



FEDERAL TRADE COMMISSION

[File No. 251 0011]

Rollins, Inc.; Analysis of Proposed Agreement Containing Consent Order to Aid

Public Comment

AGENCY: Federal Trade Commission.

ACTION: Proposed consent agreement; request for comment.

SUMMARY: The consent agreement in this matter settles alleged violations of Federal law prohibiting unfair methods of competition. The attached Analysis of Proposed Agreement Containing Consent Order to Aid Public Comment describes both the allegations in the complaint and the terms of the consent order—embodied in the consent agreement—that would settle these allegations.

DATES: Comments must be received on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

ADDRESSES: Interested parties may file comments online or on paper by following the instructions in the Request for Comment part of the **SUPPLEMENTARY**

INFORMATION section below. Please file your comment online at

<https://www.regulations.gov> by following the instructions on the web-based form. If you prefer to file your comment on paper, please write “Rollins, Inc.; File 251 0011” on it and mail it to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue NW, Mail Stop H-144 (Annex V), Washington, DC 20580.

SUPPLEMENTARY INFORMATION: Pursuant to section 6(f) of the Federal Trade Commission Act, 15 U.S.C. 46(f), and FTC Rule 2.34, 16 CFR 2.34, notice is hereby given that the above-captioned consent agreement containing a consent order to cease and desist, having been filed with and accepted, subject to final approval, by the Commission, has been placed on the public record for a period of 30 days. The following Analysis of

Proposed Agreement Containing Consent Orders to Aid Public Comment describes the terms of the consent agreement and the allegations in the complaint. An electronic copy of the full text of the consent agreement package can be obtained from the FTC website at this web address: <https://www.ftc.gov/news-events/commission-actions>.

The public is invited to submit comments on this document. For the Commission to consider your comment, we must receive it on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. Write “Rollins, Inc.; File 251 0011” on your comment. Your comment—including your name and your State—will be placed on the public record of this proceeding, including, to the extent practicable, on the <https://www.regulations.gov> website.

Because of the agency’s heightened security screening, postal mail addressed to the Commission will be delayed. We strongly encourage you to submit your comments online through the <https://www.regulations.gov> website. If you prefer to file your comment on paper, write “Rollins, Inc.; File 251 0011” on your comment and on the envelope, and mail your comment by overnight service to: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue NW, Mail Stop H-144 (Annex V), Washington, DC 20580.

Because your comment will be placed on the publicly accessible website at <https://www.regulations.gov>, you are solely responsible for making sure your comment does not include any sensitive or confidential information. In particular, your comment should not include sensitive personal information, such as your or anyone else’s Social Security number; date of birth; driver’s license number or other State identification number, or foreign country equivalent; passport number; financial account number; or credit or debit card number. You are also solely responsible for making sure your comment does not include sensitive health information, such as medical records or other individually identifiable health information. In addition, your comment should not

include any “trade secret or any commercial or financial information which . . . is privileged or confidential”—as provided by section 6(f) of the FTC Act, 15 U.S.C. 46(f), and FTC Rule 4.10(a)(2), 16 CFR 4.10(a)(2)—including competitively sensitive information such as costs, sales statistics, inventories, formulas, patterns, devices, manufacturing processes, or customer names.

Comments containing material for which confidential treatment is requested must be filed in paper form, must be clearly labeled “Confidential,” and must comply with FTC Rule 4.9(c). In particular, the written request for confidential treatment that accompanies the comment must include the factual and legal basis for the request and must identify the specific portions of the comment to be withheld from the public record. *See* FTC Rule 4.9(c). Your comment will be kept confidential only if the General Counsel grants your request in accordance with the law and the public interest. Once your comment has been posted on <https://www.regulations.gov> – as legally required by FTC Rule 4.9(b) – we cannot redact or remove your comment from that website, unless you submit a confidentiality request that meets the requirements for such treatment under FTC Rule 4.9(c), and the General Counsel grants that request.

Visit the FTC Website at <https://www.ftc.gov> to read this document and the news release describing this matter. The FTC Act and other laws the Commission administers permit the collection of public comments to consider and use in this proceeding, as appropriate. The Commission will consider all timely and responsive public comments it receives on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. For information on the Commission’s privacy policy, including routine uses permitted by the Privacy Act, see <https://www.ftc.gov/site-information/privacy-policy>.

