PANORAMIC

SPORTS LAW

USA

LEXOLOGY

Sports Law

Contributing Editors

Claudia Keller and Michelle Wiki

Wenger Vieli Ltd

Generated on: September 25, 2025

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Contributors

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Weil, Gotshal & Manges

Arianna Scavetti	arianna.scavetti@weil.com
Alex Rahmanan	alex.rahmanan@weil.com
Matthew Harris	matthew.harris@weil.com
Shane Kuse	shane.kuse@weil.com
Zachary Schreiber	zach.schreiber@weil.com
Caroline Voelker	caroline.voelker@weil.com

REGULATORY

Governance structure

What is the regulatory governance structure in professional sport in your jurisdiction?

The governance of professional sports in the United States is generally managed by one of two types of entities: private, for-profit organisations or national governing bodies. Many of the leading professional sports leagues in the United States are private, for-profit organisations, including the National Basketball Association (NBA), the National Football League (NFL), Major League Baseball (MLB), the National Hockey League (NHL), Major League Soccer (MLS), the Women's National Basketball Association (WNBA), the Professional Women's Hockey League (PWHL) and the National Women's Soccer League (NWSL). These entities tend to be the primary revenue drivers within the landscape of American professional sports. National governing bodies generally oversee Olympic and Paralympic sports participation. USA Gymnastics, the United States Tennis Association and the United States Soccer Federation are all examples of national governing bodies that operate under the umbrella of the United States Olympic & Paralympic Committee, a quasi-governmental entity that operates as a non-profit corporation.

Both types of entities are generally governed according to rules and internal regulatory procedures outlined in league documents, such as league constitutions and by-laws. Typically, leagues will appoint a commissioner to serve as a chief executive officer who is responsible for managing the day-to-day operations of the league.

Because most professional sports organisations wield substantial market power, professional athletes often form unions to advocate for player rights and interests. These unions work with professional sports organisations to enter into a collective bargaining agreement (CBA), an agreed-upon set of rules and regulations concerning employment that leagues, teams and players agree to follow. Some CBAs may also regulate the conduct of other people involved in the business of sports, such as player-agents.

While professional leagues are generally permitted to regulate their own activities through internal rules and policies, they must abide by state and federal law. Antitrust laws, gambling laws and criminal laws are all examples of state and federal laws that intersect with the regulation of professional sports; state governments and the federal government may intervene if there are questions about a league's compliance. For example, the federal government has stepped in at times to investigate both Olympic sports (sexual abuse of athletes) and private sports (concussions in American football, steroids, and antitrust issues).

Law stated - 18 July 2025

Protection from liability

To what extent are participants protected from liability for their on-field actions under civil and criminal law?

As a general rule, athletes engaged in ordinary and expected on-field behaviour are not liable for resulting injuries. Under civil law in most jurisdictions, injuries arising from sport

are actionable only when an athlete's conduct causing injury is either wilful or in reckless disregard for the safety of another player. While an analysis of recklessness typically depends on the facts of a particular event or injury, as a baseline rule, acting recklessly means engaging in behaviour outside of the ordinary conduct' for that particular sport. For example, tackling is expected in football, rugby and even ice hockey but may be out of bounds for runners racing a marathon. Liability may also be pursued if the conduct was intentionally beyond the scope of the normal course of play (eg, a tackle during a play is intentional and within bounds in American football, but a tackle long after a play has completed, if intentional, may not be within bounds of the expected course of play). A minority of jurisdictions have adopted broader protections against liability for on-field conduct, providing that participants in any sports are not civilly liable for injuries caused by conduct that is 'inherent' in the sport, regardless of the state of the mind of the athlete.

Similarly, in the criminal context, athletes generally only risk liability if their behaviour ventures well beyond the expected behaviour of their sport. In practice, criminal liability is rarely pursued and limited to extreme circumstances. For example, in 1988, Dino Ciccarelli received jail time for hitting another player with his hockey stick. Boston Bruins defenceman Marty McSorley was charged in 2000 with assault with a weapon for his actions during a game. On the other hand, during a basketball game in 1977, Los Angeles Lakers forward Kermit Washington delivered a near-fatal punch to Houston Rockets forward Rudy Tomjanovich during a fight that broke out during a game. Tomjanovich suffered a fractured skull, broken jaw and nose, and leakage of spinal fluid. Washington was suspended by the NBA but was not arrested or charged criminally. These examples help to illustrate how unusual it is for participants to face liability for on-field (or on-ice) conduct.

Law stated - 18 July 2025

Doping regulation

What is the regulatory framework for doping matters in your jurisdiction? Is there also potential secondary liability for doping offences under civil or criminal law?

The regulation of doping in Olympic sports is largely managed by the US Anti-Doping Agency (USADA). The USADA is recognised by the United States Olympic & Paralympic Committee and the World Anti-Doping Code (WADA): it follows WADA's standards for testing and investigations and is responsible for the anti-doping programme for all US national governing bodies and events. The USADA also handles testing and adjudication of violations for Olympic athletes. This includes professional athletes in private leagues who also participate in Olympic sports; they are subject to USADA testing in the lead up to the Olympics or a World Championship event.

Because the WADA Code does not bind private professional leagues, those leagues conduct their own anti-doping programmes. Procedures for testing usually include collecting random blood or urine samples that are tested by an independent laboratory. These private procedures are generally negotiated between the private league and the respective players' union, and codified in a CBA or league doping policy. Punishment for a doping violation can range from fines to suspensions and, in extreme cases, lifetime bans. Athletes who wish to challenge findings or punishment imposed by their league may file an appeal or grievance,

which typically would be adjudicated in the first instance through arbitration proceedings at the league level, and then, if necessary, in the US court system.

Athletes who violate league-administered doping guidelines can face civil or criminal liability for taking a banned or illegal substance, as well. Some athletes have also faced criminal and civil lawsuits as a result of making false statements to government officials in connection with doping allegations. Most notably, cyclist Lance Armstrong was alleged to have defrauded the US government (in regard to his primary sponsor, the US Postal Service) by making false statements regarding his use of the drug erythropoietin, a banned substance, in violation of the terms of his sponsorship agreement with the Postal Service. Armstrong eventually settled the dispute.

Secondary liability relating to doping offences has expanded in recent years. In 2020, Congress enacted the Rodchenkov Anti-Doping Act, which prohibits persons, other than athletes, from affecting or conspiring to affect international sports competitions through the use of banned substances. In May 2023, under this new law, federal prosecutors in New York secured a guilty plea from Eric Lira, a Texas-based doctor, who violated the Act by distributing banned performance enhancing drugs to Nigerian athletes before the 2020 Tokyo Olympic Games.

Law stated - 18 July 2025

Financial controls

What financial controls exist for participant organisations within professional sport?

Under United States law, the imposition of salary control regulations is generally illegal under antitrust laws. However, federal law has created a non-statutory labour exemption, which allows leagues to impose restraints on salary that would otherwise be illegal if those limitations on salaries are part of a union-negotiated collective bargaining agreement (CBA). Most CBAs currently in effect allow for various forms of financial controls, including team salary caps, luxury tax systems to deter higher spending by wealthier teams, predetermined entry-level contract structures and minimum and maximum player salaries.

For example, the NFL, NBA and NHL all impose on member teams a salary cap and a salary floor (the maximum and minimum amount a team can spend on player salaries). While these amounts are generally tethered to annual revenue, each league's approach to setting the amounts may differ. In the NBA, the salary cap is US$154 million for the 2025-2026 season, with a salary floor of US$139 million per team. The NBA model involves a 'soft' cap, under which team spending on player salaries can exceed the salary cap through various exceptions involving traded players, rookies (first-year players), and current team members whose contracts are expiring. NBA teams are also subject to a luxury tax, the amount of which depends on how much, and how often, a team exceeds the salary cap.

The NFL has imposed a salary cap of US$279.2 million for the 2025-2026 season. The salary floor equates to roughly 89 per cent of the NFL salary cap. The NHL has a salary cap of US$95.5 million for the 2025-26 season, with a salary floor of US$70.6 million. Unlike the NBA, the salary caps in the NFL and NHL are 'hard' caps that member clubs, for the most part, cannot exceed.

