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NFL Leads Sports & Betting Cases To Watch For Rest Of 2024

By **David Steele**

Law360 (July 26, 2024, 3:34 PM EDT) -- Significant cases involving major American pro sports organizations have earned extra attention as the second half of 2024 begins, as have cases involving young professional athletes, college recruits and youth sports participants. Still, the NFL remains king with its footprint all over the list of must-follow cases for the rest of the year.

That is no small feat, considering the sheer quantity of legal and administrative actions involving the NCAA, specifically, and college sports in general — but that deluge entitled them to a **separate list** this year. Still, the NFL faces so many challenges in various federal and state courts that it would stand out in any year. And much of its heavy presence on the dockets and in courtrooms can be attributed to its efforts to stay out of court.

Below, Law360 looks at the top sports and betting cases the legal world will be watching in the second half of 2024.

NFL Coaches' Arbitration Collision Course

What began in early 2022 as a hiring discrimination suit against the NFL by Brian Flores soon after the Miami Dolphins fired him as their head coach has evolved into a test of the arbitration clause the NFL routinely inserts into employee contracts.

Ironically, the Flores case is now conflated with a 2021 suit that emerged from the leak of emails containing racist and other offensive content that led to the firing of Las Vegas Raiders head coach Jon Gruden. Gruden's defamation suit against the NFL now also hinges on the arbitration contract clause, and the system in which Commissioner Roger Goodell is the arbitrator. Flores and Gruden argue that a fair, impartial resolution of their disputes in that system is impossible.

Both cases are at the appeals level. The NFL is at the Second Circuit **trying to overturn** a U.S. district court ruling denying them arbitration in part of the Flores suit. The Nevada Supreme Court, meanwhile, gave the NFL **a win** in their appeal of the lower court's denial of their arbitration bid against Gruden. The deadline for Gruden to ask for an en banc hearing of the state Supreme Court decision is July 29.

What is certain is that neither the Flores nor the Gruden case will move forward until the arbitration dispute is resolved.

The cases are Brian Flores et al. v. The National Football League et al., case number 23-1185, in the U.S. Court of Appeals for the Second Circuit, and National Football League et al. v. Gruden, case number 85527, before the Supreme Court of Nevada.

Racism Claims Surround NFL's Media Arm

A suit filed in September by award-winning sports journalist Jim Trotter over his dismissal by the NFL's media arm largely survived the league's attempt to dismiss it. The parties have been sent to mandatory mediation, to be completed by early September, over Trotter's claim that the NFL retaliated against him for calling out teams, owners, the management of the TV and online operations and Goodell on racist hiring and retention practices.

The NFL **has denied** Trotter's allegations from the beginning, and owners Terry Pegula of the Buffalo Bills and Jerry Jones of the Dallas Cowboys have denied they made racist comments attributed to them in the suit. The league did get the claims of discrimination and a hostile work environment dropped, and said that it chose not to renew his contract last year — after, he said, he had been assured that it would be renewed — for "legitimate, non-retaliatory reasons."

Notably, Trotter's contract with the NFL and its media entities did not have an arbitration clause. Also notable is Trotter's inclusion of the Flores suit and of the email scandal that involved Gruden as evidence that the league has a poor history of addressing race issues.

The case is Trotter v. The National Football League et al., case number 1:23-cv-08055, in the U.S. District Court for the Southern District of New York.

Florida Recruit Forges New NIL Litigation Path

With the NCAA's policies on name, image and likeness on hold by court order, the head football coach at the University of Florida, a top booster and others connected to the school still face a suit by a former top quarterback recruit of making "fraudulent" NIL offers to entice him to commit there.

Jaden Rashada filed the federal suit in May against head coach Billy Napier, booster Hugh Hathcock and others, claiming that a \$13.85 million NIL package he was offered in 2022, which induced him to leave a lucrative commitment at another university, **never materialized**.

Rashada said he never even received a promised initial payment of \$500,000, he says in the suit. He ended up signing with Arizona State University for the 2023 season then transferred to the University of Georgia for the upcoming season.