Analysis of Proposed Agreement Containing Consent Orders to Aid Public

Comment

I. Introduction

The Federal Trade Commission (“Commission”) has accepted for public comment, subject to final approval, The Federal Trade Commission (“Commission”) has accepted for public comment, subject to final approval, an Agreement Containing Consent Order (“Consent Agreement”) with Rollins, Inc. (“Rollins” or “Respondent”). The proposed Decision and Order (“Proposed Order”), included in the Consent Agreement and subject to final Commission approval, is designed to remedy the anticompetitive effects that have resulted from Respondent’s use of post-employment covenants not to compete (“Non-Compete Agreements”). A Non-Compete Agreement refers to contract terms that, after a worker has ceased working for an employer, restricts the worker’s freedom to accept employment with a competing business, to form a competing business, or otherwise to compete with the employer.

The Consent Agreement settles charges that Respondent has engaged in unfair methods of competition in violation of section 5 of the FTC Act, as amended, 15 U.S.C. 45, by entering into Non-Compete Agreements with its employees and enforcing them against its former employees.

The Proposed Order has been placed on the public record for 30 days in order to receive comments from interested persons. Comments received during this period will become part of the public record. After 30 days, the Commission will again review the Consent Agreement and the comments received and will decide whether it should withdraw from the Consent Agreement and take appropriate action or make the Proposed Order final.

II. The Respondent

Rollins is a corporation organized, existing, and doing business under, and by virtue of, the laws of the State of Delaware, with its principal place of business located in

Atlanta, Georgia. Respondent is one of the largest pest-control companies in the United States. Rollins operates over 700 locations with over 18,000 U.S.-based employees.

III. The Complaint

The complaint makes the following allegations.

Respondent provides pest-control services in the United States. Respondent long had a policy requiring all newly hired employees to enter Non-Compete Agreements, regardless of their position or responsibilities, with limited exceptions that depend on the employee's location of employment.

Respondent's Non-Compete Agreements have covered a broad range of employees, including pest-control technicians, customer-service representatives, and other employees earning relatively low wages. These types of employees account for the bulk of Respondent's U.S.-based employees subject to Non-Compete Agreements.

As alleged in the complaint, Respondent's Non-Compete Agreements have contained a clause prohibiting, for two years following the conclusion of employment with Rollins, the employee from working in the pest-control services industry within a predetermined distance – usually a 75-mile radius around the Rollins location at which the employee worked, but often a multi-county region.

The complaint alleges Respondent's Non-Compete Agreements are unfair and anticompetitive because they degrade employees' ability to negotiate for better terms of employment in the pest-control industry. The Non-Compete Agreements deny employees access to job opportunities and restrict their mobility, including their ability to start their own pest-control businesses. The complaint alleges this has the tendency or likely effect of restricting business formation, lowering worker earnings (including but not limited to wages and salaries), reducing benefits, and causing less favorable working conditions and other personal hardships to employees. The complaint further alleges that Respondent's Non-Compete Agreements are unfair and anticompetitive because they suppress

competition to sell pest control services to consumers, including by inhibiting current competition in the pest-control industry and by impeding competitive entry.

The complaint further alleges that any procompetitive objectives Respondent sought to achieve through its Non-Compete Agreements do not depend on the use and enforcement of Non-Compete Agreements and could have been achieved through significantly less restrictive means. In particular, the complaint alleges that Respondent's Non-Compete Agreements are not reasonably necessary to incentivize Respondent to continue investing in developing confidential information and employee training. The complaint also alleges Respondent offers the same level of employee training where it does not use or enforce Non-Compete Agreements and is incentivized to provide adequate training to compete on the merits by offering quality services. The complaint further alleges Respondent can use narrowly tailored non-solicitation agreements, which may promote continued investment in growing or maintaining customer relationships and client goodwill. These agreements may reduce or eliminate the harms associated with more restrictive Non-Compete Agreements.

