
FTC Non-Compete Rule Update: Texas District Court Blocks Rule's Implementation on a Nationwide Basis

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On August 20, 2024, the U.S. District Court for the Northern District of Texas granted summary judgment to the plaintiffs in *Ryan, LLC v. Federal Trade Commission*, holding that the Federal Trade Commission's (FTC) new non-compete rule (the Rule) is unlawful and must be set aside.

The court had previously entered a July 3, 2024 order preliminarily enjoining enforcement of the Rule against the plaintiffs Ryan, LLC, a tax services company, and the Chamber of Commerce of the United States (together with certain other pro-business associations), but the court's summary judgment order enjoined enforcement of the Rule nationwide. In so holding, the court emphasized that the Administrative Procedure Act (APA) does not contemplate party-specific relief and setting aside an agency action under the APA has nationwide effect, is not party-restricted, and affects persons in all judicial districts equally.

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