The MLB, on the other hand, does not have a salary cap and instead controls team spending through a luxury tax that imposes financial penalties if spending exceeds a certain threshold. Under the MLB model, clubs that spend above certain payroll thresholds must pay a 'competitive balance tax', which is used to fund player benefits and individual player retirement funds. Clubs that exceed the competitive balance tax threshold are subject to an increasing tax rate depending on how many consecutive years that club has exceeded the threshold.

Each of the leading women's sports leagues operating in the US also imposes a salary cap agreed upon under their respective CBAs. The CBAs do not require the salary cap to be tied to a set proportionate basis of revenue. The salary caps in these leagues have been evolving rapidly. For example, the salary cap in the NWSL for the 2025 season is US$3.3million, up from US$2.75 million in 2024, and US$650,000 in 2021. The WNBA salary cap for the 2025 season is US$1.5 million, but restrictions on roster size and player salaries have come under fire from commentators and the public as the league has grown in revenue and prominence and ongoing CBA negotiations could dramatically revise the existing cap and restrictions.

Law stated - 18 July 2025

DISPUTE RESOLUTION

Jurisdiction

Who has jurisdiction over the resolution of professional sport disputes in your jurisdiction, and how is this determined?

Jurisdiction over sports-related disputes depends on the nature of the dispute and the league. League constitutions and by-laws typically require that disputes between the league, players, member teams, officials, or other internal league stakeholders be resolved through arbitration. Procedures governing player-team disputes are often agreed upon during collective bargaining negotiations and formalised in the collective bargaining agreement (CBA) between the players and the league. While they differ among the leagues, procedures generally allow for appealing an internal decision both within the league and to federal or state courts.

In some cases, disputes involving leagues or teams may be heard in court, such as when a party to a dispute is not bound to the league constitution or by-laws, the CBA, or other governing documents, and thus is not bound by an arbitration provision contained in those agreements. In some cases, a dispute may be heard in court if it falls outside the scope of the arbitration clause of the CBA (eg, claims of discrimination or commercial disputes). As these disputes are typically brought under state or federal laws, jurisdiction ultimately depends on the underlying laws regarding personal and subject-matter jurisdiction.

Law stated - 18 July 2025

Enforcement

How are decisions of domestic professional sports regulatory bodies enforced?

League decisions are typically enforced by the league, the respective players' unions and the internal appeals process, in accordance with the organising documents for the league or the CBA between the league and players' union. After exhausting their appeal options at the league level, players or teams may sometimes appeal a decision with which they disagree in court under a narrow set of circumstances outlined in the Federal Arbitration Act (FAA) or under the Labor Management Relations Act (LMRA). However, appeals of arbitration decisions in the court system are rarely successful because the appellant must clear a high bar to overturn an arbitrator's decision under US law.

In addition to the internal appeals processes set up by the leagues, the Court of Arbitration for Sport (CAS) is an international arbitration forum dedicated to exclusively resolving sports disputes. Various US sports governing bodies have provisions in their governing documents that dictate that certain disputes must be adjudicated at CAS, including the Women's Tennis Association (WTA).

Law stated - 18 July 2025

Court enforcement

Can the decisions of professional sports regulatory bodies be challenged or enforced in the national courts?

Decisions of professional sports regulatory bodies can be challenged or enforced in court, though these challenges face a high bar for success. Because federal law typically enforces decisions made by an arbitrator when a CBA or other contract authorises them to decide disputes, a reviewing court must ensure that the arbitrator was even arguably construing or applying the contract and acting within the scope of his authority and did not ignore the plain language of the contract. Similarly, outside of the labour context, under the Federal Arbitration Act (FAA), an arbitration award can only be vacated if there is evidence of corruption or improper influence, bias or misconduct on the part of the arbitrators, or where the arbitrator exceeds the powers granted to them under the FAA.

Despite this high bar, there are high-profile examples of leagues and athletes attempting to challenge league decisions in court. For example, in 2016, the National Hockey League (NHL) suspended Dennis Wideman for 20 games for deliberately knocking down an official during a game. An independent arbitrator reduced the suspension from 20 games to 10 games. The NHL appealed to a federal court, seeking to reinstate the full suspension. The appeal was unsuccessful, however, and the federal court confirmed the arbitrator's award. High-profile National Football League players including Tom Brady, Ezekiel Elliott and Adrian Peterson have also challenged league disciplinary decisions in court.

Law stated - 18 July 2025

SPONSORSHIP AND IMAGE RIGHTS

Concept of image rights

Is the concept of an individual's image right legally recognised in your jurisdiction?

There is a legally recognised concept of an individual's image right in the United States, commonly referred to as the right of publicity. The right of publicity is an individual's ability to control the commercial exploitation and appropriation of their identity. While the right of publicity is considered an intellectual property right and is similar to trademark, copyright and privacy law, it is a distinct legal right. The protected components of an individual's 'image' are typically their name, nickname, image, likeness, signature and other characteristics that are inherently connected to that individual.

In the US, the primary source of this right is through state laws; federal law does not protect an individual's publicity right. Notably, state laws vary in scope and strength of legal protection. Currently, more than 30 states recognise the right of publicity in some form.

Law stated - 18 July 2025

Commercialisation and protection

What are the key legal considerations for the commercialisation and protection of individuals' image rights?

Among the key legal considerations related to the protection of image rights are the elements of a right of publicity claim, potential First Amendment defences to any right of publicity challenge, and the available remedies in cases of infringement on this right.

Elements

While state laws vary, a plaintiff bringing a claim based on their right of publicity typically must prove two primary elements: (1) validity and (2) infringement. To prove validity, a plaintiff must prove that they own an enforceable right in an identity or persona. This means they must point to some aspect of their persona that identifies them — their name, their likeness, their nickname or another distinctive characteristic that identifies them. To prove infringement, a plaintiff must typically prove that a defendant used that aspect of the plaintiff's identity or persona without authorisation and that the defendant's unauthorised use is likely to cause commercial damage to the plaintiff's identity or persona's value.

Often the primary challenge in these types of cases is whether the plaintiff can show a likelihood of commercial damage. For example, in one noteworthy case, an appellate court rejected golfer Tiger Woods's right of publicity claim in a case concerning the unauthorised use of his image in artwork, ruling that it was not established that the appearance of Woods' likeness in artwork prints which display one of his major achievements would reduce the commercial value of his likeness.

The elements an individual must prove to prevail in a right of publicity case — and how difficult they are to prove — will vary depending upon which state the case is brought. This is because individual states may be more or less protective of image rights. For example, in California, case law provides for a valid claim of right of publicity infringement if a defendant has misappropriated an individual's identity for commercial and non-commercial purposes.

First Amendment defence

One common defence to an allegation of right of publicity infringement is that the use at issue is protected free speech under the First Amendment to the US Constitution. This defence can be hard to establish in cases when the alleged infringement is for commercial purposes. Courts will consider advertising and merchandise use as 'commercial speech', which is afforded the lowest level of protection under the First Amendment. Notably, the 'commercial speech' designation does not protect a would-be infringer from legal liability for infringing on another's right to publicity. For example, in a case in which a television station filmed and broadcast a performer's human cannonball act without his consent, the US Supreme Court rejected the television station's attempt to defend their violation of the performer's publicity rights on First Amendment grounds. The Court held that the station did not have a free speech right to broadcast the performer's routine on its newscast, reasoning that doing so would undercut the performer's economic incentive to invest in the performance's commercial success.

Remedies

Remedies for the right of publicity violations can include injunctive relief and/or monetary damages. Injunctions bar ongoing infringing conduct, while monetary damages can be awarded to compensate the plaintiff for the infringement. Courts often measure damages to an individual's right of publicity by analysing the fair market value of the identity in question, loss of future earning potential and the amount of profits earned by the infringer. In cases of wilful violations, punitive damages may also be awarded.

Law stated - 18 July 2025

Commercialisation and protection

How are image rights used commercially by professional organisations within sport?