IV. Legal Analysis

Section 5 of the Federal Trade Commission (FTC) Act prohibits unfair methods of competition.¹ This prohibition includes agreements in restraint of trade proscribed by section 1 of the Sherman Act² as well as agreements or other practices that “conflict with the basic policies of the Sherman and Clayton Acts” even if they “may not actually violate these laws.”³ Section 5 claims typically “bear the characteristics of recognized antitrust violations.”⁴ Courts have long found agreements not to compete between workers and their current or former employers to be “proper subjects for scrutiny” under

¹ 15 U.S.C. 45

² 15 U.S.C. 1; *see FTC v. Cement Inst.*, 333 U.S. 683, 693–94 (1948).

³ *FTC v. Brown Shoe*, 384 U.S. 316, 321 (1966).

⁴ *Atl. Ref. Co. v. FTC*, 381 U.S. 357, 369–70 (1965).

Federal antitrust law.⁵ That courts at common law prior to the passage of the Federal antitrust laws treated agreements between workers and business owners not to compete as presumptively unlawful further suggests that these agreements often conflict with the basic policies of the antitrust laws.⁶

In applying antitrust scrutiny to such agreements, courts typically make a fact-specific determination to assess the agreements' likely effects on competition.⁷

Agreements between market participants not to compete may suppress competition by limiting the entry or growth of competitors or otherwise giving rise to the types of harms the antitrust laws are aimed at preventing. These harms include higher consumer prices, reduced availability of services, lower quality services, and reduced worker earnings and benefits. Courts have long held that agreements between market participants that restrain competition but are not reasonably necessary to achieve some procompetitive purpose can be unlawful "even in the absence of elaborate market analysis."⁸ Moreover, a growing volume of empirical evidence indicates agreements not to compete between workers and their current or former employers can harm both competition between

⁵ See *Newburger, Loeb & Co., Inc. v. Gross*, 563 F.2d 1057, 1081–82 (2d Cir. 1977); see also *Polk Bros., Inc. v. Forest City Enters., Inc.*, 776 F.2d 185, 189 (7th Cir. 1985) ("A covenant not to compete following employment does not operate any differently from a horizontal market division among competitors—not at the time the covenant has its bite, anyway.").

⁶ See *United States v. Addyston Pipe & Steel Co.*, 85 F. 271, 281–82 (6th Cir. 1898), *aff'd*, 175 U.S. 211 (1899) (collecting cases and relating the treatment of agreements not to compete at common law to Sherman Act principles, describing them as permissible only where shown to be ancillary to the sale of a business, a partnership, a lease, or where otherwise shown "reasonably necessary" to protect confidential knowledge); cf. *Mitchel v. Reynolds*, 24 Eng. Rep. 347, 351 (Q.B. 1711) (analyzing noncompete accompanying the sale of a bakery and presuming noncompetes "*prima facie* to be bad" unless shown otherwise).

⁷ See *Ohio v. Am. Express Co.* ("Amex"), 585 U.S. 529, 541 (2018). This analysis is similar to but distinct from that under many State employment law tests for enforceability of non-compete agreements, which tend to focus on balancing the interests of the two parties to the case rather than on competitive effects. See *DeSantis v. Wackenhut Corp.*, 793 S.W.2d 670, 688 (Tex. 1990) ("Rule of reason analysis under antitrust laws must not be confused with reasonableness analysis under the common law. . . . An agreement may be reasonable as between the parties and nevertheless violate antitrust laws. Conversely, an agreement may be unreasonable as between the parties and yet not violate the rule of reason test under the antitrust laws.").

⁸ *FTC v. Ind. Fed'n of Dentists*, 476 U.S. 447, 459–61 (1986) (citations omitted); see also, e.g., *Newburger*, 563 F.2d at 1082 (suggesting similar framework for analysis of agreements not to compete between workers and their former employers); *Mitchel*, 24 Eng. Rep. at 351 (non-compete agreements presumed "*prima facie* to be bad" unless shown otherwise); *Cal. Dental Ass'n v. FTC*, 526 U.S. 756, 770 (1999) (affirming that an abbreviated rule of reason analysis is appropriate where "an observer with even a rudimentary understanding of economics could conclude that [they] would have an anticompetitive effect on customers and markets").

market participants and the workers subject to them.⁹ One notable study found such agreements can hinder the formation and growth of competitors.¹⁰

