



## BELL NUNNALLY PARTNER KRIS HILL ON TEXAS LAWYER BREAKS DOWN TEXAS COURT'S DECISION TO BLOCK THE FTC NONCOMPETE BAN

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**In April, the Federal Trade Commission (FTC) announced a nationwide ban on nearly all noncompete agreements, effective September 4. This decision immediately created uncertainty for millions of employers and employees, leading to swift litigation. On August 20, the U.S. District Court for the Northern District of Texas, Dallas Division struck down the ban, ruling that the FTC exceeded its authority and acted arbitrarily. As Bell Nunnally Partner Kristopher D. Hill notes in his *Texas Lawyer* article "From 'Loper' to 'Ryan': Noncompetes Live to Fight Another Day," "The court's ruling gives employers a reprieve to continue using noncompetes. But the question remains: Will noncompetes remain a viable business tool in the U.S."**

The court's decision comes in the wake of the U.S. Supreme Court's *Loper Bright* decision, which Hill explains, "gutted the controversial Chevron deference standard," significantly limiting the power of agencies like the FTC. Judge Ada E. Brown's ruling leaned on this new precedent, quoting *Loper* to support her rejection of the FTC's broad interpretation of its rulemaking authority. As Hill points out, "Employers and employees across the country were left with more questions than answers," as state laws governing noncompetes now prevail. However, future litigation or an appeal by the federal government could reshape these regulations in the coming months.

To read the full article, please click [here](#).

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