In most circumstances, a professional athlete and that athlete's team and league can use that athlete's name, image and likeness for commercial purposes. The primary mechanism through which image rights are used commercially is through a licensing agreement. In the US, athletes may license their image and likeness to teams, leagues, players unions and brands interested in commercial initiatives. These licence agreements dictate the scope and length of the use of an athlete's image and likeness. Players unions may also benefit from group licensing agreements through which the union is given the right of commercial use to their union-member athletes. The players' unions then sub-license these rights of commercial use to other brands to monetise their union members' names, images and likenesses.

A prominent example of this union sub-licensing process is OneTeam Partners. OneTeam Partners is a joint venture consisting of the National Football League Players Association, Major League Baseball Players Association, Major League Soccer Players Association, Women's National Basketball Players Association, US Women's National Team and US Rugby Players Association. It collectively licenses athletes' name, image and likeness rights. The company's objective is to maximise the value of athletes' right of publicity across video games, collectibles, merchandise and other commercial endeavours. It has done so by, for example, negotiating a licensing deal with video game developer EA Sports that allowed

Division 1 college football players to have their name, image and likeness portrayed in college football video games in exchange for compensation.

Law stated - 18 July 2025

Morality clauses

How can morality clauses be drafted, and are they enforceable?

Morality clauses are generally enforceable in the United States, including in the sports context. These clauses are found both in endorsement contracts between athletes and brands, and between athletes and teams and/or leagues. While morality clauses with teams or leagues are generally included in a standard player contract and thus are consistent across all players in that league, morality clauses as part of endorsement contracts between athletes and brands are typically negotiated on an individual basis.

Morality clauses are aimed at ensuring that each party can preserve its reputation by terminating a contract if the other party to the contract engages in illegal or otherwise morally questionable behaviour. A well-drafted morality clause will specify the types of conduct that could trigger a termination of a player contract or endorsement deal to avoid later disputes about whether conduct breaches the clause.

Law stated - 18 July 2025

Restrictions

Are there any restrictions on sponsorship, advertising or marketing in professional sport?

Restrictions on sponsorship, advertising and marketing in professional sports vary by league. For example, Major League Baseball (MLB) recently permitted teams to sell sponsorship patches on in-game uniforms and helmets, but declined to expand the scope of these sponsorship patches to categories such as alcohol and betting, among other categories. Similarly, the PGA Tour prohibits players from being sponsored by marijuana companies and limits players' ability to be sponsored by gambling or alcohol brands. On the other hand, the NBA has official sponsorships with both FanDuel and DraftKings in the sports-betting industry, and NASCAR allows for alcohol brand sponsorships on cars that compete in races.

Restrictions may be imposed by leagues unilaterally or may be imposed by agreement among the league and players. In some instances, banned sponsorship categories are agreed upon in the respective collective bargaining agreements (CBA). The National Basketball Association (NBA), for example, removed cannabis as a banned sponsorship category after an agreement with the NBA Players Association in the 2023 CBA. In the NFL, however, the league maintains more control over banned sponsorship categories.

Restrictions on sponsorship categories often change over time. For example, the NFL recently relaxed its internal rules that strictly limited what types of alcohol brands athletes and teams could partner with. These changes to limitations may follow the evolving legality of the sponsorship category at issue. For example, as cannabis and sports betting have

started to become legalised throughout the United States, professional leagues have started to allow teams and athletes to enter into endorsement contracts with brands within these categories. Notably, the Brooklyn Nets and New York Liberty have recently become the first NBA and WNBA teams, respectively, to be sponsored by a CBD company. This may signal a broader trend evolving across the NBA, National Football League, MLB and the National Hockey League, all of whom have sponsorship deals with betting companies.

Teams and players may also be restricted from certain sponsorship agreements based on an exclusivity restriction. If a team grants sponsorship exclusivity to a certain brand, their contractual arrangement often makes that brand the only company in a given industry allowed to partner with the team (eg, the exclusive car sponsor of a team). One challenge leagues, teams, and athletes face is how to navigate competing sponsorships, where, for example, a team has an exclusive sponsorship with one brand while the relevant league or association enters into an agreement with a competing brand. In this situation, the team will generally not be considered in violation of their exclusivity arrangement with the brand in question, unless the contract stipulates exclusivity across team and league layers.

Law stated - 18 July 2025

BRAND MANAGEMENT

Protecting brands

How can sports organisations protect their brand value?

Sports organisations can protect their brand value, and mitigate the risk of exposure to negative press, in a variety of ways. Morality clauses are a primary brand-protecting tool for organisations. Teams and leagues will often include clauses in contracts that allow for the team or league to terminate the agreement if the athlete engages in conduct that is illegal, or otherwise morally reprehensible or offensive. For example, according to the collective bargaining agreement between the National Basketball Association (NBA) and its players association, teams may terminate a player contract if a player fails to conform their conduct to standards of good citizenship, good moral character, and good sportsmanship. Teams and leagues may try to draft broad language along these lines to cover conduct that could range from drunk driving to social media posts that cause outrage among the general public.

Organisations can also limit the categories of brands with which teams and athletes can enter into sponsorship contracts. Sports leagues and teams can also protect their brand value by declaring certain brand categories off-limits for endorsement contracts that might be perceived as morally reprehensible or offensive.

Some teams and leagues have filed lawsuits seeking judicial enforcement of their intellectual property rights for brand protection. For example, Pepperdine University filed a lawsuit against Netflix and Warner Brothers for trademark infringement over a Netflix show, ***Running Point***. Pepperdine claimed that the show infringed on Pepperdine's 'Waves' mark by depicting a fictional 'Waves' sports team, using school colours (blue and orange), setting the fictional team in Pepperdine's hometown of Los Angeles, and utilising the institution's founding year. While that lawsuit is still pending, the Court rejected Pepperdine's request for a temporary restraining order that would have blocked the release of the show.

Law stated - 18 July 2025

Protecting brands
How can individuals protect their brands?

Like teams and leagues, individuals can also bargain for morality clauses that protect the athlete against negative press or general reputational harm. For example, some endorsement contracts will have two-way morality clauses that also permit an athlete to terminate a contractual association with a brand if the brand engages in illegal, morally reprehensible, or offensive conduct. Athletes should also carefully scrutinise the types of brands with which they associate to avoid tarnishing their personal brands and reputations.

Moreover, athletes can protect their brands by protecting their intellectual property, and carefully negotiating endorsement contracts in ways that limit the usage of their name, image and likeness. Contractual provisions to this effect include scope of services clauses, morality clauses, specifications about intellectual property ownership and confidentiality provisions.

Law stated - 18 July 2025

Cybersquatting
How can sports brands and individuals prevent cybersquatting?

Cybersquatting is the unlawful registration of internet domain names of a well-known trademark by those who do not have ownership rights in, or authorisation to use, the trademark and subsequent selling of the domain names to the trademark owner. Cybersquatting can infringe on trademarks and other intellectual property rights concerning reputational harm, property and ownership rights. One common example of cybersquatting is when teams, leagues, athletes and other industry stakeholders cannot register a desired internet domain name that uses a valid trademark they own or can use because a cybersquatter has already registered that domain name. Cybersquatting can also create issues where infringers create confusingly similar domain names to those of brands and individuals, and cause consumer and reputational harm.

Consider, for example, the recent NHL expansion team, the Utah Mammoth. Hearing of the new team, a bad faith actor might create an internet domain name that is identical, or substantially similar to the Utah Mammoth (ie, 'UtahMammothHockey.com') that confuses consumers into thinking the domain belongs to the new National Hockey League (NHL) team. After causing reputation and brand damage and confusing consumers, the infringers might then try to force the Utah Mammoth, or the NHL, to pay a large sum of money to transfer ownership of the domain name or names. Some federal courts have described this subsequent payment as a form of 'ransom'.

