetic not practiced by other designers in the industry.

Broader Implications and Unfairness

My case exemplifies how noncompetes can be weaponized to the detriment of individuals and industries. The broad interpretation of these agreements leads to outcomes that stifle creativity and innovation. While I had the rare resources to fight for my rights and a legal team that was willing to keep fighting when my financial resources ran dry, many others do not share that privilege. Individuals like myself are often at a stark financial disadvantage to those seeking to enforce noncompetes. The financial and emotional toll of the legal battle alone is a burden that most people cannot bear, making this issue all the more pressing.

Noncompetes are detrimental not only to high-profile professionals but to workers across all sectors. They hinder economic growth by preventing talented and hardworking individuals from contributing to the marketplace, which stifles competition. If we want to encourage innovation and ensure that the American Dream remains accessible, we must eliminate these restrictive practices.

Living in a country where freedom and fairness should ring true, I want to demonstrate how noncompetes operate shamelessly on a one-way highway: if we are not limiting competition among corporations, why are we limiting it among individuals? As I sought a way forward in my lawsuit, I started a small business and, as a founder, I depend on competition to inspire and elevate my performance.

Another example of this one-way highway is the unilateral benefit for corporations to continue hiring and profiting, while the employee is restricted from working and earning a living. In my situation, I was replaced by a new designer who took over my brand and collections in a matter of months, but I was restricted from making a living doing what I had dedicated my life to for years.

Due to the broad interpretation of my employment contract, my life's work and passion were halted. All my hard work seemed to amass an unreasonable debt, requiring me to sit on the sidelines and cease my progress. The idea that my contribution to society was no longer my choice or in my hands was unfathomable.

Alternative Protections and Innovation

The last area I wish to focus on with respect to the threat noncompetes pose to our economy is the plethora of thoughtful ways to protect intellectual property without stifling innovation and personal growth. Non-disclosures and privacy policies allow corporations to safeguard valuable trade secrets effectively. These measures can be implemented without resorting to harmful noncompetes or preventing people from working, earning a living, and pursuing their passions.

As a small business founder and capitalist, I fully recognize the importance of protecting sensitive information. But I firmly believe in our ability to achieve this while also allowing individuals to continue working and contributing to their fields. We can preserve corporate interests without constraining the creative and entrepreneurial spirit that drives our economy.

States like California have already banned noncompete agreements, serving as proof that innovation and economic growth can thrive without these restrictive clauses. Silicon Valley, an area I grew up in, is a testament to the power of human intelligence and greatness. Imagine the stagnation that would ensue if we were to stifle that innovation with noncompetes. Healthy competition is not only beneficial but essential for a robust and dynamic economy.

In my previous employment role, I signed a non-disclosure agreement to protect the company's financial and other sensitive information. This demonstrates that there are already effective tools in place to safeguard corporate interests without hindering individuals' careers. Noncompetes are an unnecessary and harmful redundancy.

Conclusion

My experience of being constrained by a noncompete clause has profoundly reinforced my belief in the necessity of banning these provisions. Often disguised as genuine agreements, they are harmful tools that undermine fair competition and threaten the American Dream. These provisions silence voices, stifle creativity, and suffocate the entrepreneurial spirit that has always driven our nation forward.

Imagine a world where the next great innovation is left unrealized, where the brightest minds are left idle, and where the American Dream is nothing more than a distant memory. This is the world noncompetes create—a world where potential is capped and progress is halted. We owe it to ourselves and to future generations to dismantle these barriers and build a marketplace that thrives on the free exchange of ideas and the relentless pursuit of excellence. If the next great American inventor, creator, or entrepreneur is constrained by a noncompete, it is likely that innovation will happen elsewhere and America will fall behind.

I urge the Committee to consider the broader implications of noncompete clauses. These agreements do more than restrict individual careers; they erode the very foundation of a free and dynamic economy. They are antithetical to the spirit of competition and innovation that defines us as a nation.

Let us champion measures that promote a more equitable and vibrant marketplace, one where every individual has the chance to pursue their passions, contribute to their industries, and drive economic growth. Let us create an environment where talent and hard work are rewarded, where dreams are not deferred but achieved, and where the American Dream is not just a promise but a reality for all.

In the words of the great Robert F. Kennedy, "Each time a man stands up for an ideal, or acts to improve the lot of others, or strikes out against injustice, he sends forth a tiny ripple of hope." Let us be those ripples. Let us stand up for what is right. And for sparkle sakes, let the girl design a dress.

Thank you.

Kindest regards,

A handwritten signature in black ink, appearing to read "Hayley Paige". The signature is fluid and cursive, with a large, prominent loop at the end.

Hayley Paige