

1 **IV. PARTIES**

2 31. Defendant Zuffa, LLC is a Nevada limited liability company founded in 2000 and  
3 headquartered in Las Vegas, Nevada.

4 32. Zuffa is a privately-held entity of which billionaire founders Lorenzo Fertitta, Zuffa's  
5 CEO, and Frank Fertitta each own 40.5%. Zuffa's President, Dana White, owns 9% of the entity. In 2010,  
6 Flash Entertainment, a wholly-owned subsidiary of the Government of the Emirate of Abu Dhabi,  
7 purchased ten percent of Zuffa. The UFC was purchased by the Fertittas for \$2 million in 2001 and is  
8 currently valued in excess of \$2 billion.

9 33. Zuffa is in the business of, among other things, promoting live Elite Professional MMA  
10 bouts in the U.S. and elsewhere, under the trade names of the Ultimate Fighting Championship<sup>®</sup> or  
11 UFC<sup>®</sup>. Under the UFC trademark, which is wholly owned by Zuffa, Zuffa promotes professional MMA  
12 events for live audiences as well as live television, Internet and PPV broadcasts, and licenses, markets,  
13 sells and distributes UFC Licensed Merchandise and/or Promotional Materials including, but not  
14 limited to, tickets to bouts, live and taped television programming, broadcasts over an Internet  
15 subscription service, sponsorships and other merchandise including video games, action figures, gyms,  
16 fitness products, athletic equipment, apparel, footwear, hats, photographs, toys, collectibles, trading  
17 cards and digital media products.

18 34. All of Defendant's actions described in this Complaint are part of, and in furtherance of,  
19 the unlawful anticompetitive scheme and illegal restraints of trade alleged herein, and were authorized,  
20 ordered, and/or performed by Defendant's various owners, shareholders, officers, agents, employees, or  
21 other representatives, including but not limited to, Lorenzo Fertitta, Frank Fertitta, and Dana White,  
22 while actively engaged in the management of Defendant's affairs, within the course and scope of their  
23 roles or duties of employment, or with the actual, apparent, or ostensible authority of the UFC.

24 35. Defendant has illegally acquired and continues to maintain monopsony power in the  
25 Relevant Input Market, *i.e.*, the market for Elite Professional MMA Fighter services, through various  
26 illicit market restraints and exclusionary conduct, including unlawful restraints and exclusionary  
27 conduct in the Relevant Output Market.  
28

1           36. Plaintiff Cung Le (“Le”), a resident of San Jose, California, is an Elite Professional  
2 MMA Fighter and a proposed representative of the Bout Class and the Identity Class. Le competed in  
3 UFC-promoted bouts in the United States and elsewhere from 2011 through the present. Le’s  
4 compensation for participation in those UFC bouts was artificially suppressed due to the  
5 anticompetitive scheme alleged herein. Le appeared on *EA Sports UFC*, the fourth installment of the  
6 UFC video game franchise, initially released on June 17, 2014. *EA Sports UFC* is a mixed martial arts  
7 fighting video game developed by Electronic Arts which is based in the Northern District of California.  
8 Le has also appeared in Round 5 action figure sets, including limited edition sets, and Topps Trading  
9 Card sets. Le’s Identity, including his autograph, was featured in UFC posters. Le’s Identity was  
10 expropriated and his compensation for appearing in UFC Licensed Merchandise and UFC Promotional  
11 Materials was artificially suppressed. Le was and continues to be injured as a result of the Defendant’s  
12 unlawful conduct.

13           37. Plaintiff Nathan Quarry (“Quarry”), a resident of Lake Oswego, Oregon, is an Elite  
14 Professional MMA Fighter and is a representative of the Identity Class. Quarry competed in UFC-  
15 promoted bouts in the United States from April 2005 to March 2010. Quarry appeared in the *UFC*  
16 *Undisputed 2010* video game that debuted on May 25, 2010, in North America, and is still sold today.  
17 *UFC Undisputed 2010* has reportedly sold over 2 million units. Quarry has also been featured in a  
18 number of trading cards manufactured and sold by Topps Trading Cards, including a series in 2010,  
19 which are still sold today. Quarry’s Identity was expropriated and his compensation for appearing in  
20 UFC Licensed Merchandise and UFC Promotional Materials was artificially suppressed due to the  
21 scheme alleged herein. Quarry was and continues to be injured as a result of the Defendant’s unlawful  
22 conduct.