In the United States, industry stakeholders have various tools at their disposal to protect their trademarks and other intellectual property rights against cybersquatting. Another common method trademark owners employ to combat cybersquatting is bringing a lawsuit under the Anti Cybersquatting Consumer Protection Act (ACPA). Congress enacted the ACPA in 1999 to protect consumers and trademark holders from cybersquatting. The ACPA provides trademark owners with a legal cause of action against anyone who 'registers, traffics in, or uses' a domain name that infringes on their trademark through consumer confusion and bad

faith intent. The elements of a claim under the ACPA are: (1) the trademark must be famous or distinctive, and valid; (2) the domain name at issue must be 'identical or confusingly similar' to the trademark; and (3) the allegedly infringing individual or entity possessed a bad faith intent to profit from the domain name. This confusion analysis is similar to that of a trademark infringement claim, which also requires that the infringing party's use of the trademark creates a likelihood of confusion among potential consumers regarding the source or affiliation affiliations of the product or service. Notably, under the ACPA, a plaintiff does not need to formally register the trademark; owners of unregistered trademarks would need to prove a strong association with the good or service at issue such that the use of those goods or services by others would constitute a false representation of ownership. Generally, however, brands and individuals can prevent the harms of cybersquatting by properly registering a brand name as a trademark; a trademark owner with a formally registered trademark will more easily satisfy the first element concerning a valid trademark. Remedies under the APCA can include cancellation or transfer of the domain name at issue and monetary damages.

Another legal tool that brands and individuals have to prevent cybersquatting is the Trademark Dilution Revision Act (TRDA) and similar state laws. The TRDA, enacted in 2006, made it easier for owners of famous trademarks to prove dilution of their mark by defining what a 'famous' trademark is, and by clarifying the standard of proof trademark owners must meet to prove dilution of a famous trademark. The TRDA defines a 'famous' trademark as one that is 'widely recognised by the general consuming public of the United States as a designation of source of the goods or services of the mark's owner'. Through the TRDA, trademark owners can prevent others from diluting their trademark by bringing a lawsuit for injunctive relief, and sometimes monetary damages that account for lost profits and bad faith conduct.

Outside of federal and state legislation, brands and individuals can also rely on the Internet Corporation for Assigned Names and Numbers (ICANN) for protection against cybersquatting. ICANN is a private, nonprofit corporation that works through private-public partnerships to manage the distribution of IP addresses, helps to register and protect domain names and holds infringers accountable. ICANN and the United States Department of Commerce have worked together over the past few decades to carry out these functions. ICANN helps combat cybersquatting through its Uniform Domain Name Dispute Resolution Policy, an arbitration system that is often faster, and less expensive, than public litigation under the ACPA or TRDA. Notably, the ICANN dispute resolution system provides for equitable remedies such as the transfer of the infringing domain name, but not monetary damages. Therefore, in seeking to protect their trademarks and intellectual property rights from cybersquatting, athletes and brands should carefully consider whether public litigation or dispute resolution through ICANN is a more appropriate course of action.

Law stated - 18 July 2025

Media coverage

How can individuals and organisations protect against adverse media coverage?

Under First Amendment legal principles, athletes and organisations are limited in their ability to protect against adverse media coverage. Freedom of the press is viewed as a core value

and is particularly strong in the context of media coverage of notable public figures, including athletes. While defamation, libel, and slander laws protect athletes against certain types of false stories, the allegedly defamed individual generally must prove that the speaker acted with actual malice, which is typically defined as either reckless disregard for the truth or knowledge of the statement's falsity. There is very little protection against adverse media coverage that is either true or the result of an innocent mistake.

Law stated - 18 July 2025

BROADCASTING

Regulations

Which broadcasting regulations are particularly relevant to professional sports?

The most relevant broadcasting regulations for professional sports are the Sports Broadcasting Act of 1961, the Copyright Act of 1976 and the Federal Communications Commission (FCC) regulations.

The Sports Broadcasting Act of 1961 was passed in response to a challenge to league broadcasting rules under the antitrust laws. US antitrust laws such as the Sherman Act prohibit certain restraints on trade or efforts to monopolise an industry. In 1953, the United States brought a suit against the National Football League (NFL) alleging the league's bylaws on broadcast restrictions violated the federal antitrust laws. Specifically, the NFL's bylaws outlawed any team from broadcasting its game within 75 miles of another team's city when that other team was playing unless the other team allowed the outside broadcast. The court found that the NFL's conduct was a restraint that 'eliminated competition' among the teams in the sale of TV rights. Following the decision, the NFL lobbied Congress to pass legislation that would help the league avoid these antitrust problems. Congress enacted the Sports Broadcasting Act in 1961 to enable professional sports leagues to pool their separate rights to broadcast games and to share the revenue from the pooled sale of those rights, without fear of violating the antitrust laws. The Sports Broadcasting Act gave professional sports leagues a broad exemption from antitrust scrutiny in regards to broadcast rights.

Congress then specifically extended copyright protection to sports telecasts in the Copyright Act of 1976. The holder of the copyright in telecasts of live sports programming is generally the sports leagues. However, sports leagues may choose to enter into contractual agreements with television broadcasters that provide the broadcasters with a licence to broadcast their games.

The FCC also regulates the broadcasting of professional sports. In 2014, the FCC repealed its sports blackout rules, which prevented cable and satellite networks from telecasting sporting events in a particular area when a local broadcast station had negotiated with the league to possess the exclusive rights to broadcast that sporting event in that area. Blackouts of sports events are the result of contractual agreements between the sports leagues and the broadcast networks and stations. In most cases, the blackout results when a sports league prohibits an event from being televised locally if the event does not sell out all its tickets. Each sports league has different rules about when a televised event can be blacked out.

Law stated - 18 July 2025

Restriction of illegal broadcasting

What means are available to restrict illegal broadcasting of professional sports events?

Streaming or otherwise redistributing unauthorised broadcasts of sporting events constitutes copyright infringement. As owners of the broadcasting rights of their games, professional sports leagues can enforce their rights through claims against a variety of possible defendants, but all options stem from the basic claim of copyright infringement.

Professional sports leagues can also use the Digital Millennium Copyright Act (DMCA) to require United States internet service providers to take down infringing websites in the US. The DMCA was enacted to preserve copyright protections on the internet while providing immunity from copyright infringement to passive service providers. The DMCA permits a copyright holder to send a takedown notice to websites containing copyright infringing material. However, the DMCA limits a website's liability for copyright infringement if it meets certain conditions; (1) it 'does not have actual knowledge that the material' is infringing; (2) 'in the absence of such knowledge, is not aware of facts or circumstances from which infringing activity is apparent;' or (3) if the hosting website does have knowledge or is aware of the infringing material, 'acts expeditiously to remove, or disable access to, the material.' Sports leagues often use DMCA takedown notices to ensure that websites like YouTube, Reddit, X (formerly known as Twitter), or Instagram remove uploads of full or partial broadcasts of sporting events.

Law stated - 18 July 2025

EVENT ORGANISATION

Regulation

What are the key regulatory issues for venue hire and event organisation?

Regulation of venue hire and event organisation depends in large part on state and local laws, which can vary from state to state and town to town. Venues and event organisers must be mindful of applicable restrictions on crowd size, security and other relevant ordinances.

In addition to being subject to state and local laws, venue and event organisations are subject to the Americans with Disabilities Act (ADA), which imposes certain accessibility obligations for those with disabilities. Title II of the ADA states that 'no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by any such entity.' The law requires sports teams to make reasonable modifications to policies, practices and procedures to make their goods and services available to people with disabilities.

Law stated - 18 July 2025

Ambush marketing

What protections exist against ambush marketing for events?

Ambush marketing does not ordinarily violate any laws, unless the ambush marketer uses the trademarks of an event organiser or an official sponsor, or otherwise engages in unfair or deceptive conduct. The main protections against ambush marketing exist under trademark law, false advertising law and the law of unfair competition. For example, false advertising claims based on the Lanham Act are actionable if the marketing creates a likelihood of confusion as to the source, sponsorship, affiliation or endorsement of the product.

The use of a third party's trademark may be considered permissible 'normative fair use' if the use does not suggest a relationship between the advertiser and the trademark owner, and the trademarked goods or services cannot be readily identified without using the trademark. However, most sports organisations are vigorous enforcers of their intellectual property rights. For example, the National Football League (NFL) polices unlicensed advertising that refers to the 'Super Bowl'. In one situation, the NFL sent a cease-and-desist letter to a church group that used 'Super Bowl' to describe a viewing party for the game. While the league has since changed its policy and no longer objects to religious organisations that refer to their events as 'Super Bowl' parties, provided that no NFL logos are used, many broadcasters generally will not accept advertising that refers to the Super Bowl unless the advertiser obtains NFL approval first to mitigate the risk of an infringement claim. This leads to many advertisers using generic references, such as the 'Big Game' to avoid a potential dispute.

