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Bethany Vanhooser and DJ Healey Share Impact of the Latest FTC Noncompete Ruling for HR.com

Spencer Fane attorneys Bethany Vanhooser and DJ Healey outline how the final Federal Trade Commission's (FTC) rule bans nearly all new noncompetes and invalidates most existing ones in an article published in the May issue of *HR.com's* digital publication *HRIS, Time & Attendance Excellence*.

The FTC's final rule banning non-compete clauses is scheduled to go into effect on September 4, 2024, 120 days after it was published in the Federal Register on May 7, 2024. However, legal challenges could delay or prevent enforcement.

Bethany and DJ explain the actions employers should prepare now to take assuming the rule goes into effect, such as making themselves ready to inform current and prior employees that their noncompete agreements are no longer enforceable. Employers should also look at their non-disclosure agreements and non-solicitation agreements since the new FTC rule will apply to any agreement that has the effect of a non-compete agreement. Finally, employers should remain up to date on when the law goes into effect, given its expected legal challenges, in their article, How FTC's Ban on Non-Compete Clauses Will Impact Employers. The article was originally drafted as a firm blog post.

In the article, the authors also state, "Consider alternative methods to protect business interests. Other types of restrictive covenants, such as nondisclosure and nonsolicitation agreements, should be narrowly tailored as they could violate the FTC rule if they 'function to prevent' a worker from seeking or accepting employment elsewhere or operating a business after the end of their employment."

At Spencer Fane, Bethany assists her clients in resolving and managing critical litigation matters, with a focus on labor and employment, and advising on pre-

litigation employment issues. Recognized by the industry as one of the preeminent intellectual property litigators and expert in antitrust matters involving intellectual property, DJ helps plaintiffs enforce their patents, protect their trade secrets, defend their copyrights, and deal with overreaching by others through antitrust and other business torts.

Read the full article here. Please note, a subscription may be required.