

FTC's Non-Compete Ban Ruled Unenforceable by Federal Judge

August 2, 2024 | Brian M. Casaceli | Articles

On Tuesday, August 20, 2024, United States District Court Judge Ada Brown ruled that the Federal Trade Commission's ("FTC") rule largely banning non-compete provisions is unenforceable. Although Judge Brown presides in the United States District Court of the Northern District of Texas, her ruling will apply nationwide and will ensure that the FTC's non-compete ban that was scheduled to take effect on September 4, 2024, will not do so.

What does this ruling mean for employers?

First, those non-competition provisions employers have in place with current or former employees will remain in effect.

Second, in those jurisdictions where non-competition provisions are permitted, such as Massachusetts, employers may continue to include them in restrictive covenant agreements to protect their legitimate business interests – most notably, customer goodwill, confidential information, and trade secrets. However, such agreements should be narrowly tailored and comply with Massachusetts law or the laws of other jurisdictions in which the employer's employees work.

It is unlikely that we have heard the last of this issue, as the FTC has stated that it is "seriously considering a potential appeal." The Labor, Employment, and Employee Benefits Group here at Mirick O'Connell will continue to closely monitor any new developments and will report on the outcome of any such appeal. In the meantime, please reach out to any member of our team if you have any questions.

This client alert is intended to inform you of developments in the law and to provide information of general interest. It is not intended to constitute legal advice regarding a client's specific legal issues and should not be



Related Services

[Business Law](#)
[Employment Litigation](#)
[Labor, Employment and Employee Benefits](#)

Related Industries

[Banking & Finance](#)
[Cannabis](#)
[Commercial Real Estate](#)
[Construction](#)
[Education](#)
[Government & Municipalities](#)
[Healthcare](#)
[Life Sciences](#)
[Manufacturing](#)
[Non-Profit Organizations](#)
[Technology](#)
[Transportation](#)

Related People

[Nicholas Anastopoulos](#)
[Amanda Marie Baer](#)

relied upon as such. This client alert may be considered advertising under the rules of the Massachusetts Supreme Judicial Court. This client alert is for informational purposes only. It is not intended to be a solicitation or offer to provide products or service to any individual or entity, including to a “data subject” as that term is defined by the European Union General Data Protection Regulations. ©2024 Mirick, O’Connell, DeMallie & Lougee, LLP. All Rights Reserved.

Brian M. Casaceli
Hayley M. Cotter
Anthony P. DaSilva, Jr.
Ashlyn E. Dowd
Corey F. Higgins
Robert L. Kilroy
Kimberly A. Rozak
Massiel L. Sanchez
Sharon P. Siegel
Jonathan R. Sigel
Richard C. Van Nostrand
Reid M. Wakefield
Cheryl A. Spakauskas