Law stated - 18 July 2025

Ticket sale and resale

Can restrictions be imposed on ticket sale and resale?

Because tickets are often treated as licences to enter premises, venue operators are permitted to impose restrictions on the conditions of entry, so long as they do not violate an individual's civil rights. Venue operators are permitted to impose limits on ticket sales (including limits on the number of seats that one person or entity may purchase) or restrictions on resale.

Various state and local laws also govern the resale of tickets for admission to events. These may include prohibitions on the use of deceptive domain names, prohibitions on the use of software to circumvent security measures and ticket volume limitations. In general, however, the resale of tickets is often permitted through appropriate channels, and websites including Ticketmaster, StubHub and SeatGeek facilitate the resale of tickets among consumers, often without limitation on resale pricing.

Law stated - 18 July 2025

IMMIGRATION

Work permits and visas

What is the process for clubs to obtain work permits or visas for foreign professional athletes, and coaching and administrative staff?

Professional athletes can obtain several different types of visas: B-1 (or the visa waiver programme, depending on the athlete's country of origin), P-1, O-1A and O-1B visas. Various

factors can influence which visa might be appropriate. When the athlete is 'internationally recognized', the athlete may be eligible for the P-1 visa classification. Alternatively, the O-1 visa category is reserved for individuals with 'extraordinary ability'. To obtain an O-1 visa, athletes must demonstrate that they possess 'a level of expertise indicating that they are one of the small percentage who have risen to the top of the field of endeavour'. Teams, leagues, and consulates often work closely with professional athletes to help them navigate the process of securing an appropriate visa depending on their circumstances.

The United States also provides visas for coaches and other workers who support athletes, such as trainers, mental conditioning consultants, movement specialists, and nutritional advisers, among others. Those professionals may be eligible for an H-1B visa for workers in specialty occupations. This visa is issued for up to three years and is renewable for a second three-year period.

Following his inauguration in January 2025, President Donald Trump issued several immigration-related executive orders expected to result in stricter enforcement and increased scrutiny with respect to O-1 visa applications. These Orders would cause longer O-1 visa processing times due to deeper background checks and increased requests for evidence (RFEs), increased denial rates, additional security checks and a higher likelihood of audits of the applicant's tax records, payroll and contractual agreements with employers. It is unclear whether these orders will be enforced and, if enforced, whether athletes not currently playing professionally under O-1 or P-1 visas will be at risk for possible deportation or immigration complications.

Law stated - 18 July 2025

Work permits and visas

What is the position regarding work permits or visas for foreign professional athletes, and coaching and administrative staff, temporarily competing in your jurisdiction?

Visa requirements for athletes and staff are regulated by the United States Citizenship and Immigration Services (USCIS). Athletes who come to the United States temporarily for the sole purpose of competing in a particular competition are eligible to apply for the P-1A visa. The length of stay allowed by the P-1A visa typically matches the duration of the event or season. However, under existing regulations, P-1A individual athletes are initially authorised to remain in the United States for up to five years. Athletes who are 'internationally recognised' as an individual or as part of a team are eligible for this visa.

Essential support personnel, such as coaches, scouts, trainers, broadcasters and referees, may be eligible for the P-1S visa if they are integral to the P-1A athlete and perform services that cannot be readily performed by a United States worker. The P-1S visa is a non-immigrant visa intended for support personnel to join P-1A athletes coming to compete in the United States. The applicant must also provide a statement explaining their essential skill and their experience with the P-1A athlete as well as a copy of their contract with their United States employer. Initially approved P-1S visas are valid for the period necessary to complete the event at issue, not exceeding one year. However, the USCIS can authorise extension of stay petitions for P-1S essential support personnel of P-1A individual athletes for as long as is needed to complete the event at issue, so long as this period does not exceed five additional

years or 10 total years. A USCIS policy memo recently confirmed that athletes are not limited to these 10 years; however, after this initial 10-year stay, the athlete must leave the United States and reapply for a new P-1A visa.

With the 2026 FIFA Mens World Cup scheduled and 2028 Summer Olympics scheduled to take place in the US, some commentators have observed that recent changes to US immigration laws and regulations could pose challenges for both athletes and international tourists. Commentators have pointed to travel bans enacted by the Trump Administration that prohibit most travel to the US from certain countries, and increased immigration enforcement within the US by federal law enforcement agencies. These concerns have prompted the governing bodies for these events to implement various safeguards that aim to ensure that athletes, officials from the governing bodies and spectators from around the world will be able to freely and safely visit the US to attend these renowned global sport competitions.

Law stated - 18 July 2025

Residency requirements

What residency requirements must foreign professional athletes, and coaching and administrative staff, satisfy to remain in your jurisdiction long term or permanently?

Athletes with 'extraordinary ability' seeking permanent resident status in the United States may be eligible for the EB-1A visa. The USCIS issued a memorandum in 2010 providing a two-step analysis for evaluating whether an individual has demonstrated extraordinary ability.

In step one, an adjudicator determines whether the athlete has submitted sufficient evidence in support of their application. This step is satisfied if the athlete provides evidence of a one-time internationally recognised achievement (including, but not limited to, an Olympic medal or NBA championship). In a 1995 case, the Court granted an NHL player's visa petition, noting that the Edmonton Oilers' Stanley Cup victories, to which the athlete contributed as a player, constituted sufficient evidence of a major, internationally recognised award. However, simply playing in a major sports league alone is likely not sufficient on its own. Alternatively, the athlete can satisfy step one by providing at least three types of evidence from the list of 10 criteria provided by the USCIS: (1) evidence of receipt of a lesser nationally or internationally recognised prizes or awards for excellence; (2) evidence of membership in associations in the field which demand outstanding achievement of their members; (3) evidence of published material about the applicant in professional or major trade publications or other major media (4) evidence that the applicant has been asked to judge the work of others, either individually or on a panel; (5) evidence of the applicant's original scientific, scholarly, artistic, athletic, or business-related contributions of major significance to the field; (6) evidence of the applicant's authorship of scholarly articles in professional or major trade publications or other major media; (7) evidence of the applicant's work being displayed at artistic exhibitions or showcases; (8) evidence of performance of a leading or critical role in distinguished organisations; (9) evidence that the applicant commanded a high salary or other significantly high remuneration in relation to others in the field; and (10) evidence of the applicant's commercial successes in the performing arts. The adjudicator must examine the quality

and calibre of the evidence to determine whether the criteria for that type of evidence are satisfied.

In step two, the adjudicator considers all the evidence submitted in totality to determine whether the athlete possesses extraordinary ability. Ultimately, this determination hinges on whether the athlete belongs to the small percentage of athletes who have risen to the pinnacle of their sports or have sustained national or international acclaim. In both steps of this analysis, the adjudicator applies a preponderance of the evidence standard.

An offer of employment is not required for EB-1A eligibility. However, the applying athlete needs to provide evidence that they plan to continue working in the area of their expertise. Notably, the 'extraordinary abilities' standard for the EB-1A visa is considered a high bar; thus, it requires an athlete to demonstrate a level of expertise indicating that the individual 'is one of that small percentage who have risen to the very top of the field of endeavour.' Thus, many athletes seeking permanent residency may instead consider the EB-2 or EB-3 visas.

The EB-2 visa governs athletes with 'exceptional ability,' while the EB-3 visa applies to professional and skilled workers. Exceptional ability 'means a degree of expertise significantly above that ordinarily encountered in the sciences, arts, or business' and is a significantly lower standard than the 'extraordinary abilities' standard of the EB-1A visa. Unlike the EB-1 visa, which allows an athlete to self-petition for a visa, the EB-2 and EB-3 visas require an offer of employment. Further, unlike the EB-1, the EB-2 and EB-3 visas require the petitioning athlete to obtain a labour certification with the Department of Labor. Thus, while the bar is lower for the EB-2 and EB-3 visas compared to the EB-1 visa, they require a lengthier application process.

