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22 *Sir Waldon, Inc. d/b/a Oggi's Pizza*

23
24 **IN THE UNITED STATES DISTRICT COURT**
25 **FOR THE CENTRAL DISTRICT OF CALIFORNIA**

26 Sir Waldon Inc. d/b/a Oggi's Pizza, for
27 itself and for all others similarly situated,

28 Plaintiff,

vs.

National Football League, NFL
Enterprises LLC, DirecTV, LLC,
DirecTV Holdings LLC and DIRECTV
Group Holdings, LLC.

Defendant(s).

Case No.: 2:16-CV-1025

**CLASS ACTION COMPLAINT
FOR VIOLATION OF THE
SHERMAN ACT
[15 U.S.C. §§ 1, 2, 15(a) & 26]**

JURY TRIAL DEMANDED

1 Plaintiff Sir Waldon, Inc. d/b/a Oggi's Pizza ("Plaintiff" or "Sir Waldon,
2 Inc."), individually and on behalf of a class of all others similarly situated (the
3 "Class"), by and through its attorneys, brings this antitrust action for damages and
4 injunctive relief under Sections 1 and 2 of the Sherman Act, 15 U.S.C. §§ 1 & 2, and
5 Sections 4(a) and 16 of the Clayton Act, 15. U.S.C. §§ 15(a) & 26 against defendants
6 National Football League, NFL Enterprises, LLC (collectively the "NFL" or the
7 "League"), DirecTV, LLC, DirecTV Holdings LLC and DIRECTV Group Holdings
8 LLC (collectively "DirecTV") (referred to with the NFL as "Defendants").

9 **NATURE OF THE ACTION**

10 1. This is an antitrust class action brought to recover for the injuries
11 sustained by Plaintiffs and the members of the Plaintiff Class as a result of
12 Defendants' violations of Sections 1 and 2 of the Sherman Act, 15 U.S.C. §§1 & 2,
13 and seeks treble damages, injunctive relief, costs of suit, and reasonable attorneys'
14 fees pursuant to Sections 4(a) and 16 of the Clayton Act, 15. U.S.C. §§ 15(a) & 26
15 and Rule 23 of the Federal Rules of Civil Procedure. The Plaintiff Class, defined
16 more fully below in Paragraph 24, are commercial subscribers to DirecTV's NFL
17 Sunday Ticket service during the Class Period.

18 2. This lawsuit arises out of agreements among and between the NFL's 32
19 individually owned member teams and the NFL and DirecTV, to restrain competition
20 in the distribution of live broadcasts of NFL Sunday afternoon out-of-market football
21 games. The exclusive distribution agreement between the NFL and DirecTV,
22 packaged and branded as NFL Sunday Ticket, results in supra-competitive prices to
23 Plaintiff and other class members. Absent these restraints on competition, consumers
24 would pay less and have more choices to watch live broadcasts of NFL Sunday
25 afternoon out-of-market games.

26 3. Each of the 32 individual NFL teams has the ability to negotiate and sell
27 the broadcasting of its own games. In a competitive market, the individual NFL
28 teams would compete with one another to sell out-of-market games across the United

1 States. However, the 32 NFL teams have eliminated this competition by collectively
2 agreeing to prevent individual teams from negotiating with networks and multi-
3 channel video programming distributors (“MVPDs”), such as DirecTV.¹ Instead, the
4 League’s member teams have given the NFL centralized authority over the collective
5 sale of the broadcast for their own games. In order to protect, increase, or procure
6 monopoly profits, the NFL and DirecTV entered into an express agreement under
7 which DirecTV is the exclusive distributor of live broadcasts of NFL Sunday
8 afternoon out-of-market games through the NFL Sunday Ticket. As a result, live
9 viewing of out-of-market games is only available by purchasing the NFL Sunday
10 Ticket, through the agreement between DirecTV and the NFL, Defendants have
11 restricted the output or distribution of live broadcasts of NFL Sunday afternoon out-
12 of-market games and raised prices to supra-competitive levels.