Determining agreements' lawfulness also typically requires consideration of whether (a) any purported procompetitive justifications are in fact legitimate,¹¹ and (b) less restrictive alternative measures can incentivize any associated procompetitive investments.¹² The existence of less restrictive alternatives can be dispositive.¹³ In assessing the validity of potential justifications, the basic fact that a company trains its employees, for example, does not mean that any worker restraints are necessary to incentivize investments in training.¹⁴ And even if an employer submits persuasive evidence of procompetitive investments that it aims to promote through its restrictive agreements, less restrictive alternatives often exist to advance those aims, including narrowly-tailored non-disclosure agreements and non-solicitation agreements.¹⁵

⁹ See, e.g., Michael Lipsitz & Mark Tremblay, *Noncompete Agreements and the Welfare of Consumers*, 16 (4) Am. Econ. J. Microecon. 112 (2024) (showing empirically that when non-compete agreements are enforced more at the State level, market concentration increases, with the potential for harm the greatest in industries in which non-compete agreements are likely to be used at the highest rate); Matthew S. Johnson, Kurt J. Lavetti & Michael Lipsitz, *The Labor Market Effects of Legal Restrictions on Worker Mobility*, J. Pol. Econ. 133(9), 2735–279 (2025) (linking non-compete agreement enforcement to negative worker earnings); Bo Cowgill, Brandon Freiberg & Evan Starr, *Clause and Effect: Theory and Field Experimental Evidence on Noncompete Clauses* (Jan. 10, 2024) (last revised July 18, 2025), <https://ssrn.com/abstract=5012370> (causal study finding that removing non-compete agreements increases workers' earnings and mobility without generating information leakage).

¹⁰ Evan Starr, Natarajan Balasubramanian & Marik Sakakibara, *Screening Spinouts?: How Noncompete Enforceability Affects the Creation, Growth, and Survival of New Firms*, 64 MGMT. SCI. 552 (2018) (detailing how noncompete enforcement can hinder startup employment).

¹¹ See *Newburger*, 563 F.2d at 1082 (suggesting non-compete agreements would be invalid if, as an initial step, they “serve no legitimate purpose at the time they are adopted”).

¹² See *Amex*, 585 U.S. at 540–41.

¹³ See *NCAA v. Alston*, 594 U.S. 69, 100 (2021) (“[R]estrictions of trade may wind up flunking the rule of reason to the extent the evidence shows that substantially less restrictive means exist to achieve any proven procompetitive benefits.”).

¹⁴ See, e.g., *Addyston Pipe*, 85 F. at 281 (discussing employee training only in context of whether the noncompete is necessary to protect confidential information); *Deslandes v. McDonald's USA, LLC*, 81 F.4th 699, 704 (7th Cir. 2023) (advocating scrutiny of whether restraints that affect employees are actually necessary for promoting output and do not “just take advantage of workers' sunk costs and help[] [the] business's bottom line”); *AWP, Inc. v. Safe Zone Servs., LLC*, No. 3:19-CV-00734-CRS, 2022 WL 989133, at *10–11 (W.D. Ky. 2022) (finding that even though the employer “made some investment of ‘time, effort and money’ in training its employees, whether this investment is ‘significant’ enough to constitute a legitimate business interest is questionable at best”).

¹⁵ See, e.g., *AWP*, 2022 WL 989133, at *8 (“Insofar as any Former Employees . . . had access to sensitive information, the fact that the Employee Agreement contains a separate nondisclosure provision forecloses any argument that [the employer] needed a noncompete agreement to protect it.”); *Total Quality Logistics, LLC v. EDA Logistics LLC*, No. 23-3713, 2024 WL 4372312, at *5 (6th Cir. Oct. 2, 2024) (affirming lower

Applying these principles, the factual allegations described in the complaint support concluding that Respondent's Non-Compete Agreements constitute unfair methods of competition in violation of section 5 of the FTC Act, as amended, 15 U.S.C. 45. As detailed above, the Non-Compete Agreements likely have anticompetitive effects, including by inhibiting new business formation and restricting worker mobility and self-determination. The Non-Compete Agreements are not needed to advance any procompetitive aims—for example, Respondent provides the same training to employees regardless of whether they are subject to a Non-Compete Agreement. And even if there were procompetitive aims associated with the Non-Compete Agreements, alternatives such as narrowly tailored non-solicitation agreements are available to promote them.

