

FTC Ban on Noncompete Agreements Partially Put on Hold

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PRACTICES Employee Benefits and Executive Compensation

A federal district court in Texas recently issued a preliminary injunction against enforcement of the FTC's new rule that would ban noncompete agreements in nearly all circumstances. For a discussion of that rule, please see our prior blog post [here](#). In issuing the preliminary injunction, the court stated that the plaintiffs – Ryan, LLC (a Texas-based accounting firm) and the US Chamber of Commerce – are “likely to succeed on the merits” and that the FTC exceeded its authority in issuing the noncompete ban. Importantly, however, the preliminary injunction only applies to the parties in that case and is not a nationwide injunction as had been requested in the lawsuit. The court further stated it would issue an opinion as to the actual merits of the case by August 30, 2024.

The court's order in *Ryan, LLC, Chamber of Commerce of the United States of America, Business Roundtable, Texas Association of Business, and Longview Chamber of Commerce v. Federal Trade Commission* is available [here](#).