23           38. Plaintiff Jon Fitch (“Fitch”), a resident of Las Vegas, Nevada, is an Elite Professional  
24 MMA Fighter and is a proposed representative of the Bout Class and the Identity Class. Fitch competed  
25 in UFC-promoted bouts in the United States and elsewhere from October 2005 through February 2013.  
26 Fitch’s compensation for participation in those UFC bouts was artificially suppressed due to the  
27 anticompetitive scheme alleged herein. Fitch appeared in the first three versions of the UFC video game  
28 franchise, including *UFC Undisputed 2009*, *UFC Undisputed 2010*, and *UFC Undisputed 3*, debuting

1 May 19, 2009, May 25, 2010, and February 14, 2012, respectively, each of which is still sold today. *UFC*  
2 *Undisputed 2009* has reportedly sold over 3.5 million units, *UFC Undisputed 2010* has reportedly sold  
3 over 2 million units, and *UFC Undisputed 3* has sold a reported 1.4 million units. Fitch has also appeared  
4 in Round 5 action figure sets including limited edition sets, Topps Trading Card sets, and JAKKS  
5 Pacific action figure sets. Fitch's Identity was expropriated and his compensation for appearing in UFC  
6 Licensed Merchandise and UFC Promotional Materials was artificially suppressed due to the scheme  
7 alleged herein. Fitch was and continues to be injured as a result of the Defendant's unlawful conduct.

## 8 **V. CLASS ACTION ALLEGATIONS**

### 9 **A. The Bout Class**

10 39. The Bout Class Plaintiffs bring this action individually and as a class action pursuant to  
11 Rules 23(a), 23(b)(2), and 23(b)(3) of the Federal Rules of Civil Procedure on behalf of the "Bout  
12 Class" consisting of:

13 All persons who competed in one or more live professional UFC-  
14 promoted MMA bouts taking place or broadcast in the United States  
15 during the Class Period. The Bout Class excludes all persons who are not  
16 residents or citizens of the United States unless the UFC paid such  
17 persons for competing in a bout fought in the United States.

18 40. There are multiple questions of law and fact common to the Bout Class that  
19 predominate over any questions solely affecting individual members, including but not limited  
20 to:

- 21 a. whether the market for promoting live Elite Professional MMA bouts, *i.e.*, the Relevant  
22 Output Market, is a relevant market in this case;
- 23 b. whether the relevant geographic market is the United States, or alternatively, North  
24 America;
- 25 c. whether the Defendant possesses monopoly power in the Relevant Output Market;
- 26 d. whether the market for Elite Professional MMA Fighter services, *i.e.*, the Relevant Input  
27 Market, is an appropriate relevant market for analyzing the claims in this case;
- 28 e. whether the Defendant possesses monopsony power in the Relevant Input Market;
- f. whether, through the conduct alleged herein, the Defendant willfully acquired,  
maintained and enhanced monopoly power;

1 g. whether, through the conduct alleged herein, the Defendant willfully acquired,  
2 maintained and enhanced monopsony power;

3 h. whether Defendant engaged in unlawful exclusionary conduct to impair the  
4 opportunities of actual or potential rivals in the Relevant Output Market;

5 i. whether Defendant entered into exclusionary agreements with actual or potential rival  
6 MMA Promoters, MMA venues, or other entities, that foreclosed the UFC's actual or potential rivals  
7 from competing in the Relevant Output Market;

8 j. whether the terms in the UFC's contracts requiring exclusivity are, when taken together,  
9 anticompetitive;

10 k. whether Defendant's exclusionary scheme had anticompetitive effects in the Relevant  
11 Markets;

12 l. whether Defendant's actions alleged herein caused injury to Bout Class Plaintiffs and the  
13 members of the Bout Class in the form of artificially suppressed compensation for participating in UFC-  
14 promoted MMA bouts;

15 m. the appropriate measure of damages; and

16 n. the propriety of declaratory and injunctive relief.

17 41. The members of the Bout Class are so numerous and geographically dispersed that  
18 joinder of all members is impracticable. Although the precise number of such individuals is currently  
19 unknown, Plaintiffs believe that the number of members in the Bout Class is, at minimum, in the  
20 hundreds, and that the members reside across the United States, including in this District.

21 42. The claims of the Bout Class Plaintiffs are typical of those of the class they seek to  
22 represent. Plaintiffs Cung Le and Jon Fitch, like all other members of the Bout Class, were injured by  
23 Defendant's illegally obtained market and monopsony power that resulted in artificially suppressed  
24 compensation for competing in UFC bouts.

25 43. The Bout Class Plaintiffs are more than adequate representatives of the Bout Class and  
26 their chosen Class Counsel (the undersigned) are more than adequate attorneys. The Bout Class  
27 Plaintiffs have the incentive, and are committed to prosecuting this action, for the benefit of the Bout  
28

1 Class. The Bout Class Plaintiffs have no interests that are antagonistic to those of the Bout Class.  
2 Plaintiffs have retained counsel highly experienced in antitrust and class action litigation.