13 4. Defendants’ agreements eliminate competition that would otherwise
14 exist among NFL teams for the distribution of live broadcasts of out-of-market
15 football games. Absent the horizontal agreements between the NFL teams to pool
16 distribution and restrict telecasts of football games through exclusive territorial
17 divisions, the League’s member teams would compete with each other in the market
18 for live video programming of football games. Instead, the NFL and the member
19 teams colluded and agreed to have the NFL to collectively market their games,
20 including out-of-market games, and achieve supra-competitive prices, which the NFL

21
22 ¹ Networks and MVPDs distribute television programming in different ways. A
23 network distributes television program content on a television channel and, in some
24 cases, such as for major networks NBC and CBS, this content is available to the
25 public without direct charge. In contrast, an MVPD sells multiple television channels
26 of video programming to customers for a direct fee. Included in MVPDs are satellite
27 service providers such as DirecTV. Satellite service MVPDs transmit data signals
28 relayed from space radio stations and are not subject to territorial or market limits,
whereas networks send signals to local affiliated television stations or MVPDs to
carry the “network feed.” Despite these different methods of providing content,
MVPDs and Networks compete in distributing television programming.

1 did through its exclusive distribution agreement with DirecTV. DirecTV knowingly
2 joined and facilitated Defendants' conspiracy by agreeing to facilitate, enforce, and
3 maintain the anticompetitive restrictions on the presentation of live broadcasts of
4 Sunday afternoon out-of-market football games.

5 5. As one example of the impact of these anticompetitive restrictions, in the
6 United States, Dish Network is a competitor satellite MVPD to DirecTV. Dish
7 Network promotes itself as having "more channels with a lower monthly bill" than
8 DirecTV, but does not (and cannot) offer NFL Sunday Ticket. If it had access to
9 NFL Sunday Ticket, Dish Network and other potential distributors would compete
10 with DirecTV for commercial subscribers on price and service, which would reduce
11 NFL Sunday Ticket and DirecTV subscriber costs. Notably, in Canada, NFL Sunday
12 Ticket is distributed on a non-exclusive basis through a variety of MVPDs, such as
13 Shaw Cable; Shaw Direct; TELUS; Optik TV; TELUS Satellite TV; Bell TV; Access
14 Communications; Cogeco Cable; Eastlink Cable; Rogers Cable; Vidéotron; Westman
15 Communications; MTS; and SaskTel.

16 6. Defendants' conspiratorial actions have had, and continue to have, an
17 anticompetitive impact in the market for live broadcasts of NFL Sunday afternoon
18 out-of-market games by restricting the distribution and increasing the price of out-of-
19 market games. Through their concerted conduct, Defendants have reduced choice and
20 charged supra-competitive prices.

21 7. As a direct and proximate result of Defendants' actions, Plaintiff and the
22 Plaintiff Class have been injured in their business and property. As a result of
23 Defendants' anticompetitive conduct, Plaintiff and members of the Plaintiff Class
24 paid more for the out-of-market games through their commercial subscriptions to the
25 Sunday NFL Ticket than they otherwise would have paid in the absence of
26 Defendants' unlawful agreements.

JURISDICTION AND VENUE

8. This action is brought instituted under Sections 4(a) and 16 of the Clayton Act, 15 U.S.C. §§15 and 26 to recover treble damages, and the costs of this suit, including reasonable attorneys' fees, against Defendants for the injuries sustained by Plaintiffs and the members of the Plaintiff Class by virtue of Defendants' violations of Sections 1 and 2 of the Sherman Act, 15 U.S.C. §§1 & 2 and to enjoin further violations.

9. This court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1331 and 1337, and Sections 4(a) and 16 of the Clayton Act, 15 U.S.C. §§ 15(a) and 26.

10. Venue is proper in this judicial district pursuant to Sections 4, 12, and 16 of the Clayton Act, 15 U.S.C. §§ 15, 22, and 26, and 28 U.S.C. § 1391 because a substantial part of the events giving rise to Plaintiff's claims occurred in this District, a substantial portion of the affected interstate trade and commerce was carried out in this District, and one or more of the Defendants resides in this District, is licensed to do business in this District, and/or transacts business in this District.

PARTIES

11. Plaintiff Sir Waldon, Inc. is a California corporation with its principal place of business in San Diego County, California. Sir Waldon, Inc. owns and operates an Oggi's Pizza & Brewing restaurant and purchased a commercial subscription to the Sunday NFL Ticket from DirecTV during the Class Period. As a result of Defendants' unlawful conduct and conspiracy, Plaintiff Sir Waldon, Inc. thereby suffered injury to its business or property.