It will bear watching whether other recruits take institutions and their NIL structures to court over promised deals, especially since all the NIL restrictions have been lifted and using it in recruiting is now allowed.

The case is Rashada v. Hathcock et al., case number 3:24-cv-00219, in the U.S. District Court for the Northern District of Florida, Pensacola Division.

Abuse Claims Against WWE, McMahon Under Greater Scrutiny

The explosive, graphic suit filed by former World Wrestling Entertainment employee Janel Grant against founder Vince McMahon, another former executive and WWE in January, **was paused** in June to accommodate an investigation by the U.S. attorney's office in New York. The federal intervention is sealed, but the Wall Street Journal reported in February that it was investigating McMahon for sex-trafficking — which, according to attorney and author Adrienne Lawrence, likely spells big trouble for him and the WWE.

Lawrence, vice president at Jennifer Brown Consulting and author of 2020's "Staying in the Game: The Playbook for Beating Workplace Sexual Harassment," noted that among Grant's many accusations in the suit are violations of the federal Trafficking Victims Protection Reauthorization Act. The law allows Grant to sue for damages and the government to prosecute individuals. Lawrence described Assistant U.S. Attorney Sarah Mortazavi, who filed the documents and requested the pause, as "a heavy hitter" known for her history of sex crime prosecutions.

The defendants' April bid to send the suit to arbitration remains alive, and Lawrence said that the advantages of arbitration for the defendants are clear.

Arbitration, she said, "limits the public's access to any unsavory details that may emerge during the litigation. Such details can be ruinous for a company's reputation." Also, the government might not even be allowed to join the arbitration, she said, but even if it were, the record of the proceedings are not required to be made public, and a written record is not even required to be kept. "Either way you look at it, there will be no real record of what was said if the parties are compelled to arbitrate," she said.

The case is Grant v. World Wrestling Entertainment Inc. et al., case number 3:24-cv-00090, in the

U.S. District Court for the District of Connecticut.

NFL, Sunday Ticket Customers Still Scrapping After \$4.7B Verdict

The \$4.7 billion in damages handed to the plaintiffs in the NFL Sunday Ticket antitrust trial in June did not at all signal the end of the legal battle between the league and subscribers to its pay TV package. As expected, the NFL quickly challenged the size of the jury award, calling it "irrational" and claiming that the jury improperly made up their own model for damages instead of adhering to one the plaintiffs demanded.

The plaintiffs — a class with some 2.4 million residential subscribers and another with about 48,000 commercial subscribers — quickly **clapped back**, reminding the NFL that they had demanded \$7 billion in damages and that the jury let the league off easy on what they called "blatant" violations of antitrust laws.

The NFL also asked the court to hold off on enshrining the verdict until a decision is made on the injunctive relief the subscribers also asked for in their suit. The NFL last season moved from DirecTV as its pay-TV partner to YouTube, which is not a party to the antitrust suit. The parties now await a ruling on the NFL's motions.

The case is *In re: National Football League's Sunday Ticket Antitrust Litigation*, case number 2:15-ml-02668, in the U.S. District Court for the Central District of California.

Additional Cases to Watch

Players Claim NHL, Junior Leagues Exploit Them

The players in the National Hockey League's developmental leagues, or junior hockey, have accused the NHL, the junior leagues, their president and their individual teams for collusion and restraint of trade, in a February lawsuit that claims the sport at that level exploits players and creates a culture of "economic, physical, psychological, and sexual" abuse.

The junior leagues bring players into the developmental system as young as 14, and the players claim that the system controls where they play and subjects them to low pay and substandard working conditions.

The **defendants claim** that the collective bargaining agreement with the NHL Players Association covers the players in the junior leagues, and that the leagues and teams are protected by the nonstatutory labor exemption.

The case is *World Association of Icehockey Players Unions North American Division et al. v. National Hockey League et al.*, case number 1:24-cv-01066, in the U.S. District Court for the Southern District of New York.