Law stated - 18 July 2025

Residency requirements

Do the family members of foreign professional athletes, and coaching and administrative staff, legally resident in your jurisdiction have the same residency rights?

Family members of temporary, non-immigrant workers typically qualify for the dependent non-immigrant classification of a temporary worker. Notably, a foreign athlete can be both an immigrant and non-immigrant worker, depending on the type of visa they obtain. A non-immigrant worker enters the United States temporarily, while athletes who enter the United States with the intent and ability to remain permanently are more likely to be considered non-immigrant workers. Typically, these family dependents in these categories are allowed under United States law to remain in the United States and attend school for the same duration of time as the temporary visa recipient. However, they may not obtain employment in the United States. This category of individuals includes spouses or dependent children under 21 years old.

Family members of an athlete, coach, or administrative staff member who obtains permanent resident status will also usually qualify for permanent resident status. As permanent residents, these family members may legally obtain employment in the United States.

Law stated - 18 July 2025

SPORTS UNIONS

Incorporation and regulation
How are professional sporting unions incorporated and regulated?

Professional athletes in many United States sports leagues have formed unions that negotiate collective bargaining agreements with leagues to set the terms of employment and protect the rights of athletes. Unions are formed and controlled by their members and generally have an administrative staff that runs the daily operations of the union, including handling collective bargaining issues and related disputes, licensing and revenue generation ventures.

As set out by the National Labor Relations Act (NLRA), the National Labor Relations Board (NLRB) governs the rights of private-sector employees to form labour unions, engage in collective bargaining over terms of employment and working conditions, file unfair labour practice grievances, and when necessary, to engage in collective strikes. Sports unions are incorporated and regulated via the US Department of Labor and the NLRB.

Law stated - 18 July 2025

Membership
Can professional sports bodies and clubs restrict union membership?

The National Labor Relations Act prohibits employer interference with the formation and membership of unions. As such, professional sports bodies and clubs cannot restrict players from becoming union members.

While sports bodies and clubs cannot restrict union membership, individual unions can impose certain restrictions on membership. For example, to become a member of the National Basketball Players Association, a person must play in the NBA, while the Major League Baseball Players Association has recently expanded to include players in the minor (lower-tier) leagues. Unions may also require that a player pay dues to obtain membership. Each of these organisations has different rules that govern the membership of players who are free agents or who have retired.

Law stated - 18 July 2025

Strike action
Are there any restrictions on professional sports unions taking strike action?

The National Labor Relations Act (NLRA) protects employees' rights to engage in concerted action, including strikes. When the collective bargaining process fails to yield agreement between the players unions and leagues on the terms of employment, lockouts or strikes can result. Professional sports unions have launched strikes in which athletes have refused to play when they have been unable to reach an agreement with leagues on playing conditions and compensation through the collective bargaining process. Similarly, team owners can

trigger lockouts, in which they refuse to allow players to access team facilities, in response to these types of disputes. The most recent lockout occurred in Major League Baseball from 2 December 2021 through 10 March 2022.

Strike actions, however, can be limited by the inclusion of a 'no-strike' clause in a collective bargaining agreement. Leagues often secure no-strike clauses in collective bargaining contracts with their employees' unions. Under such clauses, the union promises not to authorise or sanction any strike during the term of its contract. A strike that violates a no-strike provision of a contract is not protected by the NLRA, and the striking employees can be discharged or otherwise disciplined. The National Labor Relations Board has upheld employers' rights to terminate employees who strike in breach of such an agreement. Therefore, in the sports context, strikes and lockouts generally only occur when a collective bargaining agreement expires by its natural term and is due for renegotiation.

Law stated - 18 July 2025

EMPLOYMENT

Transfers

What is the legal framework for individual transfers? What restrictions can be placed on individuals moving between clubs?

The collective bargaining agreements (CBA) for each league establish rules surrounding free agency and individual transfers. In most US sports leagues, teams obtain rights to contract with a player entering the league through an amateur draft. Teams select players and have the exclusive right to sign that player to a contract. Most players do not achieve free agency until that initial contract expires, although the rules vary from league to league and also may consider years of service and other qualifying conditions. Once a player reaches free agency, they are free to enter a new contract with a team of their choosing.

Another common method for players to change teams is via trade. Trades are player transfers during the term of a player's contract that can be executed at a team's discretion without the player's consent. In most United States sports, when one team trades a player to another team, the acquiring team takes on the traded player's contract obligations in exchange for other considerations (which can include other players, draft picks or cash considerations). Players may negotiate a no-trade clause into their player contract, which prohibits a team from trading that player without their express permission, but these clauses are relatively rare. No-trade clauses are generally only provided to star athletes with increased bargaining power. Some leagues, such as Major League Baseball, also allow for limited no-trades clauses, through which players can exempt themselves from trades to specified teams in their player contract. Most US sports leagues also establish a mid-season trade deadline, after which teams must wait until the season ends to trade players.

Many leagues limit a team's ability to acquire new players by imposing a hard or soft cap on player salaries. A hard cap, which the National Football League uses, prevents a team from going over the salary cap for any reason. A soft cap, which the National Basketball Association (NBA) uses, sets an amount that may be exceeded under certain circumstances. There are many exceptions to the NBA's soft cap that allow teams to spend more than the salary cap in any given year. Every league imposes a roster limit, which caps the number of players that a team can have under contract in a given year.

In 2024, the National Women's Soccer League (NWSL) became the first major professional US league to alter its traditional player acquisition structure in its new CBA by eliminating the entry draft altogether, granting full free agency to players out of contract and requiring player consent for all trades (all of which are unprecedented in professional US sports).

Law stated - 18 July 2025

Ending contractual obligations

Can individuals buy their way out of their contractual obligations to professional sports clubs?

Generally, there are no fixed buyout prices in contracts in American sports. However, a player can request to be released or negotiate a buyout or complete release, which their team may or may not agree to depending on the circumstances.

Law stated - 18 July 2025

Welfare obligations

What are the key athlete welfare obligations for employers?

Participants in professional sports assume the risk of unintentional injuries, but they generally do not assume the risk of intentional injuries. If a player is injured, he or she is typically eligible to receive workers' compensation under state law. A CBA may also require coverage or otherwise guarantee equivalent benefits.

The CBAs for each sports league govern players' rights to medical care and treatment. These provisions often require team physicians and athletic trainers to have certain credentials. They also may require protocols for specific types of injuries. For example, the NFL CBA requires teams to follow a robust protocol to evaluate players for concussions.

Although teams and leagues generally are not liable for injuries to an athlete that occur during the normal course of a sporting event, they may be liable for failing to protect their players from certain dangers that they are aware of but fail to disclose. For example, thousands of retired football players brought a class action lawsuit against the NFL in 2012 to recover for the long-term effects of concussions they suffered during their careers. The former players alleged that the NFL was negligent, as it had a duty to protect its players from the dangers of concussions, and that the NFL knew of these dangers but failed to disclose them. Although the lawsuit was settled before trial, this is one example of a situation where a team or league may face allegations that they are liable for injury to a player. In May 2025, a former player on the Milwaukee Brewers MLB team, Darin Ruf, sued the Cincinnati Reds, another MLB team, for negligence for failing to maintain safe field conditions. In June 2023, Ruf ran from his first base position to catch a fly ball in foul territory and collided with a tarp roller left on the field. Ruf suffered a knee laceration and was later diagnosed with a non-displaced fracture of his patella. Ruf has not played in an MLB game since sustaining this injury.

Many leagues have begun to focus more on athletes' mental health, as well. The WNBA CBA, for example, contains a 'mental health' section that requires the parties to provide robust mental health resources for the players. The NWSL CBA contains a similar emphasis on

mental health, providing that if a licensed psychologist/psychiatrist provides a player with a recommendation to take a leave of absence due to a mental health diagnosis, the NWSL must continue to pay the player the compensation outlined in the player's standard player agreement for the term of the agreement, or up to six months, whichever is shorter, less any workers' compensation or short-term or long-term disability benefits, if any, awarded to the player solely for lost wages.

