

Electronic Alert

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U.S. Supreme Court Concludes NCAA Violated Anti-Trust Law by Restricting Education-Related Benefits

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On June 21 2021, a unanimous United States Supreme Court, in *National Collegiate Athletics Association v. Alston*, affirmed that the National Collegiate Athletic Association (“NCAA”) violated anti-trust laws when they sought to restrict the student-athletes’ education-related compensation, such as, academic tutoring, laptops, and post-eligibility internships.

In concluding that the competitive harm to student-athletes was not justified, the Supreme Court insisted that the NCAA must comply with the permanent injunction entered by the district court. With important exceptions, the judgment invalidates the majority of the NCAA’s restrictions on the education-related benefits student-athletes may receive from their schools and conferences. Under this ruling, while individual conferences may choose to limit student-athletes’ education-related compensation, they must do so independently and not in coordination with one another, and schools may retain their own policies on student-athlete compensation.

The NCAA’s defense largely rested on its unique place in the market that preserved a space for amateurs, who did not, by definition, seek compensation for professional athletics. Historically, courts have deferred to this “revered tradition of amateurism in college sports,” and the *Alston* decision does not, by and large, represent an abrupt departure. The Supreme Court emphasized “firms deserve substantial latitude to fashion agreement that serve legitimate business interests” and courts will exercise restraint in crafting remedies for any anti-trust violation. Nonetheless, the Supreme Court concluded these important considerations do not immunize the NCAA from scrutiny. The NCAA in this case did not provide convincing evidence that education-related compensation would adversely impact collegiate sports, and the NCAA’s stated concerns about the judgment were unfounded.

Writing separately, however, Justice Brett Kavanaugh specifically panned the NCAA’s argument: “Movie studios cannot collude to slash benefits to camera crews to kindle a ‘spirit of amateurism’ in Hollywood.”

Importantly, this ruling is narrow. It does not require schools or conferences to offer educational benefits for student-athletes or decide whether the NCAA may continue to restrict other forms of compensation unrelated to student-athletes’ education benefits. If Justice Kavanaugh’s conclusion that the NCAA’s other compensation rules “raise serious questions under the antitrust laws” is any indication, debates and litigation over student-athlete compensation are far from over.

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