3 44. This action is maintainable as a class action under Fed. R. Civ. P. 23(b)(2) because  
4 Defendant has acted and refused to act on grounds that apply generally to the Bout Class, and final  
5 injunctive and declaratory relief is appropriate, and necessary, with respect to the Bout Class as a whole.

6 45. This action is maintainable as a class action under Fed. R. Civ. P. 23(b)(3) because  
7 questions of law and fact common to the Bout Class predominate over any questions affecting only  
8 individual members of the Bout Class. A class action is superior to other available methods for the fair  
9 and efficient adjudication of this controversy. Prosecution as a class action will eliminate the possibility  
10 of repetitious litigation. Treatment of this case as a class action will permit a large number of similarly  
11 situated persons to adjudicate their common claims in a single forum simultaneously, efficiently, and  
12 without the duplication of effort and expense that numerous individual actions would engender. Class  
13 treatment will also permit the adjudication of relatively small claims by many class members who  
14 otherwise could not afford to litigate an antitrust claim such as that asserted in this Complaint. The  
15 Bout Class Plaintiffs are aware of no difficulties that would render this case unmanageable.

16 46. The Bout Class Plaintiffs and members of the Bout Class have all suffered, and will  
17 continue to suffer, antitrust injury and damages as a result of Defendant's acquisition, enhancement, or  
18 maintenance of monopsony power in the Relevant Input Market.

19 **B. The Identity Class**

20 47. The Identity Class Plaintiffs bring this action individually and as a class action pursuant  
21 to Rules 23(a), 23(b)(2), and 23(b)(3) of the Federal Rules of Civil Procedure on behalf of "Identity  
22 Class" consisting of:

23 Each and every UFC Fighter whose Identity was expropriated or  
24 exploited by the UFC, including in UFC Licensed Merchandise and/or  
25 UFC Promotional Materials, during the Class Period in the United States.

26 48. There are multiple questions of law and fact common to the Identity Class that  
27 predominate over any questions solely affecting individual members, including, but not limited to, all of  
28 the common questions set out with respect to the Bout Class above, in addition to the following:

1 a. whether the Defendant expropriated or exploited the Identities of members of the  
2 Identity Class in UFC Licensed Merchandise or Promotional Materials during the Class Period;

3 b. whether the Defendant's actions alleged herein caused injury to the Identity Class  
4 Plaintiffs and the members of the Identity Class in the form of suppressed compensation;

5 c. the appropriate measure of damages; and

6 d. the propriety of declaratory and injunctive relief.

7 49. The number of members of the Identity Class is so numerous and geographically  
8 dispersed that joinder of all members is impracticable. Although the precise number of such individuals  
9 is currently unknown, Plaintiffs believe that the number of members is, at minimum, in the hundreds  
10 and that such individuals reside across the country, including in this District.

11 50. The Identity Class Plaintiffs' claims are typical of those of the Identity Class they seek to  
12 represent. The Identity Class Plaintiffs, like all other members of the Identity Class, have been injured  
13 by the UFC's illegally obtained monopoly and monopsony power, resulting in Plaintiffs' suppressed  
14 earnings from the UFC's exploitation of their Identities.

15 51. The Identity Class Plaintiffs are more than adequate representatives of the Identity Class  
16 and their chosen Class Counsel (the undersigned) are more than adequate attorneys. The Identity Class  
17 Plaintiffs have the incentive, and are committed, to prosecuting this action for the benefit of the Identity  
18 Class. The Identity Class Plaintiffs have no interests that are antagonistic to those of the Identity Class.  
19 The Identity Class Plaintiffs have retained counsel experienced in antitrust and class action litigation.

20 52. This action is maintainable as a class action under Fed. R. Civ. P. 23(b)(2) because the  
21 UFC has acted and refused to act on grounds that apply generally to the Identity Class, and final  
22 injunctive and declaratory relief is appropriate, and necessary, with respect to the Identity Class as a  
23 whole.

24 53. This action is maintainable as a class action under Fed. R. Civ. P. 23(b)(3) because  
25 questions of law and fact common to the Identity Class predominate over any questions affecting only  
26 individual members of the Identity Class. A class action is superior to other available methods for the  
27 fair and efficient adjudication of this controversy. Prosecution as a class action will eliminate the  
28 possibility of repetitious litigation. Treatment of this case as a class action will permit a large number of

1 similarly situated persons to adjudicate their common claims in a single forum simultaneously,  
2 efficiently, and without the duplication of effort and expense that numerous individual actions would  
3 engender. Class treatment will also permit the adjudication of relatively small claims by many class  
4 members who otherwise could not afford to litigate an antitrust claim such as that asserted in this  
5 Complaint. The Identity Class Plaintiffs are aware of no difficulties which would render this case  
6 unmanageable.

