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Pryor Cashman Wins Landmark Sports Law and Antitrust Ruling in Case Against United States Soccer Federation, Inc. and Major League Soccer, LLC

In a landmark sports law and antitrust ruling, Pryor Cashman, representing a former promoter of professional international soccer matches played in the United States, successfully argued that the United States Soccer Federation (“USSF”) lacks authority over professional soccer in the U.S. and, as such, that USSF and Major League Soccer (“MLS”) are not immune from antitrust and racketeering liability arising out of USSF’s imposition of so-called “sanctioning fees” against its competitors and competitors of MLS.

In the case of *ChampionsWorld LLC v. United States Soccer Federation, Inc. and Major League Soccer, LLC*, pending in a Chicago federal district court, Pryor Cashman represents the creditors committee of ChampionsWorld, a now-defunct sports and entertainment promotion company. ChampionsWorld sued the USSF and Major League Soccer in connection with USSF’s imposition of large sanctioning fees associated with ChampionsWorld’s efforts to bring high quality professional European soccer clubs to the United States for exhibition matches.

Notwithstanding the popularity of ChampionsWorld’s product, it was forced to declare bankruptcy and liquidate in 2005. ChampionsWorld alleges, among other things, that USSF, in conspiracy with Major League Soccer, unlawfully claimed to have sole and exclusive authority to “sanction” all professional soccer matches played in the United States, and then abused that claim of authority to charge “back-breaking” anticompetitive fees against its and MLS’ competitors, such as ChampionsWorld.

USSF and Major League Soccer moved to dismiss and argued that USSF derived its claimed authority pursuant to the Ted Stevens Olympic and Amateur Sports Act. USSF further argued that its derivation of authority over professional soccer pursuant to the Amateur Sports Act entitled it to receive implied immunity from federal antitrust laws, and that it could therefore charge whatever sanctioning fees it deemed appropriate.

In its July 21, 2010 decision, the Court rejected all of USSF’s and MLS’s contentions and found that the Amateur Sports Act does not grant USSF any authority or means to obtain authority over professional soccer in the United States. Therefore, the Court held that USSF and MLS are not immune from federal antitrust liability. Moreover, because the USSF lacked the authority over professional soccer that it claimed, the Court ruled that USSF and MLS may be liable for federal racketeering based on predicate acts of extortion and mail and wire fraud, as well as additional state law claims that ChampionsWorld brought.

ChampionsWorld is represented by Pryor Cashman Litigation Partners Jamie M. Brickell and William L. Charron, with associate Mona Simonian.

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

To read *The Wall Street Journal's* coverage of the case in its September 28, 2010 article, "Judge's Ruling Questions U.S. Soccer's Power," please [click here](#). To read the September 10, 2010 story about the case in *Sports Litigation Alert*, please [click here](#).