

The Federal Trade Commission Proposes New “Non-Compete Clause Rule” - Cantrell, Astbury, Kranz, P.A.



Miami, Florida Sep 12, 2023 ([IssueWire.com](https://www.IssueWire.com)) - The law firm of Cantrell, Astbury, Kranz, P.A. <https://caklegal.com> provides an in-depth analysis of this proposed rule, underscoring its potential implications for both employers and employees nationwide.

The Federal Trade Commission (FTC) announced on January 5, 2022, a groundbreaking proposal aiming to put an end to the use of non-compete clauses across the U.S.

Highlights:

- The "Non-Compete Clause Rule," if implemented, will reshape the U.S. employment landscape.
- This proposal comes as a significant relief to the U.S. workforce but is expected to face challenges from influential business groups and states that currently allow non-compete clauses.
- The FTC's research indicates that roughly one in five U.S. workers, or approximately 30 million individuals, are under the constraints of non-compete clauses. A survey has further revealed that about 38% of Americans have been under a non-compete clause at some stage in their careers.

Key Aspects of the Proposed Rule:

- Definition: It becomes an unfair competitive method, and thereby a breach of Section 5 of the

Federal Trade Commission Act, for employers to:

- Establish or attempt to establish a non-compete clause with an employee.
- Uphold a non-compete clause with an employee.
- Under specific scenarios, inform an employee that they are under a non-compete clause.
- Scope: The rule would be applicable to almost all employers and employees. The terminology is broad, including unpaid workers, independent contractors, and sole proprietors offering services.
- What's Considered a Non-Compete: A clause that restricts an employee from seeking or accepting employment elsewhere or starting a business post-employment, regardless of its naming.
- Exceptions: Only a few exceptions are available, such as non-compete clauses between business sellers and buyers under particular conditions.
- Alternatives for Employers: Employers can utilize other legal tools and rights, like NDAs, non-solicit provisions, and intellectual property laws, to protect their business interests.
- Compliance Requirements: Employers will be mandated to rescind existing non-compete clauses and notify affected employees using the FTC's model language.
- Effective Date: Although the rule is to take effect 60 days after its final publication in the Federal Register, the actual "compliance date" is 180 days post-publication.

The firm advises employers to start assessing their current contracts, [non-compete](#) clauses, and strategies during the upcoming "compliance period."

FTC is presently gathering public comments on this proposed rule. They seem particularly interested in opinions about the differential treatment of senior executives and varying wage workers under the rule.

For inquiries or more information about the FTC's Non-Compete Clause Rule proposal, Cantrell, Astbury, Kranz, P.A. can be reached at 1-877-858-6868 or via email at coordinator@caklegal.com.

About Cantrell, Astbury, Kranz, P.A.:

Cantrell Astbury Kranz Business & Employment Lawyers is comprised of top employment law attorneys, [non-compete attorneys](#), business litigation attorneys, and civil rights attorneys. Disputes we handle involve unfair competition and trade secrets (including non-compete and non-solicit agreements), employment law, employee benefits, compensation (including bonuses, commissions, overtime, and equity), business divorces, shareholder actions, business defamation, wrongful termination, retaliation, sexual harassment, and civil rights.



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