7 54. The Identity Class Plaintiffs and members of the Identity Class have all suffered, and will  
8 continue to suffer, antitrust injury and damages as a result of the UFC's monopoly and monopsony  
9 power that has been acquired, enhanced, and maintained by the anticompetitive scheme challenged in  
10 this Complaint.

## 11 VI. THE UFC'S MONOPOLY AND MONOPSONY POWER

### 12 A. The UFC's Monopoly Power in the Relevant Output Market

#### 13 1. The Relevant Output Market

14 55. The Relevant Output Market is the promotion of live Elite Professional MMA bouts.

15 56. Promoters of live professional MMA bouts arrange contests between Professional MMA  
16 Fighters who compete in one-one-one fights known as bouts.

17 57. Live professional MMA bouts are held in venues for which admission tickets are sold.  
18 Revenues from the promotion of live professional MMA bouts may also include broadcast of the event  
19 on PPV, television, or over the Internet as well as through the sale of live and taped television  
20 programming, video-on-demand, merchandise (videos, DVDs, video games, apparel, hats, sporting  
21 equipment, etc.), event sponsorships, and the collection of MMA-related copyright and trademark  
22 royalties.

23 58. The successful promotion of a live Elite Professional MMA event requires Elite  
24 Professional MMA Fighters—*i.e.*, those Fighters who have reputations for winning professional bouts  
25 or who have gained notoriety with the MMA fan base and thus who can attract a wide audience. Mixed  
26 Martial Artists are skilled athletes who typically train for years before competing professionally. A  
27 successful promotion of a live Elite Professional MMA event also requires a suitable venue, access to  
28 PPV or television distribution outlets, sponsors and endorsements.



1           59. MMA is a unique blend of various martial arts disciplines, including, *e.g.*, boxing, Muay  
2 Thai (kick-boxing), judo, wrestling, Brazilian jiu-jitsu, taekwondo and karate. The rules of MMA  
3 differentiate it from other combat sports (such as boxing, which does not allow kicks, takedowns,  
4 chokeholds, joint-locks, or any strikes below the waist). Similarly, wrestling does not allow striking of  
5 any kind (kicks, punches, etc.), and does not have an outlet for elite amateur wrestlers to continue their  
6 athletic careers as wrestlers professionally.

7           60. MMA is distinct from “professional” wrestling as currently promoted under the  
8 umbrella of the World Wrestling Entertainment (“WWE”). Professional wrestling is now acknowledged  
9 to be “staged”—that is, scripted entertainment involving acting with the outcome of individual matches  
10 predetermined. Combat sports such as boxing or those that are limited to a single martial art, such as  
11 judo, are not adequate substitutes for live Elite Professional MMA. There is no meaningful market  
12 substitute amongst the television-viewing and ticket-paying audience for the sport of MMA. Single  
13 discipline combat sports, such as boxing and kick-boxing, do not qualify as economic substitutes because  
14 they do not enjoy reasonable interchangeability of use and cross-elasticity of demand amongst the  
15 consuming audience.

16           61. Boxing does not combine different elements from a diverse set of martial arts, as it is  
17 limited to only strikes with the hands above the waist on an opponent, and hence does not provide a  
18 viewing experience akin to MMA. Indeed, while state athletic gaming commissions (or equivalents  
19 thereof) sanction both boxing and MMA events, such commissions impose strict requirements that  
20 define each sport separately. Such distinctions include the method of scoring, weight classes, the  
21 duration and number of rounds, and the methods of combat that may be employed. For example,  
22 scoring in live Professional MMA bouts is based on athletic commission-approved definitions and rules  
23 for striking (blows with the hand, feet, knees or elbows) and grappling (submission, chokeholds, throws  
24 or takedowns), most forms of which are prohibited in boxing.

25           62. Promotion of live Elite Professional MMA events is not reasonably interchangeable with  
26 promoting any other sport or entertainment, including boxing and/or kick-boxing. For instance, and on  
27 information and belief, raising the prices for live MMA events above competitive levels by a small but  
28 significant amount for a substantial period of time would not cause so many consumers to switch to



1 other sporting events or entertainment options that such price inflation would be unprofitable.

