

# The FTC's Game-Changing Ban on Non-Competes Takes Effect September 4<sup>th</sup> Absent Court Intervention

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On September 4, 2024, the Federal Trade Commission's groundbreaking Final Rule prohibiting employers from imposing or seeking to enforce non-competes goes into effect. The Final Rule bans all future non-competes and also requires employers to affirmatively notify, by September 4<sup>th</sup>, current and former workers (excluding a limited class of senior executives) that their non-competes are void as of that date. Companies must provide a one-time written notice to all current and recent former workers who may have previously signed non-competes to make it clear that their agreements will be void and unenforceable. Employers who do not comply with this notice requirement could face significant penalties.

There are several pending court challenges to the Final Rule. Significantly, the briefing schedules on pending requests to preliminarily enjoin enforcement of the Final Rule could result in court orders preventing it from becoming effective on September 4, 2024. In the meantime, we have been working with our clients daily to implement strategies to retain human capital, protect confidential information, trade secrets and intellectual property, and preserve customer and other important business relationships if the Final Rule becomes effective. We have also been counseling clients on how the Final Rule will impact all types of existing agreements with non-competes, how to identify the subset of current and former employees entitled to notice of the ban, and how to use alternative measures to protect their interests after the ban.

If you have any questions regarding the topics discussed in this article, please contact **Nicholas Anaclerio** at [nanaclerio@vedderprice.com](mailto:nanaclerio@vedderprice.com), **Anthony J. Ashley** at [aashley@vedderprice.com](mailto:aashley@vedderprice.com), **James V. Garvey** at [jgarvey@vedderprice.com](mailto:jgarvey@vedderprice.com), **Frederic T. Knape** at [fknape@vedderprice.com](mailto:fknape@vedderprice.com), **Alex C. Weinstein** at [aweinstein@vedderprice.com](mailto:aweinstein@vedderprice.com) or any Vedder Price attorney with whom you have worked.

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