



FTC Noncompete Rule Blocked From Going Into Effect

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On August 20, 2024, a federal judge blocked the FTC's ban on noncompete agreements from going into effect. Therefore, employers **do not** have to take steps to comply with the FTC ban. As we wrote in an [HR Heads Up in April](#), the FTC's ban would have invalidated nearly every noncompete agreement in the country. It also would have required employers to send notices to employees with existing agreements by September 4, 2024. Now that the rule is blocked, employers do not have to send notices. Although the FTC has stated that it is considering an appeal of this decision, it is unlikely that any appeal would allow the rule to go into effect by September 4. It could be months or years and the case could ultimately end up in front of the U.S. Supreme Court. We will continue to monitor the status of any appeals of this decision.

It is important to remember that even though the FTC rule has been blocked, state laws on noncompete rules remain in effect, and it can be difficult to enforce noncompete agreements depending on the state. For example, Wisconsin has very strict rules about the scope and enforceability of noncompete agreements. Other states have recently enacted bans or further restrictions on noncompete agreements. We, therefore, encourage employers to reach out to a member of [Boardman Clark's Labor and Employment Practice Group](#) with questions on existing noncompete agreements, and how to properly draft new ones.

Disclaimer: This information is not intended to be legal advice. Rather, it seeks to make recipients aware of certain legal developments that affect human resource issues. Recipients who want legal advice concerning a particular matter should consult with an attorney who is given a full understanding of the relevant facts pertaining to the particular matter.

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