Challenges for Maintaining Major League Soccer's Single-Entity Structure: An Antitrust Perspective

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Learning from the mistakes of previous attempts at organizing professional soccer leagues in the United States, in 1995 the Major League Soccer was established as a Single Entity structure (Decurtins, 2017). While the research on MLS establishment as a single entity abounds, there is limited information on whether MLS fulfills the requirements to maintain this status. The current study fills this void by examining the legal grounds for maintaining a single entity structure and critically examines if MLS should maintain its structure or provide autonomy to its team members based on the antitrust perspective.

Using MLS as an in-depth case study, the current research focuses on the antitrust legislation and FIFA regulations to examine the recent developments and the implications of these changes on the legality of the MLS single entity structure.

Since the time that MLS’s single-entity structure was legally questioned in 2002, MLS has had a steady growth over the years and underwent several major organizational and operational changes (Decurtins, 2017). Notable changes include the introduction of the designated player, free agency, re-entry draft, and youth academies. Moreover, MLS holds the economic rights of players, and influence and control how players enter and exit the league or to which club they are going to be assigned (Ayad, 2008). This is contrary to Article 18ter of FIFA’s Regulations of the Status and Transfer of players that ban third-party ownership (TPO) of players’ economic rights (FIFA’s Regulations, Article 18ter). In addition, MLS is a “closed league” and does not allow entrance of teams/clubs into the league on the basis of merit (Bank, 2018). This is a violation of Article 9 from the FIFA Regulations Governing the Application of the Statutes that calls for a system that allows teams to remain or be promoted in the domestic championship on sporting merit (FIFA Statutes, Article 9).

The current study concludes with discussions on how loosening the rigid single entity system can benefit MLS and help it grow and further develop by attracting new investors and allowing the players to move freely across different teams.