Law stated - 18 July 2025

Young athletes
Are there restrictions on the employment and transfer of young athletes?

Generally, leagues' respective collective bargaining agreements regulate age restrictions for playing in each respective league. Some leagues require players to be at least 18 years old, while other leagues require that players wait until they are a certain number of years removed from high school. Age requirements are typically collectively bargained with unions and not unilaterally imposed by the leagues.

But these age requirements—whether collectively bargained for or unilaterally imposed by the league—have been challenged under antitrust laws. One player challenged the NFL's age requirement in an attempt to enter the 2004 NFL Draft but was unsuccessful because the age limit was collectively bargained. On the other hand, a player was able to successfully challenge the NWSL's unilaterally-imposed age requirement. In that case, 15-year-old Olivia Moultrie was granted a preliminary injunction by a federal court enjoining (preventing the league from enforcing) the NWSL's requirement that players be at least 18 years old. The court found, among other things, that Moultrie was likely to succeed on the merits of her claim that the age requirement violated federal antitrust laws. The court noted that if the players' association and the league were to collectively bargain for an age restriction, then she could lose her eligibility, but they had not done so. When the NWSL and its players' union later entered into a collective bargaining agreement, it did not contain any age restriction. Players as young as 14 years old have now competed for several NWSL teams.

Law stated - 18 July 2025

Young athletes
What are the key child protection rules and safeguarding considerations?

Health and safety of minors is a primary safeguarding consideration. In the United States, Congress established the US Center for SafeSport, an independent non-profit organisation, through the Protecting Young Victims from Sexual Abuse and Safe Sport Authorization Act of 2017. Pursuant to this legislation, SafeSport develops and enforces policies, procedures and training programmes to prevent abuse and misconduct across the United States amateur and professional sports landscape, as well as the Olympic and Paralympic games.

In more recent years, some national governing bodies (NGBs) have also taken steps to ensure that minors stay protected from dangers specific to playing their sport. For example, with growing concern over the effects of head injuries, an area of particular focus has been preventing concussions. USA Football has issued guidelines that recommend limiting

full contact drills, which can increase the chance of injury. And the US Soccer Federation has recommended a ban on headers for athletes aged 10 and under. Other NGBs have implemented more robust concussion protocols, as well.

Law stated - 18 July 2025

Club and country representation

What employment relationship issues arise when athletes represent both club and country?

Athletes that play in the major sports leagues are employees of their respective teams or leagues, and their employment relationships are generally governed by a CBA. When they represent their country in an international event, the applicable national governing body becomes their employer as they compete in that capacity and will often pay them (or at least cover expenses) to compete in international events.

While teams and leagues often endeavour to work cooperatively with the national governing body to enable athletes to fulfil their duties to both club and country, some challenges can arise when the dates of international competitions overlap with club competitions. Some leagues do not 'pause' until the players return from the international event. Instead, they will continue league competition until those players return to their respective teams. In the NWSL, for example, for many years, league games continued while many players were competing in the World Cup or Olympics. NWSL teams could sign players to short-term contracts to replace players representing their country at a national event until those players return. In recent years, the NWSL has endeavoured to impose a longer break in the season to avoid playing games at times that conflict with major international tournaments. In the NHL, the league and players' association negotiate whether or not players under contract can leave mid-season to play for their respective national teams during the Winter Olympic Games, which occur during the NHL season. The International Ice Hockey Federation and the NHL entered into an agreement to create a mid-season break to enable player participation in the 2026 Olympics.

Law stated - 18 July 2025

Selection and eligibility

How are selection and eligibility disputes dealt with by national bodies?

Selection and eligibility generally fall within the purview of the respective national governing body (NGB) for promoting and developing a particular sport in the United States. The NGBs oversee youth-level and elite-level national teams to prepare them to qualify for international events, including the Olympics or the World Championships. They often select individuals to compete at events such as the Olympics (or Olympic-qualifying) through evaluation by national team coaches at competitions and team selection camps. Other team selections are results-based, depending on placement at a trials competition or a scoring system.

NGBs handle most disputes within each sport. An athlete seeking to challenge an NGB's decision regarding his or her right to participate in competition may first file a formal complaint with the NGB. In addition to filing the complaint with the NGB, the athlete may also

file a complaint with the Olympic & Paralympic Committee, which notifies the Committee that an issue exists and allows it to intervene to mediate the dispute. After filing a complaint, an athlete may seek a final resolution of his or her claim by filing for arbitration with the American Arbitration Association, which may or may not be appealable to the United States court system depending upon the nature of the dispute and the process by which it was resolved.

Law stated - 18 July 2025

TAXATION

Key issues
What are the key taxation issues for foreign athletes competing in your jurisdiction to be aware of?

Foreign athletes performing services in the United States must pay federal income tax. Taxable income includes compensation for games, endorsements, the sale of merchandise, royalties or any other income earned within the United States. Foreign athletes are also subject to special tax and withholding rules. Athletes typically must also pay state income tax to the state government on services rendered within the state if that state collects a state-level income tax, as well as to the state in which they reside (if that state levies an income tax).

Law stated - 18 July 2025

UPDATE AND TRENDS

Key developments of the past year
Are there any emerging trends or hot topics in your jurisdiction?

House settlement allows direct compensation For college athletes

One of the major developments in the US sports landscape has been the ability of college athletes, long treated as unpaid amateurs, to receive compensation, either directly from their universities or from brands for use of their name, image and likeness (NIL). Beginning in 2019, in the wake of a rising tide of state legislation and litigation, the National Collegiate Athletic Association (NCAA) amended its NIL rules to permit college athletes to receive compensation from third parties for their NIL.

The athletes were still prohibited from receiving compensation directly from universities and litigation continued to proliferate, alleging that these restrictions violate the federal antitrust laws by preventing schools from competing to attract talented athletes by offering wages. The dispute took a major step toward resolution this year with the settlement of the most significant case challenging these rules: ***House vNCAA***. On 23 May 2024, a US$2.8 billion settlement was tentatively reached between the NCAA and 'Power Five' athletic conferences (the Atlantic Coastal Conference, Big 12, Big Ten, Pac-12 and the Southeastern Conference) on the one hand, and over 14,000 former NCAA student athletes. The landmark settlement, approved in June 2025, provides for damages in the form of back pay to former college

athletes, and creates a go-forward framework for revenue sharing in which athletes would receive a portion of the revenue generated by the NCAA and major conferences. Most of the money awarded under this settlement will be directed to former men's football, men's basketball and women's basketball players. As of July 2025, over 300 colleges and universities have opted in to the go-forward revenue sharing model. This development represents a fundamental shift in the economic model of college athletics and a major move away from the NCAA's long-held amateurism model for its most prestigious college athletic programmes. However, the settlement is not likely to put an end to litigation, as disputes still loom over whether federal antidiscrimination laws require universities to distribute money equally to male and female athletes; whether new 'market value' limitations on third-party brand deals are permissible and whether future college athletes are unduly limited by the new rules.

Major antitrust litigation continues

Historically, significant changes in American sports have often resulted from antitrust litigation brought by players against leagues, individual teams and governing bodies that challenge core aspects of league structure. This trend has continued in recent history, particularly in the last year through litigation initiated by rival leagues, consumers and players.

In February 2025, a federal jury found that the US Soccer Federation (USSF) did not violate federal antitrust law in the governing body's handling of the league classification of the defunct North American Soccer League (NASL). The case centered around US Soccer's oversight of the American men's professional soccer leagues and their classification of leagues as either Division I, II or III. In 2017, USSF removed NASL's classification as Division II league. NASL brought antitrust claims alleging that US Soccer and MLS conspired to exclude NASL from the markets for Division I and Division II men's pro soccer in the US and Canada. The defendants argued there was not a conspiracy and that the NASL's classification as a Division III league was based on objective metrics, including number of teams, geographic diversity of teams, and minimum stadium capacity. Following the trial, NASL filed a motion seeking a new trial, which was denied. NASL has since filed an appeal to the federal Court of Appeals for the Second Circuit seeking to overturn the jury trial loss and that appeal is currently ongoing. This case reinforced the wide-ranging ability of governing bodies to regulate their respective sports.

