



July 2024

## Texas Federal Court Partially Blocks FTC's Noncompete Ban

Multiple litigations concerning the Federal Trade Commission (FTC)'s [ban on noncompete agreements](#) are progressing.

On July 3, 2024, the U.S. District Court for the Northern District of Texas granted a preliminary injunction in *Ryan LLC v. FTC*, temporarily halting the ban for the plaintiffs and certain plaintiff intervenors, but declining to extend the injunction to non-parties.

For now, the ruling is limited to the parties in the case, and the ban will take effect for other employers across the nation on Sept. 4, 2024. That may change, however, as the court indicated it would issue a final ruling on or before Aug. 30, 2024.

Potentially indicating the direction of the case, the court held that 1) "Plaintiffs are likely to succeed on the merits that the FTC lacks substantive rulemaking authority with respect to unfair methods of competition" and 2) "there is a substantial likelihood the Rule is arbitrary and capricious because it is unreasonably overbroad without a reasonable explanation."

A separate challenge to the ban, *ATS Tree Services, LLC v. FTC*, is set to be heard on July 10, 2024, in the Eastern District of Pennsylvania.

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