2 Moreover, dropping the price for attending or viewing any other sport relative to the price of attending  
3 or viewing an MMA event by a small but significant amount for a substantial period of time would not  
4 cause so many consumers to switch to the other sport that such relative price difference would be  
5 profitable for the non-MMA event.

## 6 **2. The Relevant Geographic Market**

7 63. The relevant geographic market for the Relevant Output Market is the United States,  
8 and, in the alternative, North America. In other words, the promotion of live MMA bouts in the United  
9 States—and in the alternative, North America—is the appropriate market for analyzing the claims in  
10 this case. For purposes of geographic boundaries of the Relevant Output Market, bouts that take place  
11 outside of the U.S. (or in the alternative, outside of North America), but which are typically broadcast  
12 live (or subject to a delay to account for differences among time zones) via television, Internet and/or  
13 PPV into the U.S. (or in the alternative, North America), are in the relevant geographic market. A bout  
14 which neither takes place in the U.S. nor is broadcast into the U.S. is not in the geographic market.

15 64. MMA events involving Elite Professional MMA Fighters are typically broadcast in the  
16 U.S. on national television and reported on by national broadcasters (ESPN, FOX Sports, etc.) in  
17 national media outlets. U.S. consumers do not view MMA events staged or broadcast outside of the  
18 U.S. as reasonable substitutes for events staged in the U.S. or broadcast into it. Barriers associated with  
19 language, travel, and other costs separate non-U.S.-promoted bouts from bouts promoted in the U.S.  
20 The PPV, broadcast, and other rights to MMA promotions are sold separately in each country and  
21 region. Consumers in the U.S. would not view events which are neither fought nor broadcast widely in  
22 the U.S., and would not see such non-U.S. events as reasonable substitutes for bouts fought or broadcast  
23 in the U.S. A small but significant increase in ticket prices for bouts fought or viewable in the U.S. would  
24 not cause so many consumers to switch to bouts not fought or broadcast in the U.S. to make such an  
25 increase unprofitable.

26 65. The United States is the only geographic area in which MMA Promoters operating in the  
27 U.S. can practically turn for supplies and inputs necessary for promoting and broadcasting profitable live  
28 MMA events to U.S. consumers. Staging a live event in the U.S. requires a venue in the U.S..

1 Broadcasting an event on television or PPV in the U.S., even if it takes place outside of the U.S.,  
2 requires contracting with U.S. television broadcasting and/or PPV companies with licenses to operate in  
3 the U.S. Bouts in the U.S. typically require mainly U.S.-based medical staff, judges, referees, and  
4 athletic commissions.

5 66. In the alternative, if the geographic market extends beyond the U.S., it would include  
6 North America, which has the same time zones as does the U.S., and includes countries that abut the  
7 U.S. geographically, cutting down on travel and other costs.

8 **3. The UFC's Monopoly Power with Respect to Promoting Live Elite**  
9 **Professional MMA Bouts.**

10 67. At all relevant times, the Defendant had monopoly power in the Relevant Output  
11 Market, *i.e.*, the market for promoting live Elite Professional MMA bouts in the U.S. In the alternative,  
12 even if the Relevant Output Market included North America, or indeed, the entire world, the UFC  
13 would have monopoly power.

14 68. The UFC obtained and maintains monopoly power in the Relevant Output Market, in  
15 large part, through the anticompetitive conduct alleged herein. The UFC possesses the ability to  
16 control, maintain and increase prices associated with the promotion of professional live MMA bouts  
17 above competitive levels and to impair and exclude competitors from promoting professional live MMA  
18 bouts whether the Relevant Output Market is limited to the U.S. or, in the alternative, North America,  
19 or the entire world. The UFC has the ability to foreclose, and has in fact foreclosed, would-be rivals  
20 from the market for promoting live Elite Professional MMA bouts taking place or broadcast in the U.S.,  
21 North America or the world.

22 69. The UFC has, and has exercised, the power to impair and exclude competition in the  
23 Relevant Output Market no matter how it is geographically defined.

24 70. The UFC is, by far, the dominant provider of live Elite Professional MMA events in the  
25 Relevant Output Market, regardless of whether the geographic market includes the U.S. only, North  
26 America only, or the entire world. According to Zuffa's President, Dana White, by 2010, the UFC had  
27 essentially eliminated all of its competition. He announced that, within the sport of MMA: "There is no  
28 competition. We're the NFL. You don't see people looking at the NFL and going, 'Yeah, but he's not

1 the best player in the world because there's a guy playing for the Canadian Football League or the Arena  
2 League over here.' We're the NFL. *There is no other guy.*'

3 71. The UFC possesses the ability to preclude or delay new entry into the Relevant Output  
4 Market, to raise would-be rivals' costs in that market, to impair the opportunities and efficiencies of  
5 would-be rivals, and to control prices and exclude competition.

