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*Living to Fight Another Day: UFC Settles Bombshell Antitrust
Lawsuit*

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“Human cockfighting” is how the late John McCain described the sport of mixed martial arts, or “MMA,” in 1996.¹ At that time, MMA was still in its infancy. Just three years prior, the Ultimate Fighting Championship (“UFC”) had held its first event—a tournament consisting of fights between practitioners of various martial arts disciplines from around the world.² Even if the public were intrigued by the new sport, state governments were immediately hostile, and a lengthy struggle to legalize MMA ensued. Over time, however, state athletic commissions began to regulate and sanction MMA events.³ Rules inside and outside the cage were implemented to make MMA safer and more palatable.⁴ Finally, in 2016, New York, a long-time holdout, became the final state to officially sanction professional MMA.⁵

Concordant with MMA’s legalization, MMA gained acceptance in the mainstream sports world. In recent years, UFC champions have appeared as guests on late-night talk shows, as actors in high-budget movies, and in commercials for everything from automobile tires to hair shampoo. MMA’s popularity translates to big business, and the

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¹ Nick Greene, *How John McCain Grew to Tolerate MMA, the Sport He Likened to “Human Cockfighting”*, SLATE (Aug. 26, 2018), <https://slate.com/culture/2018/08/john-mccain-ufc-how-he-grew-to-tolerate-mma-the-sport-he-considered-human-cockfighting.html>.

² Thomas Gerbasi, *Revisiting UFC 1: The Beginning*, UFC.COM (Nov. 11, 2019), <https://www.ufc.com/news/revisiting-ufc-1-beginning>.

³ Adam Hill, *A Timeline of UFC Rules: From No-Holds-Barred to Highly Regulated*, BLEACHER REPORT (Apr. 24, 2013), <https://bleacherreport.com/articles/1614213-a-timeline-of-ufc-rules-from-no-holds-barred-to-highly-regulated>.

⁴ *Id.*

⁵ Bryan Armen Graham, *New York Ends Ban and Becomes 50th State to Legalize Mixed Martial Arts*, THE GUARDIAN (Sept. 19, 2016), <https://www.theguardian.com/sport/2016/mar/22/new-york-legalizes-mma-ufc>.

UFC, as the premier fight promoter, has reaped a considerable financial boon. In 2016, the entertainment industry titan Endeavor bought a majority ownership of the UFC's parent company, Zuffa, LLC, for over \$4 billion.⁶ In 2021, Endeavor shelled out an additional \$1.75 billion to secure one hundred percent control.⁷

It is perhaps poetic that the UFC's rise mirrors the stories of so many fighters from fiction and reality—a gritty underdog overcoming the odds to reach the heights of success. Yet some argue that the UFC achieved its ascension by trampling over fighters' rights. MMA journalists and commentators have accused the UFC of underpaying fighters for years.⁸ For reference, the UFC pays athletes around twenty percent of its total revenue, while major sports leagues like the NFL and the NBA pay athletes around fifty percent of total revenue.⁹

Former UFC fighters filed several class action lawsuits (since consolidated), alleging that the UFC has used anti-competitive practices to control the MMA industry and that this dominance has led to artificially suppressed athlete pay.¹⁰ The plaintiffs' case hinges on the contention that the UFC achieved monopsony control by, among other things, purchasing and shuttering rival fight promotions and locking fighters into restrictive contracts that prevent other fight promoters from bidding for top talent.¹¹ Cutting to the core of the UFC's business model and competitive advantage—exclusive access to the world's best fighters—the allegations carried grave implications for the company but a potential benefit to fighters looking to test the value of their star power on the free market. After ten years of buildup, the case was set to go to trial on April 15, 2024.¹²

⁶ Noah Kirsch, *UFC Sale Officially Closes for \$4 Billion, Fertitta Brothers Earn Huge Payday*, FORBES (Aug. 22, 2016), <https://www.forbes.com/sites/noahkirsch/2016/08/22/ufc-sale-officially-closes-for-4-billion-fertitta-brothers-earn-huge-payday/?sh=2822cf04edac>.

