

## BASEBALL AND THE COURTS

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### Baseball's Anti-Trust Exemption

- Rule of law unique to baseball.
- All starts with formation of Federal League [1914]
- Rival third major league.
- Teams in eight cities.
- Only lasted two years [1914-1915]
- American and National League owners bought out most teams and folded them.
- Couldn't reach agreement with Baltimore team.

## The Federal League : 1914-1915

### Teams:

Indianapolis Hoosiers  
Chicago Chi-Feds  
Baltimore Terrapins  
Buffalo Buffeds  
Brooklyn Tip-Tops  
Kansas City Packers  
Pittsburg Rebels  
St. Louis Terriers

## Baltimore Terrapins



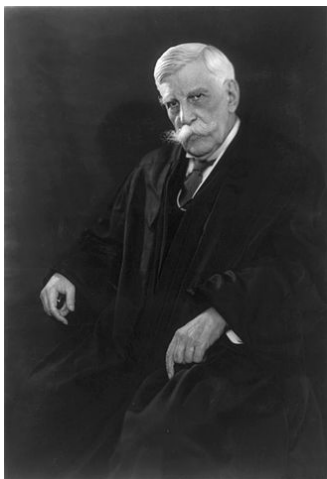
## The Grand Daddy of Them All

- Federal Baseball Club of Baltimore v. National League of Professional Baseball Clubs, et.al., 259 US 200 [1922]
- Baltimore team [Terrapins] sued owners of American and National League teams.
- Alleged that major league teams conspired to destroy Federal League in violation of the Sherman Act.
- Opinion by Justice Oliver Wendell Holmes, Jr.
- Baseball did not engage in interstate commerce
- Because each game was an intra-state exhibition.

### Justice Holmes wrote:

- “To repeat the illustration given by the Court below, a firm of lawyers sending out a member to argue a case, or the Chautauqua lecture bureau sending out lecturers, does not engage in such [interstate] commerce because the lawyer or lecturer goes to another state.”

## Oliver Wendell Holmes, Jr.



## The Reserve Clause

- Standard provision in all players' contracts.
- Team had annual option to renew player's previous year contract on same terms.
- Essentially bound player to his team for life.
- Player's only recourse was to sit out for a year.
- Few did.

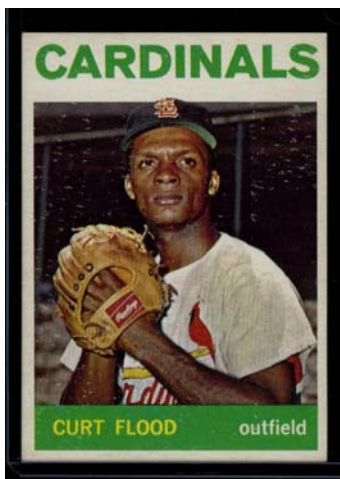
## Toolson Case

- *Toolson v. New York Yankees, Inc.*, 346 US 356 [1953].
- First challenge to the reserve clause.
- George Toolson was a pitcher with Newark Bears, a Yankee AAA level farm club.
- He thought he was good enough to pitch in the major leagues but couldn't because his contract bound him to play only for the Yankees.
- Yankees disagreed and ordered him to report to their A level team in Binghamton.

## More Toolson

- Toolson refused to report and sued the Yankees.
- Alleged that the reserve clause was a restraint of trade in violation of the Sherman Act.
- Case went to the Supreme Court.
- Toolson lost.
- Per Curiam opinion.
- Held that the *Federal Baseball Club of Baltimore* case controlled.
- Because major league baseball had relied upon its anti-trust exemption for 30 years and Congress had not acted to rescind it.

## Curt Flood



## Flood v. Kuhn

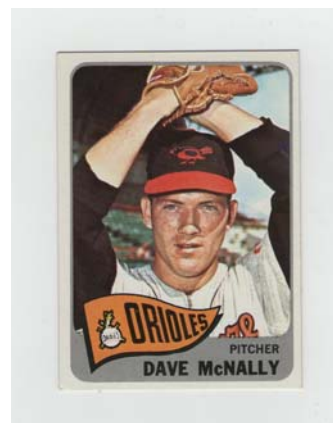
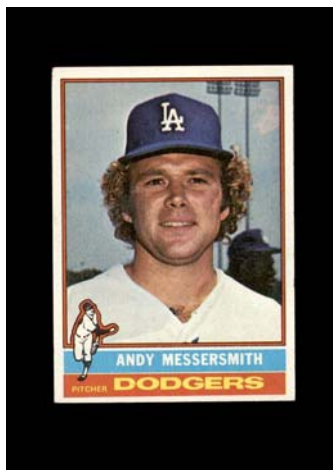
- *Flood v. Kuhn*, 407 US 258 [1972]
- Flood was All-Star outfielder for St. Louis Cardinals.
- Cardinals traded him to Philadelphia Phillies.
- He refused to report to the Phillies.
- Sued Major League Baseball.
- Likened the reserve clause to a form of slavery.
- Case went to Supreme Court.