12. Defendant DirecTV, LLC was a Delaware corporation whose principal place of business was 2230 East Imperial Highway, El Segundo, California. DirecTV, LLC issued bills to DirecTV commercial subscribers.

1 13. Defendant DirecTV Holdings LLC was a Delaware limited liability
2 company and had its principal place of business at 2230 East Imperial Highway, El
3 Segundo, California. It was the U.S. operating arm of DirecTV, Inc.

4 14. On May 18, 2014, AT&T announced a \$49 billion stock-and-cash
5 merger transaction to acquire DirecTV, Inc. DirecTV, LLC and DirecTV Holdings
6 LLC were acquired by AT&T in the transaction. After regulatory approval, the
7 transaction closed and the merger was consummated on July 24, 2015. Pursuant to
8 the merger agreement, DirecTV LLC and DirecTV Group Holdings (as well as
9 DirecTV, Inc.) were merged into Steam Merger Sub, LLC, a wholly-owned direct
10 subsidiary of AT&T. Steam Merger Sub, LLC was later renamed DIRECTV Group
11 Holdings, LLC.

12 15. Defendant DIRECTV Group Holdings, LLC is a Delaware limited
13 liability company whose principal place of business is at 675 W. Peachtree Street,
14 N.W., Suite 2756, Atlanta, Georgia. Defendant DIRECTV Group Holdings, LLC is
15 the successor-in-interest to DirectTV.

16 16. Defendants DirecTV, LLC, DirecTV Holdings LLC, and DIRECTV
17 Group Holdings, LLC are together referred to herein as “DirecTV.” DirecTV and its
18 subsidiaries provide satellite television service throughout the United States and issue
19 bills to commercial and residential subscribers.

20 17. Until 2015, Defendant National Football League was an unincorporated
21 association of thirty-two (32) professional football teams in the United States. Each
22 of the 32 NFL member teams, headquartered in various cities throughout the United
23 States, is separately owned and operated, and acts in its own economic interests and,
24 with limited exceptions not relevant here, competes with the other separately owned
25 and operated teams. The National Football Leagues’ headquarters are located at 345
26 Park Avenue, New York, New York, 10154. The professional football teams in the
27 National Football League are as follows:

NFL Defendant Team Owner	State of Organization	Team Name (City)
Arizona Cardinals, Inc.	Arizona	Arizona Cardinals
Atlanta Falcons Football Club LLC	Georgia	Atlanta Falcons
Baltimore Ravens Limited Partnership	Maryland	Baltimore Ravens
Buffalo Bills, Inc.	New York	Buffalo Bills
Panthers Football LLC	North Carolina	Carolina Panthers
Chicago Bears Football Club, Inc.	Delaware	Chicago Bears
Cincinnati Bengals, Inc.	Ohio	Cincinnati Bengals
Cleveland Browns LLC	Delaware	Cleveland Browns
Dallas Cowboys Football Club, Ltd.	Texas	Dallas Cowboys
Denver Broncos Football Club	Colorado	Denver Broncos
Detroit Lions, Inc.	Michigan	Detroit Lions
Green Bay Packers, Inc.	Wisconsin	Green Bay Packers
Houston NFL Holdings LP	Delaware	Houston Texans
Indianapolis Colts, Inc.	Delaware	Indianapolis Colts
Jacksonville Jaguars Ltd.	Florida	Jacksonville Jaguars
Kansas City Chiefs Football Club, Inc.	Texas	Kansas City Chiefs
Miami Dolphins, Ltd.	Florida	Miami Dolphins
Minnesota Vikings Football Club LLC	Minnesota	Minnesota Vikings
New England Patriots, LP	Delaware	New England Patriots
New Orleans Louisiana Saints LLC	Texas	New Orleans Saints
New York Football Giants, Inc.	New York	New York Giants
New York Jets Football Club, Inc.	Delaware	New York Jets
Oakland Raiders LP	California	Oakland Raiders
Philadelphia Eagles Football Club, Inc.	Delaware	Philadelphia Eagles
Pittsburgh Steelers Sports, Inc.	Pennsylvania	Pittsburgh Steelers
San Diego Chargers Football Co.	California	San Diego Chargers
San Francisco Forty Niners Ltd.	California	San Francisco 49ers
Football Northwest LLC	Washington	Seattle Seahawks
The Rams Football Company LLC	Delaware	St. Louis Rams
Buccaneers Limited Partnership	Delaware	Tampa Bay Buccaneers
Tennessee Football, Inc.	Delaware	Tennessee Titans
Washington Football Inc.	Maryland	Washington Redskins

18. In 2015, the NFL incorporated as the National Football League, Inc., and its headquarters are located at 345 Park Avenue, New York, New York, 10154.

