

CLIENT ALERT

Litigation Update: The Block on the Non-Compete Ban

August 22, 2024

Since our [last update](#) on the litigation surrounding the FTC’s ban on non-competes, employers across the nation have been awaiting the final decision of Judge Ada Brown of the Northern District of Texas following her July 3 [preliminary injunction](#), which stayed the Federal Trade Commission’s (the “FTC”) enforcement of their [Final Rule](#), but only for the plaintiffs in the case.

On August 20, 2024, Judge Brown issued a [final judgment](#) blocking the FTC’s ban on non-competes stating “the Rule shall not be enforced or otherwise take effect on September 4, 2024, or thereafter.” The court’s ruling has a “nationwide effect, is not party-restricted, and affects persons in all judicial districts equally.” While the FTC stated they are “seriously considering a potential appeal”, for now, employers can breathe a sigh of relief and continue their current non-compete practices. Maine employers should continue to comply with Maine law to the extent that the law provides additional protections for employees.

As always, we will continue to monitor these challenges and report on new laws passed or proposed at the state and federal level. If you have any questions, please contact Peter Lowe at plowe@brannlaw.com or Hannah Wurgaft at hwurgaft@brannlaw.com.