## Supreme Court

- Opinion by Justice Blackmun.
- Said that baseball's anti-trust exemption was an "aberration."
- Baseball clearly engaged in inter-state commerce.
- But changing rule would cause disruption to the game.
- Dismissed the case, citing Federal League and Toolson cases.

## Collective Bargaining

Andy Messersmith and Dave McNally



## Test of Reserve Clause

- 1973 – baseball had collective bargaining agreement

Messersmith and McNally had contracts renewed pursuant to the reserve clause.

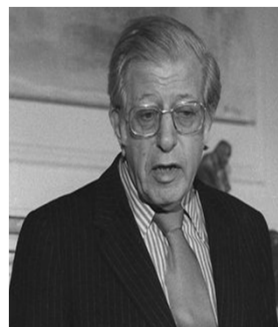
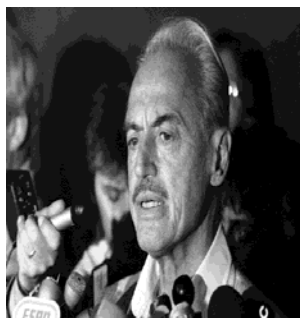
Owners claimed they were bound to them for life.

Enter Marvin Miller and Peter Seitz.

Miller was Executive Director of the Major League Players Association [the union]

Seitz was the arbitrator designated under the collective bargaining agreement to resolve disputes with the players.

## Marvin Miller and Peter Seitz





## Seitz Ruling

- Miller filed grievance under the collective bargaining agreement.
- Messersmith and McNally were the complainants.
- Seitz ruled:
  - Players grievances were arbitrable under the CBA.
  - The CBA was ambiguous.
  - The reserve clause was unenforceable.

Decision upheld by:

U.S. Dist. Court for Western Dist. of Missouri  
8<sup>th</sup> Cir. U.S. Court of Appeals.

## More Seitz

See: *Kansas City Baseball Corp. v. Major League Players Assn.* 409 F. Supp 233 [WD Mo. 1976],  
affd. 532 F.2d 615 [8<sup>th</sup> Cir 1976].

Major League Baseball has never been the same.

Major League Baseball CBA subsequently amended.

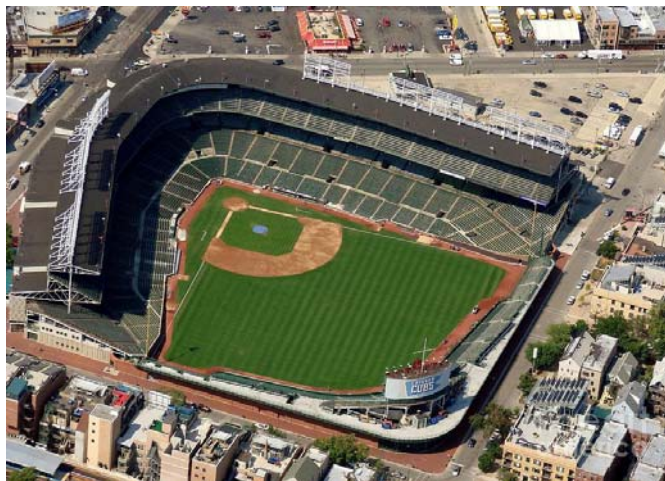
Players can be free agents after six years.

That's how it stands today.

## One More Time

- *City of San Jose v. Office of the Commissioner of Baseball*, 776 F.3d 686 [9<sup>th</sup> Cir. 2015].
- City alleges that major league owners conspired to prevent Oakland A's from moving to San Jose in violation of Sherman Act.
- City lost in both District and Circuit Courts, citing Baltimore Federal, Toolson and Flood cases.
- October 2015 Supreme Court denied cert.

## Wrigley Field Rooftop Bleachers



## History

- Waveland Ave. [left field]
- Sheffield Ave. [right field]
- Lined with mostly three story apartments
- Residents/guests could watch games from rooftops.
- Maybe a dozen people at a time.
- Cubs tolerated.
- Part of Wrigley atmosphere.

## More History

- 1980s apartment owners began to build bleachers on building rooftops.
- Began to sell tickets to watch Cubs games from bleachers.
- Over the years, bleachers proliferated.
- 1981 Chicago Tribune acquired Cubs from Wrigley family.
- Didn't think of it as part of the Wrigley Field atmosphere any more.