V. Proposed Order

The Proposed Order seeks to remedy Respondent's unfair methods of competition. Section II of the Proposed Order prohibits Respondent from: entering into, maintaining, or enforcing a Non-Compete Agreement against a Covered Employee; communicating to a Covered Employee or any other prospective or current employer that the Covered Employee is subject to a Non-Compete Agreement; and requiring any Covered Employee to pay any fees or penalties relating to a Non-Compete Agreement. Section II of the Proposed Order also specifies that Respondent cannot prohibit Covered Employees from using general advertisements to solicit customers in competition with Rollins nor prohibit Covered Employees from responding to inquiries initiated by Rollins customers.

Section III of the Proposed Order requires Respondent to provide clear and conspicuous written notice to Covered Employees that they (i) are not subject to a Non-Compete Agreement; (ii) may compete with Respondent, including by starting their own

court decision that found employer's customer goodwill and relationship interest to be "adequately protected by the agreement's non-solicitation provision").

business; and (iii) may solicit customers through general advertisements.

Other sections of the Proposed Order contain standard order provisions regarding compliance reports, requirements for Respondent to provide notice to the FTC of material changes to its business, and access for the FTC to documents and personnel. The term of the Proposed Order is ten years.

The purpose of this analysis is to facilitate public comment on the Consent Agreement and Proposed Order to aid the Commission in determining whether it should make the Proposed Order final. This analysis is not an official interpretation of the Proposed Order and does not modify its terms in any way.

By direction of the Commission.

April J. Tabor,

Secretary.

Statement of Chairman Andrew N. Ferguson Joined by Commissioner Mark R. Meador

Over 18,000 workers are free from the constraints of unlawful noncompete agreements. The Commission has secured this victory by issuing an administrative complaint and accepting for public comment a proposed consent agreement with Rollins, Inc. (“Rollins”), one of the largest pest-control services companies in the United States, and the parent company of the Orkin brand, among others.¹ Rollins provides pest-control services, including insect identification and treatment, trapping and removing wildlife, and termite treatment and prevention,² through more than 700 locations in 49 States.³ Its customers are owners of residential and commercial real estate.⁴

¹ Rollins, Brands, <https://www.rollins.com/brands> (last visited Apr. 13, 2026); Complaint, *In re Rollins, Inc.*, Matter No. 2510011 (Apr. 13, 2026) (“Complaint”); Decision and Order, *In re Rollins, Inc.*, Matter No. 2510011 (Apr. 13, 2026) (“Order”).

² Western Pest Services, Pest Control, <https://www.westernpest.com/pest-control> (last visited Apr. 13, 2026); Orkin, Pest Control Services, <https://www.orkinglobal.com/services/> (last visited Apr. 13, 2026).

³ See Today’s Homeowner, Orkin Review, <https://todayshomeowner.com/pest-control/reviews/orkin-reviews/> (last visited Apr. 13, 2026).

⁴ Rollins, About Us, <https://www.rollins.com/about-us> (last visited Apr. 13, 2026).

The unlawful conduct the Commission today proscribes was the alleged widespread imposition and enforcement of unfair and anticompetitive noncompete agreements.⁵ As I have said before, a priority for the Commission under my leadership is protecting American workers from practices that adversely impact competition in labor markets, including unlawful noncompete agreements.⁶ Of course, not all noncompete agreements are unlawful. “Sometimes noncompete agreements have anticompetitive effects, and other times they have procompetitive effects.”⁷ For this reason, noncompete agreements “present opposing economic considerations that require careful analysis.”⁸ As with nearly every other type of business restraint, the Commission reviews the lawfulness of noncompete agreements on a case-by-case basis under a reasonableness inquiry.⁹ Under that balancing test, which is a particular application of the rule of reason, a noncompete agreement violates the antitrust laws where the anticompetitive effects of the restraint outweigh any procompetitive effects that could not be achieved through substantially less restrictive means.¹⁰

⁵ Compl. ¶¶ 7–11.

