

FTC ISSUES FINAL RULE PROHIBITING NON-COMPETE CLAUSES

05.28.2024

Latest Update: *As of August 20th, the U.S. District Court for the Northern District of Texas has blocked the implementation and enforcement nationwide of the FTC's new rule banning non-competes. On October 18, 2024, the FTC filed a notice of appeal to challenge the August 2024 ruling by the U.S. District Court for the Northern District of Texas in Ryan LLC v. Federal Trade Commission that blocked the FTC's final rule implementing the noncompete ban. The challenge will be heard by the Fifth Circuit Court of Appeals. Until then, the FTC noncompete ban remains enjoined by the Ryan case. **Read the latest information on litigation related to the FTC rule here.***

On April 23, 2024, the Federal Trade Commission (the "FTC") issued a final rule prohibiting employers from, among other things, entering into non-compete clauses with their workers. The Rule will go into effect on September 4, 2024, unless delayed through litigation.

The final rule presents a monumental shift in the legal framework under which employers have operated for years and raises questions regarding their obligations, rights, and options with respect to their workers, businesses, and intellectual property.

Because of the significance of the final rule, Conner & Winters has published a Question and Answer Guide to address some common questions and provide basic information about the change.

However, the final rule is new, nuanced, and complex, and determining its impact on your business requires a detailed inquiry into the specific facts of your company, contracts, and policies. Accordingly, we encourage you to contact Conner & Winters to address the impact of the Rule on your business.

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