Dolan Accused of Sexual Assault

James Dolan, the controversial owner of the NBA's New York Knicks and NHL's New York Rangers, was sued along with media mogul Harvey Weinstein in February. Both were accused of sexually assaulting and abetting assaults of Kellye Croft while on a tour with the Eagles in 2014. Dolan has tried to **get dropped** from the suit, with the hearing on his latest motion scheduled for Aug. 19. Weinstein has tried to get the suit delayed while cases against him in New York and California advance.

Waiting until all the cases against Weinstein are resolved could mean that the Croft suit "may not be heard in this decade," Lawrence of Jennifer Brown Consulting said.

Croft amended her complaint to try to show that Dolan and Weinstein violated the TVPRA, the federal anti-trafficking law involved in the suit against WWE and McMahon. Dropping the federal case for inability to state a TVPRA would not only limit Croft's options, Lawrence said, but would open a window for Dolan to spend almost limitlessly in a state lawsuit, "litigating extensively knowing that driving up the costs for Croft may deter her from proceeding."

The case is Croft v. Dolan et al., case number 2:24-cv-00371, in the U.S. District Court for the Central District of California.

Appeals Wins and Losses for Trans Athletes

The suit in West Virginia federal court by a transgender girl challenging the state's ban on transgender participation in girls' youth sports is **on hold** while the state and the other defendants petition the U.S. Supreme Court to overturn a Fourth Circuit ruling in April that the ban violated the girl's rights under Title IX. That decision came four months after the Second Circuit sided with cisgender girls suing officials in Connecticut over its policy allowing transgender girls to compete with girls in high school sports, **remanding** the case to district court.

"I would look at those together," Mark Conrad, law professor and director of the sports concentration at Fordham University's Gabelli School of Business, said of the West Virginia and Connecticut cases. "I know the Fourth Circuit case is paused, and it will be very interesting how the trial court in the Second Circuit case will deal with that. I think they're both significant."

The cases are B.P.J. et al. v. West Virginia State Board of Education et al., case number 2:21-cv-00316, in the U.S. District Court for the Southern District of West Virginia, Charleston Division, and Selina Soule et al. v. Connecticut Association of Schools Inc. et al., case number 3:20-cv-00201, in the U.S. District Court for the District of Connecticut.

Timberwolves Sale Squabble Still Unsettled

The title of principal owner of the NBA's Minnesota Timberwolves remains in limbo as the **disputing parties** were set to go to arbitration, after mediation failed to resolve it as of early June. The most recent public development was **the addition** of billionaire and former New York City Mayor Michael Bloomberg to the Marc Lore-Alex Rodriguez ownership group in June. "That infusion of extra money by Bloomberg might override everything," Conrad said. "It might make the whole argument irrelevant. But we'll see what the arbitration ends up saying."

The dispute began in March when owner Glen Taylor called off the agreement to sell a majority stake to limited partners Lore and Rodriguez, saying they had missed the deadline for their final payment.

Antitrust Fight Against US Soccer Goes on Without FIFA

The U.S. Soccer Federation was denied by the Supreme Court in April in its attempt to end the antitrust suit by Relevent Sports, which claimed that US Soccer and the international soccer governing body FIFA acted as a monopoly to ban the arrangement and promotion of major international matches outside the teams' geographic region. FIFA settled with Relevent shortly before the Supreme Court's cert denial, and the district court that had once dismissed Relevent's suit before the Second Circuit revived it, ordered Relevent and US Soccer into **settlement talks**.

The persistence of both sides in trying to prevail in this case reflects the size of the stakes involved, Conrad said. "Look at the scope of it, the power of exhibition games — the control US Soccer wants to have to ban it, and what it means to these companies if [Relevent] won. They want La Liga games in the States, games like that. The money on the line is enormous."

The case is Relevent Sports LLC v. U.S. Soccer Federation Inc., case number 1:19-cv-08359, in the U.S. District Court for the Southern District of New York.

--Editing by Orlando Lorenzo.