

**Los Angeles Memorial Coliseum Commission v.  
National Football League**

519 F.Supp. 581 (D. Ct. Cal. 1981)

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The Los Angeles Memorial Coliseum Commission ("Commission"), the cross-claimant Oakland Raiders ("Raiders"), and the NFL defendants, sought entry of a directed verdict with respect to the NFL's claim that the NFL is a single economic entity and thus cannot, as a matter of law, have violated section 1 of the Sherman Act. The United States District Court for the Central District of California granted the motions of the Commission and the Raiders and denied the NFL's motion.

A summary judgment is proper only when it is quite clear what the truth is. A district court, however, may deny summary judgment even where it would be technically proper, so that the case may be fully developed at trial.

The development has occurred and showed that there are no genuine issues of fact concerning the single entity question. The sole issue concerns the legal effect to be given to the undisputed facts. The court determined the NFL consists of separate entities rather than one single enterprise. Some of the twenty-eight member clubs are corporations, partnerships, or sole proprietorships. No two clubs have a common owner. They share a large part of their revenues, but not all. They do not share profits or losses. They are managed independently. They do not exchange or share accounting books and records. The court notes that firms with a high degree of common ownership have been held separate for Sherman Act purposes. Even a parent corporation and its subsidiary have been held separate entities in a Sherman Act context.

The NFL argues that the unitary nature the NFL creates implies that it is a single entity. The court rejected this argument for three reasons. First, if the NFL must be treated as a single entity just because all its teams must cooperate to produce the NFL product, the NFL should be a single entity and thus incapable of violating Section 1 of the Sherman Act in cases challenging NFL restrictions on the acquisition of players. However, the NFL rules have repeatedly been found to violate Section 1. Second, organizations that are just as unitary as the NFL and require cooperation of some kind from its members have been found to violate Section 1 of the Sherman Act. Third, the argument rests on a false premise that an individual club member of the NFL is not a separate business entity whose product has an independent value. While each club must act jointly with some other teams in some cooperative nature to produce football games, it does not show that each club can produce football games only as an NFL member.

The NFL relies principally on *North American Soccer League v. NFL*, 505 F. Supp. 659 (S.D.N.Y. 1980), and *San Francisco Seals, Ltd v. NHL*, 379 F. Supp. 966 (C.D.Cal. 1974). These cases, however, arose in far different contexts and thus provide no help to the current issue.

The court concluded that the NFL's member teams are separate business entities for purposes of this lawsuit. Therefore, the motions of the Commission and the Raiders for directed verdict on the single entity issue was granted, and the NFL's motion was denied.