6 72. The UFC enjoys high profit margins on its sales in the Relevant Output Market in the  
7 U.S., North America, and around the world. The UFC's worldwide profit margins are among the  
8 highest, if not the highest, in professional sports.

9 73. Because, as alleged below, the UFC possesses monopsony power in the Relevant Input  
10 Market, *i.e.*, the market for Elite Professional MMA Fighter services, the UFC has been able to use that  
11 dominance as a means to restrict access and limit expansion of actual or potential rivals into the  
12 Relevant Output Market. Through, *e.g.*, exclusive contracts with MMA Fighters, the UFC has deprived  
13 potential and actual competitors of Elite Professional MMA Fighter services. The UFC has also used its  
14 ill-gotten power in the Relevant Markets to restrict its actual or potential rivals' access to top quality  
15 venues, sponsors, endorsements, PPV and television broadcast outlets. The UFC exercises its  
16 monopoly power to exclude competition for live Elite Professional MMA events, PPV access, athlete  
17 and event endorsement rights, taped television programming, video-on-demand, merchandise (videos,  
18 DVDs, video games, apparel, hats, sporting equipment, etc.), event and fighter sponsorships, and  
19 copyright and trademark royalties.

20 74. As a result of its anticompetitive conduct, as alleged herein, the UFC receives  
21 approximately 90% of all revenue generated by MMA events from the Relevant Output Market in the  
22 U.S. and North America, and upon information and belief, throughout the entire world. From October  
23 1, 2012 to September 30, 2013, Zuffa's annual revenues were approximately \$483 million, with  
24 approximately \$256 million generated by the promotion of live events, and the remaining \$227 million  
25 generated by ancillary revenue streams, which include but are not limited to, merchandising, licensing  
26 fees, sponsorships, advertising fees, video game fees, and digital media revenue streams. Current UFC  
27 revenues are estimated to exceed \$500 million annually.

1           75.     Barriers to entry in the Relevant Output Market are high for several reasons, including  
2 that, *inter alia*, establishing and maintaining a rival MMA promotion requires a substantial investment  
3 of capital to be able to promote professional MMA bouts involving Elite Professional MMA Fighters  
4 successfully. Successful promotion requires the ability to secure appropriate venues, sponsorships,  
5 endorsements, and PPV and/or television distribution rights. The UFC asserts that the “UFC brand is  
6 more recognizable than the sum of its individual fighters, as evidenced by its ability to nearly sell out  
7 venues even before announcing the main card to the public.” According to Lorenzo Fertitta, “Zuffa has  
8 built the UFC into an international brand that, in many instances, has been synonymous with the rapidly  
9 growing sport of MMA.” In terms of promotions, prospective market entrants cannot enter the  
10 Relevant Output Market unless they can attract and retain Elite Professional MMA Fighters. Actual or  
11 potential rival promoters cannot attract and retain necessary Elite Professional MMA Fighters unless  
12 they can demonstrate that they can promote a profitable bout that will result in potentially competitive  
13 compensation to the fighters. The UFC has also amassed an unparalleled content video library of bouts  
14 and continues to acquire rights to additional footage libraries which are an important component to  
15 marketing Elite Professional MMA Fighters and bouts. The UFC’s anticompetitive conduct—which  
16 deprives would-be rival promoters of MMA events of necessary inputs to pull off successful  
17 promotions, including through exclusionary contracts with Elite Professional MMA Fighters  
18 themselves—creates high barriers to entry for would-be rival promoters.

19           **B.     The UFC has Monopsony Power in the Relevant Input Market**

20                 **1.     The Relevant Input Market**

21           76.     The Relevant Input Market is the market for Elite Professional MMA Fighter services.

22           77.     Elite Professional MMA Fighters are elite athletes who typically train for years before  
23 competing professionally. In live professional MMA bouts, Mixed Martial Artists compete by using  
24 multiple disciplines of martial arts, including wrestling, judo, jiu-jitsu, Muay Thai, karate, taekwondo  
25 and boxing. Such bouts are registered with, sanctioned by and conducted according to rules  
26 promulgated by the Athletic Commission (or equivalent thereof) for the jurisdiction in which the bout is  
27 held.  
28

1           78.     Elite Professional MMA Fighters are typically compensated for participating as a  
2 combatant in a live Elite Professional MMA bout.

