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BREAKING: Federal Court Partially Blocks FTC's Non-Compete Rule

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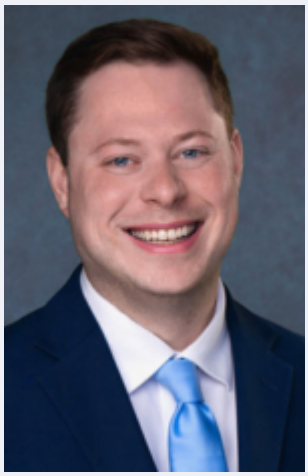
On July 3, 2024, a federal court in Texas granted a preliminary injunction staying the effective date of the FTC's non-compete rule and enjoining the FTC from enforcing it against the specific plaintiffs who challenged it.

In *Ryan LLC v. Federal Trade Commission*, the court found that the FTC lacks the statutory authority to promulgate the final rule, and that the rule is arbitrary and capricious. However, the court declined to issue a nationwide injunction.

Therefore, while *Ryan LLC* may indicate how future court decisions will analyze the FTC non-compete rule, **as of now, the non-compete rule is still planned to go into effect for most employers on September 4, 2024.**

If you have questions about the FTC non-compete rule or other labor & employment issues, please contact your Knox Law attorney or our labor & employment group, or call us at 814-459-2800.



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