

Page Printed From:

<https://www.law.com/thelegalintelligencer/2024/04/19/ufc-fighters-battle-for-fair-compensation/>**NOT FOR REPRINT**COMMENTARY

UFC Fighters Battle for Fair Compensation

The clash centers around the UFC (Ultimate Fighting Championship), the premier organization in MMA, and its fighters, who allege they have been shortchanged in terms of pay and benefits.

April 19, 2024 at 12:33 PM

Employment Law

By Jeffrey Campolongo | April 19, 2024 at 12:33 PM

In the brutal arena of mixed martial arts (MMA), where fighters face off in the octagon, there's a different kind of fight brewing outside the cage—a legal battle that has sparked contentious debates about fair compensation and the treatment of professional athletes, on the whole. The clash centers around the UFC (Ultimate Fighting Championship), the premier organization in MMA, and its fighters, who allege they have been shortchanged in terms of pay and benefits.

The Genesis of the Lawsuit

The seeds of discontent were sown years ago, as fighters began to voice their grievances regarding the financial arrangements within the UFC. Despite the organization's exponential growth and lucrative broadcasting deals, many fighters felt that their share of the pie did not reflect their contributions to the meteoric success of the sport. Unlike athletes in major team sports like basketball or football, UFC fighters lack the security of guaranteed contracts and struggle with disparities in pay.

Over a decade ago, a group of former UFC fighters, including Cung Le, Jon Fitch and Nate Quarry, filed a class action lawsuit against the UFC, alleging violations of antitrust laws and anti-competitive practices. See *Cung Le v. Zuffa*, Case No. 2:15-cv-01045-RFB-BNW (D. Nev.). The lawsuit, which was filed in December 2014, accused the UFC of monopolizing the MMA industry and suppressing fighters' earnings and restricting their ability to seek better opportunities elsewhere. The case eventually grew to include more than 1,200 fighters who worked for the UFC between December 2010 and June 2017.

In their amended complaint, the fighters accused the UFC of illegally obtaining and maintaining its monopsony position "through an anticompetitive scheme to exclude and impair actual or potential rival MMA promoters such that they do not have access to the Elite Professional MMA Fighters necessary to sustain and grow a profitable rival promotion company. As a result, Elite Professional MMA Fighters have no effective alternative promoter with whom to contract for live Elite Professional MMA bouts."

The scheme was alleged to have been sustained through the use of exclusive dealing agreements with UFC fighters that lock in Elite Professional MMA Fighter services perpetually and exclusively for the UFC. The complaint accused a top UFC official of saying that, across the MMA industry, "everybody knows how crazy we are about protecting our contracts."

The Legal Battle Unfolds

The lawsuit sent shockwaves through the MMA community and triggered a protracted legal battle that spanned a decade. The UFC consistently and vehemently denied the allegations, arguing that its business practices were lawful and that fighters were fairly compensated based on their market value and performance. The fighters countered that, unlike the "Big 4," i.e., football, baseball, basketball and hockey in the United States where pro athletes generally earn more than 50% of league revenue, UFC fighters only get 10% of all revenue generated by MMA events.

As the case progressed, it garnered significant attention from both MMA enthusiasts and legal scholars, who closely followed developments in the case. The plaintiffs, backed by expert witnesses and economic analyses, presented a compelling case for why they believed the UFC's practices had harmed competition and suppressed fighter earnings. Meanwhile, the UFC mounted a vigorous defense, including a public relations campaign against the fighters.

Discovery in the case was extensive as the fighters' lawyers sent requests to the UFC that initially garnered nearly 780,000 documents. The fighters' lawyers were subsequently able to retrieve an additional 1.8 million documents, all of which the UFC initially claimed did not exist. The fighters' lawyers also took over 50 depositions, including top UFC officials like Dana White, Lorenzo Fertitta and Joe Silva.

After six years of litigation, the court announced in December 2020 that it intended to certify the class. In August 2023, the court finally certified the class in an 80-page decision. The court appointed three law firms to lead the effort against the UFC on behalf of the fighters. Those

law firms are Berger Montague, Cohen Milstein Sellers & Toll and the Joseph Saveri Law Firm.

Turning Point: Settlement Negotiations

After years of litigation, the UFC fighters' wage lawsuit reached a critical juncture with the commencement of settlement negotiations. With a trial date on the horizon, the parties pivoted toward finding a resolution. Negotiations were conducted behind closed doors, with mediators facilitating dialogue between the UFC and the plaintiffs.

The settlement talks addressed various contentious issues, including fighter compensation, contractual terms and the UFC's business practices. Both sides engaged in intense negotiations, weighing their respective legal positions against the potential risks and benefits of reaching a settlement. Ultimately, after months of deliberation, a tentative agreement was reached, signaling an end to the prolonged legal battle.

The Settlement and What It Means for Fighters

In March 2024, the UFC fighters' wage lawsuit culminated in a landmark settlement that appears to promise significant changes for the fighters and the MMA industry as a whole. The parent company of the UFC agreed to a \$335 million settlement, made public in a filing with the U.S. Securities and Exchange Commission (SEC).

One of the plaintiffs' experts estimated that if the fighters were successful at trial, it could force the UFC to pay the fighters \$1.6 billion in pay. In antitrust cases, the fighters would have been entitled to treble damages that could have resulted in an over \$5 billion award.

The settlement represented a victory for the plaintiffs and a milestone in the ongoing fight for fair treatment and recognition of the fighters' rights. By holding the UFC accountable for its business practices, the lawsuit sparked conversations about the economic realities faced by MMA athletes and the need for reforms within the industry. Moving forward, the UFC would be under heightened scrutiny to ensure compliance with the terms of the settlement and uphold its commitments to fighters.

The Future of Fighter Compensation in MMA

While the UFC fighters' wage lawsuit and resulting settlement marked a significant step forward, the broader debate surrounding fighter compensation in MMA is far from over. As the sport continues to evolve and grow in popularity, questions persist about the distribution of revenue, the role of fighters' unions or associations, and the long-term sustainability of the MMA industry. Fighters, advocates, and stakeholders alike will continue to push for reforms that prioritize the welfare and livelihoods of those who step into the octagon. The fight for equitable treatment and compensation for fighters remains an ongoing struggle—one that will shape the future of MMA for years to come.

Jeffrey Campolongo *is the founder of the Law Office of Jeffrey Campolongo, which, for over a decade, has been devoted to counseling employees, working professionals and small businesses in employment discrimination and human resource matters.*

NOT FOR REPRINT

Copyright © 2024 ALM Global, LLC. All Rights Reserved.