⁶ See Press Release, FTC, FTC Launches Joint Labor Task Force to Protect American Workers (Feb. 26, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/02/ftc-launches-joint-labor-task-force-protect-americanworkers>; Statement of Chairman Andrew N. Ferguson, Joined by Comm’r Melissa Holyoak, *In re Gateway Pet Mem’l Servs.*, Matter No. 2210170, at 1 (Sept. 4, 2025) (“Ferguson Gateway Statement”); Statement of Chairman Andrew N. Ferguson, Joined by Comm’r Melissa Holyoak, *Ryan, LLC v. FTC*, No. 24-10951, at 2, 3 (Sept. 5, 2025).

⁷ Dissenting Statement of Comm’r Andrew N. Ferguson, Joined by Comm’r Melissa Holyoak, *In the Matter of the Non-Compete Clause Rule*, Matter No. P201200, at 41–42 (June 28, 2024) (“Ferguson Noncompete Rule Dissent”). For example, noncompete agreements can promote investment in employees by “mitigating the risk that a rival will lure employees away” and “allow business owners to sell their enterprise profitably because no one would buy a business if the seller could immediately compete again in the same field.” Ferguson Gateway Statement at 3. Such agreements can also “serve legitimate business interest by protecting employer investments in human capital development, safeguarding confidential information and proprietary know-how that cannot be easily protected through other means (e.g., non-disclosure and confidentiality agreements or intellectual property), and encouraging intra-firm collaboration and knowledge sharing.” Statement of Mark R. Meador, *In the Matter of Non-Compete Clauses*, Matter No. P201200, at 3 (Sept. 5, 2025) (“Meador Noncompete Statement”).

⁸ Meador Noncompete Statement at 1.

⁹ Ferguson Gateway Statement at 4, 5; Meador Noncompete Statement at 2–5. Similarly, the common law “abandoned the categorical proscription in the early eighteenth century in favor of a case-specific reasonableness test.” *Id.* at 3, n.20 (citing Ferguson Noncompete Rule Dissent at 35 & Section I.B).

¹⁰ See *Mitchel v. Reynolds*, 24 Eng. Rep. 347 (Q.B. 1711); *Ohio v. Am. Express*, 585 U.S. 529, 541–42 (2018); *NCAA v. Alston*, 594 U.S. 69, 100 (2021) (“[A]nticompetitive restraints of trade may wind up flunking the rule of reason to the extent the evidence shows that substantially less restrictive means exist to achieve any proven procompetitive benefits.”); cf. *Newburger, Loeb & Co., Inc. v. Gross*, 563 F.2d 1057, 1082 (2d Cir. 1977) (explaining that the relevant inquiry in employee agreements not to compete should

Here, staff obtained compelling evidence during their investigation that gives me the required “reason to believe” that Rollins’s use of the vast majority of its noncompete agreements violates section 5 of the FTC Act,¹¹ as charged in the Complaint.¹² Let me briefly explain.

On one side of the scale, the Commission evaluates the anticompetitive effect of the noncompete agreements. We start with the scope and coverage of Rollins’s noncompete agreements that have applied to the vast majority of its workforce of more than 18,000 people. The noncompete agreements prohibited Rollins employees from working in the pest-control industry generally within 75 miles of the Rollins location at which the employee worked for two years after the end of the employment relationship.¹³ As our Complaint explains, Rollins required all newly hired employees, regardless of their position or responsibilities, to enter into these noncompete agreements—including employees at firms that Rollins acquired.¹⁴ That sort of indiscriminate “general policy” approach of requiring every single worker to sign a noncompete agreement irrespective of the worker’s position or responsibilities cries out for scrutiny under the antitrust laws.

These noncompete agreements were not merely pro forma. When workers left Rollins to seek opportunities elsewhere or start their own businesses, we allege that Rollins sent hundreds of threatening letters or initiated litigation to enforce the noncompete agreements.¹⁵ The targets of this enforcement campaign often lacked the

focus on whether such restrictions “operate in circumstances where no valid business interest of the ex-employer is at stake” and whether they “[a]re so burdensome that their anticompetitive purposes and effects outweigh their justifications.”); *Eichorn v. AT&T Corp.*, 248 F.3d 131 (3d Cir. 2001) (challenged no-hire agreement “not an antitrust violation under the rule of reason” where the particular provision at issue “did not have a significant anti-competitive effect on the plaintiffs’ ability to seek employment”); *Aya Healthcare Servs., Inc. v. AMN Healthcare, Inc.*, 9 F.4th 1102, 1110 (9th Cir. 2021) (challenged non-solicitation agreement, involving employee outsourcing arrangement between healthcare staffing agencies collaborating to supply traveling nurses not unlawful under rule of reason where restraint was reasonably necessary to ensure neither would lose personnel during collaboration).