⁷ Marc Raimondi, *Endeavor, Already a Majority Owner of the UFC, Agrees to Take Full Control of Promotion*, ESPN (Mar. 31, 2021), https://www.espn.com/mma/ufc/story/_/id/31173773/endeavor-already-majority-owner-ufc-agrees-take-full-control-promotion.

⁸ Z.G. Harris, *UFC Pay: What's Wrong with It and How to Solve It*, BLEACHER REPORT (July 31, 2013), <https://bleacherreport.com/articles/1722953-ufc-fighter-pay-whats-wrong-with-it-and-how-to-solve-it>.

⁹ Marc Raimondi, *UFC President Dana White Not Planning Fighter Raises: "These Guys Get Paid What They're Supposed to Get Paid"*, ESPN (Aug. 12, 2022), https://www.espn.com/mma/story/_/id/34389555/ufc-president-dana-white-not-planning-fighter-raises-guys-get-paid-supposed-get-paid.

¹⁰ UFC ANTITRUST LAWSUIT, <https://www.ufcclassaction.com/timeline> (last visited Mar. 27, 2024).

¹¹ Consolidated Amended Class Action Complaint; Demand for Jury Trial, LE et al. v. ZUFFA, LLC, d/b/a Ultimate Fighting Championship and UFC., No. 2:15-cv-01045-RFB-(PAL) (D. Nev. Dec. 18, 2015).

¹² Paul Gift, *UFC Antitrust Trial Is a Go; Start Date Pushed to April 15*, FORBES (Jan. 24, 2024), <https://www.forbes.com/sites/paulgift/2024/01/24/ufc-antitrust-trial-is-a-go-start-date-pushed-to-april-15/?sh=5a48eee8230b>.

With less than one month to the start of the trial, the parties announced that they had reached a settlement.¹³ The UFC agreed to pay \$335 million without admitting wrongdoing.¹⁴ A long, uncertain road has finally ended, but the larger issue of fighter pay, the impetus behind the class actions, remains a point of contention. And it remains uncertain whether antitrust litigation was the last best hope for fighters looking to gain more leverage within the MMA industry. Other avenues, such as fighter unionization, have been ineffective in creating real change.¹⁵ In 2015, Senator (then Representative) Markwayne Mullin of Oklahoma spearheaded a failed effort to enact the Ali Expansion Act, which would provide MMA fighters with financial protections currently only applicable to professional boxers.¹⁶ Current and former UFC fighters have continued to be vocal about what they believe to be unfair treatment from the world's most powerful MMA organization.¹⁷ For their part, the UFC maintains that they adequately compensate their fighters.¹⁸

It is no hyperbole to say that MMA might never have become a viable sport and industry without the UFC. But today, the brand that is nearly synonymous with mixed martial arts faces continued scrutiny not for the brutality of the sport it promotes but for the alleged financial mistreatment of athletes. Whether the law will compel a change as it did in the early days of the UFC remains to be seen. For now, the UFC will continue operating as it has been in recent years.

¹³ Lauren Hirsch, *U.F.C. Settles Antitrust Lawsuit with Fighters for \$335 Million*, N.Y. TIMES (Mar. 20, 2024), <https://www.nytimes.com/2024/03/20/business/ufc-antitrust-lawsuit-settlement.html>.

¹⁴ *Id.*

¹⁵ See Jay Caspian Kang, *Cage Fighters Need Unions, Too*, N.Y. TIMES (Sept. 16, 2021), <https://www.nytimes.com/2021/09/16/opinion/ufc-unionize.html>.

¹⁶ Muhammad Ali Expansion Act, H.R. 44, 115th Cong.

¹⁷ “*My Pay Is Not Worth It*”: *Jon Jones Gives Up UFC Title After Row with Dana White*, THE GUARDIAN (June 1, 2020); *UFC’s Francis Ngannou Speaks Out on Increased Pay*, SPORTS BUS. J. (Jan. 21, 2022), <https://www.sportsbusinessjournal.com/Daily/Morning-Buzz/2022/01/21/Ngannou.aspx>.

¹⁸ See Raimondi, *supra* note 9.