

Proskauer Rose LLP Scores Victory For Major League Soccer

December 12, 2000

December 12, 2000 (New York, N.Y.) - On Monday, December 12, a federal court jury in Boston, after a 12-week trial, returned a verdict in favor of Major League Soccer (MLS) and the United States Soccer Federation (USSF). The jury rejected the plaintiffs' claims that the process by which MLS became the only Division I soccer league in the United States violated Section 2 of the Sherman Act.

At the heart of plaintiffs' claims was the contention that the 1993 and 1995 decisions by the USSF to certify only MLS as a Division I league precluded competition for their services from other leagues and teams, thereby suppressing player salaries. Plaintiffs also alleged that the decision-making process had been tainted by a conspiracy between MLS and the USSF to achieve monopoly power in the market.

"This is a very significant decision," said Michael Cardozo, lead counsel for the League and an attorney at Proskauer Rose LLP. "The jury found that because MLS has to compete for soccer players with soccer teams in other countries, as well as with other leagues in the United States, MLS could not and does not have monopoly power in the relevant market."

This victory comes just a few months after the District Court granted Proskauer's motion to dismiss plaintiffs' claims challenging the validity of the League's single entity structure. In April 2000, Judge George O' Toole dismissed those claims on summary judgment, holding that MLS's structure, as well as the centralized player policies that flow from its structure, were lawful. MLS, as a single-limited liability company, was found to be incapable of violating Section 1 of the Sherman Antitrust Act. In addition, shortly before the case was submitted to the jury, the Court dismissed as defendants all the MLS investors.

Proskauer Rose, the leading sports law firm in the nation, has represented most of the country's major sports leagues, including, in addition to MLS, the NBA, the NHL, the WNBA, Major League Baseball and the ATP Tour. Proskauer has played a prominent role in sports league disputes ranging from various NBA and NHL antitrust litigations to last season's NBA lockout, the suspension of Latrell Sprewell and more recently those involving John Rocker and MLB umpires. NBA Commissioner David Stern and NHL Commissioner Gary Bettman both started their careers at Proskauer.