1 19. Defendant NFL Enterprises LLC is a Delaware limited liability company
2 with its principal place of business located at 345 Park Avenue, New York, New
3 York, 10154.

4 20. Defendants National Football League, National Football League, Inc.
5 and NFL Enterprises LLC are together referred to herein as “NFL” or the “League.”

6 21. Collectively, the Defendants named in paragraphs 15 to 22 are referred
7 to herein as “Defendants” “Defendants” also includes, in addition to those named
8 specifically above, all of the named Defendants’ predecessors or successors-in-
9 interest each named Defendants’ wholly-owned or controlled subsidiaries or affiliates
10 that played a material role in NFL Sunday Ticket in interstate commerce in the
11 United States during the Class Period.

12 **AGENTS AND CO-CONSPIRATORS**

13 22. Various other persons, firms and corporations, not named as
14 Defendants, have participated as co-conspirators with Defendants and have
15 performed acts and made statements in furtherance of the conspiracy. The Defendants
16 are jointly and severally liable for the acts of their co-conspirators whether named or
17 not named as Defendants in this complaint.

18 23. Whenever reference is made to any act of any corporation, the allegation
19 means that the corporation engaged in the act by or through its officers, directors,
20 agents, employees or representatives while they were actively engaged in the
21 management, direction, control or transaction of the corporation’s business or affairs.
22 Each of the Defendants named herein acted as the agent or joint-venturer of or for the
23 other Defendants.

24 **CLASS ALLEGATIONS**

25 24. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, Plaintiff
26 brings this class action on behalf of itself and all other similarly situated and seek
27 certification of the following Class:
28

1 All persons and entities located in the United States who purchased the NFL
2 Sunday Ticket service from DirecTV, or any predecessor or successor-in-
3 interest, subsidiary, or affiliate thereof, as a DirecTV commercial subscriber, at
4 any time beginning four years prior to the filing of this complaint and until the
Present

5 Specifically excluded from this Class are the Defendants; the officers, directors
6 or employees of any Defendant; any entity in which any Defendant has a
7 controlling interest; and any affiliate, legal representative, heir or assign of any
Defendant.

8 Also excluded from this Class are any federal, state or local governmental
9 entities, any judicial officer presiding over this action and the members of
10 his/her immediate family and judicial staff, and any juror assigned to this
11 action.

12 25. Class Identity: The Plaintiff Class is readily identifiable and is one for
13 which records should exist.

14 26. Numerosity: The Class is so numerous that joinder of all members is
15 impracticable. Due to the nature of the trade and commerce involved, Plaintiff
16 believes there are thousands of members in the Class, who are geographically
17 dispersed throughout the United States. The number and identity of the members of
18 the Class known to Defendants and their co-conspirators.

19 27. Typicality: Plaintiff's claims are typical of the claims of the Class
20 because Plaintiff purchased the NFL Sunday Ticket from DirecTV as a commercial
21 subscriber, and therefore Plaintiff's claims arise from the same common course of
22 conduct giving rise to the claims of other members of the Class and the relief sought
23 is common to the class.

24 28. Common Questions Predominate: Numerous common questions of law
25 and fact exist as to all members of the Class, including, but not limited to:

26 a. Whether Defendants engaged in a contract, combination, and/or
27 conspiracy to restrain competition in the distribution of live broadcasts of NFL
28 Sunday afternoon out-of-market football games;

1 b. Whether Defendants engaged in a contract, combination and/or
2 conspiracy to fix, raise, elevate, maintain, or stabilize prices of live broadcasts of
3 NFL Sunday afternoon out-of-market football games by restricting competition in the
4 distribution of live video broadcasts of out-of-market NFL football games;

5 c. Whether Defendants engaged in a contract, combination and/or
6 conspiracy to fix, raise, elevate, maintain, or stabilize prices of the NFL Sunday
7 Ticket by preventing any competitor from offering competing products;

