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\$375 MILLION UFC ANTITRUST SETTLEMENT HIGHLIGHTS ERA OF ATHLETE EMPOWERMENT: 2 KEY TAKEAWAYS FOR SPORTS INDUSTRY

Insights
Nov 6, 2024

One of two class action antitrust lawsuits involving the Ultimate Fighting Championship (UFC) may be coming to a close as a federal court Judge preliminarily approved a settlement agreement between the fighting organization and over 1,000 fighters. This settlement could have an impact across other sports leagues and professional organizations. What are the two most important things to keep in mind when looking at this case?

Quick Background

Judge Richard Boulware II from the District of Nevada granted preliminary approval on October 23 to the proposed agreement in *Le et al. v. Zuffa, LLC* that would result in the UFC paying \$375 million to this class of fighters who allege they were unpaid for their fights with the company for years. This preliminary approval comes after the judge previously rejected a proposed settlement agreement of \$335 million that would have settled both class action antitrust suits against the UFC. The judge said he had concerns regarding the total amount paid to the fighters and the provisions regarding how funds would have been distributed to class members.

The current settlement proposal, which covers fights from 2010 to 2017, came with testimony from over 150 class members asking the court to approve the proposed agreement and describing how the payouts would improve their day-to-day lives.

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Once finalized, class members could receive payouts ranging from \$15,000 to over \$1 million.

The next steps in the case are as follows:

- Within 30 days from the preliminary approval, the process of notifying the class will begin.
- Within 90 days, class members will be permitted to submit objections to the proposed settlement or to the plan of allocation.
- A hearing on final approval is set for February 6, 2025.

1. We're in An Age of Athlete Empowerment

The first thing to keep in mind when looking at this settlement agreement is that it stands as a reminder that we're in an age of athlete empowerment. In recent years, there is no doubt that athletes across all sports have continued to gain power and influence in their respective leagues and organizations.

Each year, an increasing number of players from across various professional sports leagues have held out from training camps, preseason preparations, and even regular season games due to frustrations with their current contract situations. Most are seeking new contracts with a larger portion of guaranteed money.

In college sports, [the House v. NCAA settlement](#) could soon distribute nearly \$2.78 billion to a class of current and former college athletes who were not able to profit off their name, image and likeness between 2016 and 2021 before the NCAA adopted its interim NIL policy. Further, there are other court cases and labor hearings that are challenging whether college athletes should be classified as employees under various legal standards.

It is important to recognize the power that the athletes currently have and will continue to amass, and it is a trend that is likely to increase in the coming years.

2. Could This Lead to Collective Bargaining in UFC?

Nealy ever major American professional sports league engages in collective bargaining with their respective player's association or union. Specifically, most collective bargaining agreements in sports cover standards for player's

conduct, revenue sharing between teams and players, salary caps and salary structures, free agency, injury grievances, health benefits, and safety standards. These agreements are negotiated every few years between the owners and the players association.

Currently, UFC fighters do not engage in collective bargaining with the organization. All fighters are considered independent contractors and are therefore not entitled to the same benefits and protection as other professional athletes.

While there is no language in the proposed settlement agreement that states that the UFC would need to engage in collective bargaining with their fighters moving forward, it is a topic that has gained some traction given the popularity of the sport.

It is worth noting that the UFC's current broadcast deal with ESPN is set to expire in 2025. The UFC's current deal is worth \$1.5 billion over five years. This is significant because the fighters could negotiate for a portion of the TV deal if the UFC were to engage in collective bargaining with them.

There is still more than five months before the final hearing on the proposed settlement, but this agreement could continue to further the age of athlete empowerment and lead to collective bargaining in the sport.

Conclusion

We will continue to monitor developments in this case and provide updates as warranted, so make sure you are subscribed to [Fisher Phillips' Insight System](#) to get the most up-to-date information. For further information, contact the author of this Insight, your Fisher Phillips attorney, or any attorney in our [Sports Industry Team](#).