## Sheffield Avenue Bleachers



## 2002 Litigation

- *Chicago National League Ball Club, Inc. v. Skybox on Waveland LLC, et. al.*, No.2C-9105.
- Cubs sued owners of apartment buildings.
- Alleged that apartment owners misappropriated Cubs property.
- i.e. the right to sell tickets to Cubs games.

## 2004 Settlement

### Licensing Agreement

Apartment owners pay Cubs 17% royalty on profits.

Cubs would not block views until 2024

But Cubs permitted to expand Wrigley Field *if approved by a governmental authority.*

## Wrigley Field Expansion

- 2009 Cubs purchased by Ricketts family.
- Began to buy out apartment owners.
- 2013 City of Chicago approved Wrigley Field expansion project.
- Called for :
  - Eight signs above the outfield walls
  - Large video boards above both left field and right field walls.

## 2015 Litigation

- *Right Field Rooftops, LLC et. al. v. Chicago Baseball Holdings, LLC et. al.*, No. C 551, US Dist. Court, N. Dist. Ill.
- January 2015 apartment owners sued Cubs.
- Alleged breach of Licensing Agreement and anti-trust violation.
- Sought Temporary Restraining Order and Preliminary Injunction.

## Decision

Judge Virginia M. Kendall:

- Denied motion for Temporary Restraining Order [2/18/15] 80 F. Supp. 3d 829.
  - Denied motion for Preliminary Injunction [4/2/15] 87 F. 3d. 874.
  - Dismissed Complaint [9/30/15] \_\_ F. 3d. \_\_.
- Licensing Agreement Ambiguous.  
Baseball not subject to anti-trust laws.

## Left Field Video Board [erected after P.I. denied]



## Baseball and Tort Law

- Assumption of Risk by Players:
- *Maddox v. City of New York*, 66 NY 2d. 270 [1985].
- NY Yankees outfielder Elliot Maddox sued City of New York [owner of Shea Stadium].
- Slipped on wet grass and injured his knee.
- Alleged City was negligent in maintaining field.

## More Baseball and Tort Law

- Maddox's lawsuit was dismissed.
- Court held Maddox was aware of the condition of the field and voluntarily continued to play.
- Participants in sports assume risk of injuries resulting from their participation.

## Even More Baseball and Tort Law

- Assumption of risk by spectators:  
*Akins v. Glens Falls City School District*, 53 NY 2d. 325 [1981].
- Spectator at high school baseball game watching from behind 4ft. Chain link fence along third base line.
- Hit in eye by foul ball.
- City not liable because there was 24 x 50 ft. backstop which she could have stood behind.
- Spectator assumes risks inherent in game.



## The “Baseball Rule”

- Owner’s only obligation is to provide an adequate protected area for spectators to watch game.
- Interpreted as behind the backstop.
- Is this rule realistic?
- At least two courts have declined to apply it.
  - *Roundtree v. Boise Baseball, LLC*, 296 P3d 373 [2013]
  - *Atlanta Nat. League BB Club v. F.F.*, 761 S.E. 2d 613 [2014].

## More “Baseball Rule”

- 1,750 fans injured by foul balls at major league games in 2014.
- Class action suit: *Payne v. Office of the Commissioner of Baseball, et.al.* No. 4:2015 cv 03329 [ND Cal.].
- Filed 2015.
- Partially dismissed 2016 – Jurisdictional grounds.
- Still pending.
- Seeks order/judgment requiring MLB to extend protective netting from foul pole to foul pole.

## MLB Voluntary Action

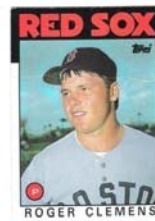
- MLB Recommended that teams extend netting from backstop to the inner edges of the dugouts for 2016 season.
- 11 teams already had done so.
- 16 more complied.
- 3 teams [Kansas City, Minnesota and Washington] extended netting to outer edges of dugouts.
- Now all teams have extended netting at least to inner edges of dugouts.

## To Tell The Truth

Barry Bonds



Roger Clemens



Indicted

## Barry Bonds Case

Nov. 2007 – Bonds indicted by Federal Grand Jury for allegedly lying to Grand Jury about use of PEDs obtained from Balco.

- Three counts of perjury; one count of obstruction of justice.
- April 2011 Bonds convicted of obstruction of justice; perjury counts dismissed.
- February 2013 three judge panel of 9<sup>th</sup> Circuit affirmed.
- April 2015 En Banc panel of 9<sup>th</sup> Circuit reversed.

## Roger Clemens Case

- December 2007 Clemens mentioned 82 times in Mitchell Report re use anabolic steroids in baseball.  
February 2008 Clemens testified before Congress that he had never used performance enhancing drugs.
- August 2010 Clemens indicted for lying to Congress.
- June 2012 [after a mistrial] Clemens found not guilty on all counts.

