

FTC Extends Public Comment Period on Proposed Rule to Ban Non-Compete Clauses

Labor & Employment Law Update

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The Federal Trade Commission (FTC) voted to extend the public comment period for its proposed new rule that would ban certain employee non-competes. The new deadline for public comments on the proposed rule is April 19, 2023. The previous deadline was March 20th.

As we previously reported on January 10, the proposed rule would effectively ban non-compete clauses in the employment setting, including requiring rescission of existing non-compete agreements. It would also supersede any state statutes. It would not apply to non-solicitation or non-disclosure clauses, however.

The proposed rule has been criticized by the U.S. Chamber of Commerce and many industry groups. No doubt, the controversy generated by the proposed rule is the reason that the FTC extended the deadline for public comments.

We will monitor the status of the proposed FTC rule and keep our readers apprised of any developments.