Another major antitrust litigation in US sports is the nearly decade-long litigation over the NFL's Sunday Ticket television package, In re Nat'l Football League Sunday Ticket Antitrust Litigation. The plaintiffs alleged that the NFL violated federal antitrust laws when they pooled teams' out-of-market broadcast rights and offered 'Sunday Ticket' as one consolidated product rather than letting consumers watch only certain games or teams at a lower price. Following a month-long trial, a federal court jury returned a US$4.7 billion verdict against the NFL. However, the judge later vacated the jury verdict, finding that the way the jury calculated the amount of damages was flawed. The plaintiffs have appealed the judge's decision wiping out the verdict to the Ninth Circuit Court of Appeals. This litigation has the potential to alter the broadcasting rights legal landscape, and may require leagues to reconsider how they handle packaged broadcast rights that serve as a major source of revenue.

Sports betting creates new enforcement challenges

In the time since legalised sports betting began rapidly expanding across the United States following the 2018 United States Supreme Court decision, ***Murphy v NCAA***, leagues and teams have endeavoured to monitor and regulate improper sports betting activity by athletes and others in their circle. Some recent high- profile cases have highlighted these risks.

One recent example of off-field betting-related conduct involved Ippei Mizuhara, former translator to superstar Major League Baseball (MLB) player Shohei Ohtani of the Los Angeles Dodgers. Mizuhara was indicted and accused of illegally transferring US$17 million out of Ohtani's bank account to allegedly cover Mizuhara's gambling debts. Mizuhara allegedly orchestrated a scheme without Ohtani's knowledge that involved changing the registered email address and telephone number on Ohtani's bank account, impersonating Ohtani on at least 24 occasions and issuing double payments for legitimate expenses in order to obtain funds. Mizuhara pled guilty to one count of bank fraud and one count of falsifying a tax return. Mizuhara was later sentenced to nearly five years in prison, and was ordered to pay over US$16 million in restitution to Ohtani, and over US$1 million to the Internal Revenue Service (IRS).

In the past few years, several professional athletes have also been punished by leagues and federal law enforcement for violating league rules and federal law concerning betting-related activities. In 2024 the NBA launched an investigation into Jontay Porter, a former center for the Toronto Raptors, after sportsbooks noticed irregularities in the over/under betting statistics for two of Porter's games. The investigation revealed that Porter bet on NBA games, fixed 'prop' bets within his control and disclosed confidential information to bettors. As a result, Porter was permanently banned from the NBA and later pleaded guilty to federal conspiracy to commit wire fraud charges.

In 2025, MLB launched an investigation into Cleveland Guardians pitcher Luis Ortiz after a third party flagged unusual gambling activity on two particular pitches thrown by Ortiz in one game. The third party flagged the following particularities about the two pitches: both pitches were the same type of pitch (a slider), both pitches came on the first pitch of the respective at-bat, and both pitches were thrown well out of the strike zone. Ortiz is currently on 'non-disciplinary paid leave' until 17 July 2025, which is a form of player leave negotiated between MLB and the MLB Players Association (MLBPA). Leagues will likely need to continue to monitor and regulate potential improper activity related to sports betting as the gaming industry continues to rapidly grow.

Transgender athletes' rights reach the Supreme Court

One of the most hot-button issues in the US sports law landscape is the treatment and regulation of transgender women athletes in youth and collegiate sports. Since 2020, 27 states have enacted legislation banning transgender women and girls from participating in women's sports in public schools and universities. Many of these bans allow for invasive forms of testing, such as monitoring for above-average testosterone levels and even requiring procedures to reduce such levels to be eligible to compete as women in athletic events. Advocates for transgender rights have traditionally argued that these state laws violate both Title IX of the Civil Rights laws, which bars sex discrimination in educational programmes that receive federal funding, and the US Constitution's Equal Protection clause.

In light of a changing political landscape in the United States, over the last year, states have intensified efforts to exclude transgender students from these nondiscrimination

protections. These state efforts are often defended by claims of fairness to cisgender female athletes, with proponents of these laws taking the view that cisgender women are denied an equal opportunity to compete when placed in competition with transgender women. On 5 February 2025, President Trump signed an executive order titled 'Keeping Men Out of Women's Sports', which provides for a Title IX violation in – and threatens to remove federal funding from – any elementary, secondary or post-secondary institution that allows transgender girls to play on its girls' teams. The NCAA immediately changed its internal policies to comply with the executive order, limiting eligibility for their women's sports competitions to athletes who were assigned female at birth. Additionally, in January 2025, the Republican-controlled House of Representatives narrowly passed the 'Protection of Women and Girls in Sports Act', which amended Title IX to define sex as solely based on a person's reproductive biology and genetics at birth. This bill was ultimately blocked by the Senate.

This expanding legislative push has now reached the US Supreme Court in what will be a closely watched case. In July 2025, the Supreme Court agreed to hear two cases – ***Little vHexoc*** (Idaho) and ***West Virginia vBPJ*** (West Virginia). In both cases, the states enacted legislation banning transgender women and girls from participation on girls' and womens' sports teams. While challenges to both state laws were successful in lower courts, both states are now appealing those decisions to the Supreme Court, who agreed to hear the challenges. These cases are poised to drastically reshape and perhaps settle, the legal landscape concerning this hot-button issue.

Private equity proliferates in sports team ownership

The introduction and proliferation of private equity investment in American sports franchises presents a significant development in sports club ownership structures.

Historically, private equity funds did not invest heavily in American sports leagues because league rules, until recently, prohibited institutional investment in individual teams. However, as team valuations began skyrocketing, team owners identified private equity as a way to raise capital without losing control of their respective teams. Private equity firms have also realised the immense investing potential in sports clubs, a finite class of assets which, due to factors including scarcity, durable fan loyalty, diversified and recurring revenue streams, and the inherent cross-cultural appeal of sports, have proven to perform well economically even in unfavourable macroeconomic environments compared to other assets such as stocks and commodities.

Today, almost all leagues have embraced institutional investment in individual clubs. While many leagues have implemented safeguards that prevent private equity funds from purchasing majority stakes in member clubs, some leagues, like the NWSL, allow private equity funds to purchase majority stakes in clubs under certain conditions. Some leagues also require votes by team owners that require majority, and sometimes supermajority approval of team sales, including institutional capital. Between 2019 and 2021, MLB, Major League Soccer, the National Hockey League (NHL) and the National Basketball Association (NBA) all approved new ownership rules that allow private equity funds to purchase minority stakes in their franchises. Each of these leagues allows up to 30 per cent of a given member club to be owned by institutional investors. In 2024, the NFL followed suit, updating its regulations to permit private equity investment, albeit with a conservative 10 per cent

ownership cap and a minimum six-year hold period. This smaller cap is designed to assure selling owners that fund investors will serve primarily as silent partners.

The developments in sports media rights and league rule changes have led to a dramatic acceleration in private equity transactions across the major US sports leagues. Some examples include traditional private equity funds and other large asset managers. For example, the NFL recently approved minority equity sales in the Buffalo Bills, Miami, San Francisco 49ers and Los Angeles Chargers. Recent equity investments in NBA franchises further highlight the growth of sports franchises as a prized asset class, particularly when those franchises operate in major markets and possess strong brand equity. In March 2025, a private investment group acquired a controlling stake in the Boston Celtics for an estimated US$6.1 billion. This was the most expensive control sale in professional sports history until about a month later, when the Los Angeles Lakers agreed to sell a majority stake in the team to Mark Walter, owner of the Lakers' baseball neighbour, the Los Angeles Dodgers, for a reported US$10 billion. In addition to these high-profile transactions, the sports industry has seen nontraditional entrants establish funds to acquire available franchise stakes in the future. Former Dallas Mavericks owner Mark Cuban's newly-launched Harbinger Sports Partners, for example, is expected to cap out at US$750 million after its first fundraising and will soon begin targeting ownership stakes of up to 5 per cent in each target enterprise.

With the growth and evolution of the global sports market expected to intensify over the next several years, so too will the valuations of these franchises, the scale of these transactions, and the diversity of investors and deal structures emerging from across the sports landscape.

Law stated - 18 July 2025