

LEGAL ALERT

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TEXAS JUDGE OVERTURNS FTC BAN ON NON-COMPETES

BY ANDREW J. WOLF AND MARY E. DENNISON

HAHN LOESER & PARKS LLP

The Federal Trade Commission's effort to ban non-compete agreements has been upended by a U.S. District Judge in Texas. As a result, the non-compete ban will not go into effect nationwide.

The Judge ruled the Commission lacked authority to write regulations restricting what the law calls “unfair methods of competition.” The non-compete ban, issued in April, was part of the Commission's effort to eliminate agreements that restrict the ability of workers to switch jobs.

The Texas judge ruled the agency lacked the authority to enforce the ban, which was planned to take effect on September 4.

Hahn Loeser’s labor and employment team continues to monitor potential lawsuits, rulings and updates. For questions on potential impacts to your organization, please contact Hahn Loeser’s [Labor & Employment team](#).

AUTHORS



ANDREW J. WOLF, PARTNER
awolf@hahnlaw.com
216.274.2258



MARY E. DENNISON, ASSOCIATE
mdennison@hahnlaw.com
216.274.2244

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