¹¹ 15 U.S.C. 45(b); *FTC v. Standard Oil of Cal.*, 449 U.S. 232, 241 (1980); see also *AMREP Corp. v. FTC*, 768 F.2d 1171, 1177 (10th Cir. 1985); *Boise Cascade Corp. v. FTC*, 498 F. Supp. 772, 779 (D. Del. 1980).

¹² Compl. ¶ 19.

¹³ *Id.* ¶ 7.

¹⁴ *Id.* ¶¶ 7, 9, 10.

¹⁵ *Id.* ¶ 11.

resources to litigate and acceded to the threat at great personal and professional expense.¹⁶ And our Complaint alleges that the agreements imposed additional anticompetitive effects, including impeding the expansion of existing competitors and delaying entry of new small-business competitors who could challenge Rollins.¹⁷

Turning to the procompetitive interests that could justify these onerous agreements, we come up nearly empty. As the Complaint charges, Rollins did not need the challenged provisions to continue making any capital investments in training or the development of associated proprietary information—in fact, Rollins’s pest control methods are publicly accessible on the internet, so they are hardly a secret.¹⁸ The majority of Rollins’s workforce in the U.S. is comprised of pest control technicians and customer service representatives.¹⁹ Although technicians are critical to providing pest-control services, their job duties do not require access to proprietary information that may justify noncompete restrictions in other circumstances. Rollins’s technicians had access to customer lists, and Rollins has an interest in protecting those lists to safeguard customer relationships and client goodwill. But Rollins has available to it the less restrictive alternative of narrowly tailored non-solicitation provisions to vindicate those interests.²⁰ And, indeed, Rollins has available to it the alternative of tailored non-solicitation agreements.²¹ Therefore, Rollins’s noncompete agreements flunk the test as to these categories of Rollins employees and those similarly situated.

Nevertheless, the Commission’s Order today, as was the case in *Gateway*,²² recognizes that noncompete agreements can have their (limited) place—it excludes from the prohibition certain employees who do meet a heightened bar for access to

¹⁶ See *id.* ¶¶ 11–12.

¹⁷ See *id.* ¶¶ 13–14.

¹⁸ *Id.* ¶ 15.

¹⁹ See *id.* ¶ 9.

²⁰ *Id.* ¶¶ 15–16.

²¹ Cf. Order at Section II.D.

²² Decision and Order, *In re Gateway Pet Mem’l Servs.*, Matter No. 2210170, Section I.F (Nov. 25, 2025).

competitively sensitive information. That list includes directors, officers, or other defined senior leaders who exercise policy-making authority and are eligible for grants of equity or equity-based interests in Rollins as a benefit of employment.²³

Today's Order is consistent with the enforcement approach the Commission announced in 2025. We follow the general common-law rule from which our antitrust laws arose that noncompete agreements are lawful when they go no further than necessary to protect specific, identifiable, valid interests of the employer that could not be protected without the noncompete agreement.²⁴ But we demand exacting proof to ensure that the dangers of unfair or anticompetitive noncompete agreements do not take hold. And the Commission will continue to act against noncompete agreements that unlawfully limit worker mobility and access to job opportunities, which in turn deny consumers the benefits of vigorous competition.

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²³ Order at Section II; see also Order at Section I.D.

²⁴ See Ferguson Gateway Statement at 7, n.50 (citing *Horner v. Graves*, 131 Eng. Rep. 284, 287 (C.P. 1831) (English courts upheld noncompete agreements if “the restraint is such only as to afford a fair protection to the interests of the party in favour of whom it is given, and not so large as to interfere with the interests of the public.”); 15 Corbin on Contracts § 80.6 (2024) (describing multifactor reasonableness test); Restatement (2d) of Contracts § 188 (1981) (same); *United States v. Addyston Pipe & Steel Co.*, 85 F. 271, 281 (6th Cir. 1898), *aff'd*, 175 U.S. 211 (1899) (collecting cases and relating noncompete agreements' treatment at common law to antitrust principles).