

SCOTUS Opinion: NCAA Violated Anti-Trust Laws By Capping Educational Benefits To Student Athletes

21 Jun 2021

Under the NCAA's rules, student athletes are restricted from receiving fair compensation for their prowess on the field or court, while the lucrative broadcasting deals mean big money for the NCAA itself. The students challenged those rules under the Sherman Act as violative of anti-trust law. The district court found that the NCAA enjoyed monopsony power over the collegiate sports market and used that power to lower student athlete compensation without consequence. The district court, applying a "rule of reason" standard of analysis, ruled that limitations on athletic scholarships did not violate anti-trust laws, as paying student athletes like professionals would "blur the distinction" between those markets, but caps on education-related benefits were unlawful. On appeal, the Ninth Circuit affirmed in full. The NCAA then appealed to the Supreme Court, arguing that its cap on the education-related benefits was proper.

The Court, in a unanimous opinion by Justice Gorsuch, affirmed. First, the Court rejected the NCAA's argument that its restrictions should have been reviewed under a deferential standard since it is a joint venture—the Sherman Act's rule of reason analysis applies in every case, and the NCAA was not entitled to an exception. The Court also rejected the NCAA's defenses to its rules, holding that the district court's ruling was not overly restrictive and gave the NCAA considerable leeway. Justice Kavanaugh filed a separate concurrence arguing that the NCAA's other rules on student-athlete compensation also violated the Act.

A link to the opinion in *National Collegiate Athletic Association v. Alston* is here:
https://www.supremecourt.gov/opinions/20pdf/20-512_gfbh.pdf

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TAGGED: Sherman Act, Anti-Trust, "Rule of Reason", monopsony, National Collegiate Athletic Association v. Alston