3           79.     Athletes who have trained for, and now engage in, sports other than MMA, including  
4 professional boxing, and those who engage in a single martial art, such as judo, are not substitutes for  
5 Elite Professional MMA Fighters. For instance, boxers and those who engage in a single martial art are  
6 generally not trained in the additional forms of martial arts (which may include wrestling, judo, jiu-jitsu,  
7 taekwondo, Muay Thai and karate) necessary to become and successfully compete as an Elite  
8 Professional MMA Fighter.

9           80.     Importantly, there are no reasonably interchangeable sports to which Elite Professional  
10 MMA Fighters can turn when demand and compensation for Elite Professional MMA Fighters is  
11 artificially suppressed below competitive levels. Other martial arts disciplines do not have the audiences  
12 necessary for the fighters to earn competitive wages or even generally to be paid at all. For this and other  
13 reasons, no material number of Elite Professional MMA Fighters could successfully transition to other  
14 sports sufficient to prevent a monopsonist in the market for Elite Professional MMA Fighter services  
15 from artificially suppressing Elite Professional MMA Fighter compensation by even a significant amount  
16 for a substantial period of time.

17           81.     For instance, with respect to judo, tournaments occur infrequently, and the major ones  
18 (World Championships, Olympics) are for “amateur” fighters, that is, unpaid athletes. Brazilian Jiu  
19 Jitsu (“BJJ”) is a popular amateur sport, but there are very few tournaments that offer more than  
20 nominal prizes (as opposed to awarding salaries or prize money to competitors) and even those occur  
21 rarely. Karate and Muay Thai, much like BJJ and judo, are mainly amateur disciplines. Muay Thai and  
22 kick-boxing are striking disciplines that do not employ any of the grappling techniques of MMA of and  
23 in which knowledge and proficiency is required to successfully compete. None of these sports would be  
24 plausible alternatives for Elite Professional MMA Fighters who are facing artificial suppression of their  
25 compensation by a monopsonist in the market for Elite Professional MMA Fighter services.

26           82.     Neither boxing nor “professional” WWE wrestling provides reasonable alternatives for  
27 Elite Professional MMA Fighters. Professional boxing requires years of intensive, specialized and  
28 limited training in a striking art that MMA Fighters do not undergo. While Elite Professional MMA

1 Fighters do train in boxing, that is but one of many martial arts disciplines Elite Professional MMA  
2 Fighters must practice, and it is not (and, indeed, cannot) be their sole focus. As a result, no material  
3 number of Elite Professional MMA Fighters could successfully transition to boxing sufficient to prevent  
4 a monopsonist in the market for Elite Professional MMA Fighter services from artificially suppressing  
5 Elite Professional MMA Fighter compensation below competitive levels by even a significant degree for  
6 a substantial period of time.

7 83. Although professional wrestling does pay compensation to its “wrestlers,” professional  
8 wrestling events are staged, and depend predominantly on acting ability. It is extremely unusual for an  
9 athlete to possess the right combination of skills to excel in both MMA and professional wrestling, and  
10 furthermore, professional wrestling is not a sport at all requiring competition between athletes. For this  
11 reason alone, professional wrestling is not a reasonable substitute for MMA. No material number of  
12 Elite Professional MMA Fighters could successfully transition to professional wrestling sufficient to  
13 prevent a monopsonist in the market for Elite Professional MMA Fighter services from artificially  
14 suppressing MMA Fighter compensation by even a significant degree for a substantial period of time.

15 84. Because other sports are not plausible alternatives for Elite Professional MMA Fighters,  
16 reducing the compensation of Elite Professional MMA Fighters below competitive levels by even a  
17 significant degree for a substantial period of time will not cause sufficient numbers of Elite Professional  
18 MMA Fighters to switch to other sports or professions to make the Elite Professional MMA Fighter  
19 compensation suppression unprofitable. Quite simply, MMA is a highly specialized and unique sport  
20 engaged in by elite athletes with years of cross-disciplinary training.

## 21 2. The Relevant Geographic Market

22 85. The relevant geographic market for the Relevant Input Market is the United States, and  
23 in the alternative, North America.

24 86. A monopsonist in the Relevant Input Market would need to control only fighter services  
25 in the United States, or in the alternative in North America, to be able to suppress Elite Professional  
26 MMA Fighter compensation substantially below competitive levels.

