

Texas Federal Judge Blocks FTC's Non-compete Ban with Nationwide Effect

August 29, 2024

PRACTICES Employee Benefits and Executive Compensation

As reported in a Haynes Boone alert last week (available [here](#)), a Texas federal judge struck down the Federal Trade Commission's ("**FTC**") final rule banning nearly all non-compete agreements. This ruling will prevent the FTC from enforcing the non-compete rule against all employers nationwide. Although the FTC will likely appeal the court's decision to the Fifth Circuit Court of Appeals, the rule will no longer take effect on September 4, 2024, as anticipated. As a result of this decision, employers do not need to amend their employee benefit plans and other written agreements to remove any non-compete provisions, and employers may continue to enter into new non-compete agreements with employees and other service providers, subject to applicable state laws. For a list of plans and other written agreements that may be impacted by the FTC final rule, should it become effective, see our prior blog post [here](#).

We will continue to monitor the appellate process in the *Ryan LLC v. Federal Trade Commission* case as well as other related cases on the proposed FTC non-compete ban.

The opinion in *Ryan LLC v. Federal Trade Commission* is available [here](#).