

CLIENT ALERT

Schneider Smeltz Spieth Bell
LLP

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FTC RULE NON-COMPETES

**STRUCK
DOWN**

The FTC Non-Compete Rule that would have banned most non-compete clauses was struck down by a Federal Court in Texas on Tuesday. The Non-Compete Rule, which would have gone into effect on September 4, would have required employers to notify affected persons that their non-compete clauses were unenforceable and stopped employers from entering into non-competes. The Tuesday ruling comes after a prolonged period of uncertainty due to different rulings about the enforceability of the Non-Compete Rule in different jurisdictions.

For many employers this news will come as welcome relief. However, we expect that Tuesday's decision will be appealed by the FTC. Any appeals process will take some time, so while employers can ignore the September 4 deadline for now, employers will need to stay informed moving forward. If you have any questions about the Non-Compete rule or if you like to revisit existing employment agreements and policies please contact the Schneider Smeltz Spieth Bell business group.

What should a business do now?

- ✓ **Stay informed** on updates to the FTC Non-Compete Rule
- ✓ **Develop** (if none exists) **or review and update** your company's trade secret protections
- ✓ **Review and revise** employment agreements for confidentiality and trade secret provisions



Schneider Smeltz Spieth Bell's Business Group is here to help! Please contact attorney, Michael Schauer with any questions at 216.696.4200 x1133 or mschauer@sssb-law.com