27 87. Elite Professional MMA Fighters in the United States, or in the alternative, North  
28 America, do not view participation in MMA bouts outside of the United States (or, in the alternative,



1 North America) as a reasonable substitute for bouts in the United States (or, in the alternative, North  
2 America). Competing abroad imposes substantial costs on Elite Professional MMA Fighters, including  
3 higher costs of training, travel, and lodging and reduced sponsorship income. Moreover, Elite  
4 Professional U.S. MMA Fighters may have difficulty, or face significant costs associated with, obtaining  
5 necessary visas and approvals for themselves, family members, sparring partners, or trainers needed for  
6 fighting abroad. As a result, a U.S.-based MMA Fighter could not practically turn to a non-U.S.-based  
7 MMA Promotion company to earn a living or competitive compensation as an Elite Professional MMA  
8 Fighter.

9 88. Nearly all non-U.S.-based MMA promotion companies focus on regional or local  
10 fighters. Moreover, non-U.S.-based MMA Promoters frequently hold only a few events per year—very  
11 few of which are generally or widely open to non-locals. Further, non-U.S.-based MMA Promoters lack  
12 the prestige of the UFC and most MMA Fighters would not view non-U.S.-based promoters as  
13 interchangeable with the UFC. In any case, the UFC deprives non-U.S.-based promoters of Elite  
14 Professional MMA Fighters. Accordingly, no significant number of U.S. Fighters can earn competitive  
15 compensation for appearing in live Elite Professional MMA events in foreign geographic markets.

16 89. Successful foreign fighters have immigrated to the U.S. to participate in Elite  
17 Professional MMA bouts. But, to the extent that a U.S. MMA Promoter such as the UFC is a net  
18 importer of foreign labor, this fact would serve to enhance its monopsony power and bargaining power  
19 vis-à-vis U.S. MMA Fighters and MMA Fighters as a whole.

20 **3. The UFC has Monopsony Power with Respect to Elite Professional MMA**  
21 **Fighter Services.**

22 90. At all relevant times, the UFC had and continues to have monopsony power in the  
23 Relevant Input Market, *i.e.*, the market for Elite Professional MMA Fighter services, whether that  
24 market includes only the United States, only North America, or, alternatively, the entire world.

25 91. The UFC controls the vast majority of the market for Elite Professional MMA Fighter  
26 services whether the geographic market includes only the United States, only North America, or the  
27 entire world. The UFC possesses the ability to reduce the demand of, and compensation for, Elite  
28 Professional MMA Fighter services without losing so much revenue as to make their conduct



1 unprofitable. As a result of the UFC's monopsony power in the Relevant Input Market, Elite  
2 Professional MMA Fighters do not have the ability to turn to alternative MMA Promoters to earn  
3 competitive compensation in response to the UFC's artificial suppression of demand and compensation  
4 for Elite Professional MMA Fighter services.

5 92. The UFC's control of the Relevant Input Market affords it the ability to, *inter alia*, (i)  
6 compensate Elite Professional MMA Fighters below competitive levels profitably for a substantial  
7 period of time, (ii) artificially suppress demand for Elite Professional MMA Fighter services below  
8 competitive levels, (iii) require UFC Fighters to enter into restrictive contracts, (iv) impair or preclude  
9 UFC Fighters from engaging in their profession or working with would-be rival promoters; (v)  
10 expropriate the rights to UFC Fighters' Identities in perpetuity for little or no compensation (which is  
11 below competitive levels), and (vi) expropriate the Identities and deprive UFC Fighters of competitive  
12 levels of payment for the exploitation of their Identities in UFC Licensed Merchandise and/or  
13 Promotional Materials licensed or sold by the UFC or its licensees.

14 93. Whether the relevant market is the U.S. only, North America only, or the entire world,  
15 the UFC is capable of artificially reducing compensation—and has in fact artificially reduced  
16 compensation—of Elite Professional MMA Fighters without causing so many Elite Professional MMA  
17 Fighters to switch to other sports or professions so as to make that compensation reduction  
18 unprofitable.

19 94. Barriers to entry in the Relevant Input Market are high. To become an Elite Professional  
20 MMA Fighter, one needs to be highly skilled and spend many years under specialized training in  
21 multiple martial arts disciplines. Because MMA is a unique blend of various martial arts disciplines,  
22 including boxing, Muay Thai (kick-boxing), judo, wrestling, BJJ, taekwondo and karate, a high level of  
23 proficiency in any one discipline alone is not sufficient to achieve elite level status as an Elite  
24 Professional MMA Fighter. For example, while a professional boxer may possess the mental and athletic  
25 skill to box and take blows in the form of punches, if he does not possess expert ability to grapple,  
26 wrestle or engage in other martial arts, he will not succeed as an Elite Professional MMA Fighter. Elite  
27 Professional MMA Fighters are rare multidisciplinary athletes who can perform at very high levels in  
28 more than one discipline. Also, training is costly and time consuming. To achieve elite status,