8 d. Whether Defendants monopolized, attempted to monopolize, or
9 conspired to monopolize in violation of law;

10 e. The identities of the participants of the alleged conspiracy;

11 f. The duration of the alleged conspiracy and the acts carried out by
12 Defendants in furtherance thereof;

13 g. Whether the alleged conspiracy violated Section 1 of the Sherman
14 Act, 15 U.S.C. § 1;

15 h. Whether the alleged conspiracy violated Section 2 of the Sherman
16 Act, 15 U.S.C. § 2;

17 i. Whether the conduct of Defendants and their co-conspirators
18 caused injury to the business or property of the Plaintiff and the other members of the
19 Class, and, if so, the appropriate class-wide measure of damages;

20 j. The effect of Defendants' anticompetitive conduct on the prices of
21 live broadcasts of NFL Sunday afternoon out-of-market games sold in the United
22 States during the Class Period; and

23 k. Whether Plaintiff and other members of the Class are entitled to,
24 among other things, injunctive relief, and, if so, the nature and extent of such relief.

25 29. These and other questions of law or fact are common to the Class and
26 predominate over any questions affecting the members of the Class individually.

27 30. Adequacy: Plaintiff will fairly and adequately represent the interest of
28 the Class because it purchased the Sunday Ticket from DirecTV during the Class

1 Period and has no conflict with any other members of the Class. Furthermore,
2 Plaintiff has retained counsel with substantial experience and success in the
3 prosecution of class actions and antitrust litigation of this nature.

4 31. Superiority: A class action is superior to other available methods for the
5 fair and efficient adjudication of this controversy since individual joinder of all
6 damaged Class members is impractical. Prosecution as a class action will eliminate
7 the possibility of repetitious litigation. The damages suffered by individual Class
8 members are relatively small, given the expense and burden of individual prosecution
9 of the claims asserted in this litigation. Absent a class action, it would not be feasible
10 for Class members to seek redress for the violations of law herein alleged. Further,
11 individual litigation presents the potential for inconsistent or contradictory judgments
12 and would greatly magnify the delay and expense to all parties and to the court
13 system. Therefore, a class action presents far fewer case management difficulties and
14 will provide the benefits of unitary adjudication, economy of scale and
15 comprehensive supervision by a single court.

16 **TRADE AND COMMERCE**

17 32. The NFL is a professional American football league. Of the four major
18 professional sports leagues in North America, the NFL is the most popular in terms of
19 television ratings and merchandising and has the highest average attendance. In
20 2014, the NFL ranked as the most popular American sport for the 30th consecutive
21 year.² The Super Bowl is also the most watched annual event on United States
22 television. The NFL's ability to command viewers has helped the League reap
23 lucrative broadcasting deals.

24 33. With increasing viewership and steady popularity, the NFL's revenue
25 has also grown. In 2014, reports estimated the League's annual revenue at \$10
26

27 ² Bryan Rose, *NFL ranked as most popular American sport for 30th consecutive year*,
28 Sports Illustrated, Apr. 14, 2014, available at
<http://www.si.com/nfl/audibles/2014/04/14/nfl-ranked-as-most-popular-american-sport-for-30th-consecutive-year>.

1 billion, up from \$9.2 billion just one year earlier, making it the most lucrative sports
2 league in the world.³ A majority of this revenue comes from lucrative broadcasting
3 deals.

4 34. In 2011, the NFL signed broadcast agreements with Fox, NBC, and CBS
5 that will pay a total of almost \$28 million over nine years.⁴ Under the agreements,
6 which run through 2022, Fox, CBS, and NBC will pay approximately \$1.1 billion, \$1
7 billion, and \$950 million annually to broadcast certain NFL games.⁵ The NFL also
8 extended its deal with ESPN to broadcast Monday Night Football, pursuant to which
9 ESPN will pay an estimated \$1.9 billion per year to the NFL until 2021.

10 35. More recently, the NFL also renewed its agreement with DirecTV for
11 the Sunday Ticket service. In 2014, the NFL and DirecTV announced they were
12 extending their exclusive agreement over the Sunday Ticket. Under their agreement,
13 the NFL will receive from DirecTV an estimated \$1.5 billion per year for eight
14 years.⁶

15 36. Given the nature and size of their activities, Defendants have engaged in
16 interstate commerce as further alleged herein. Defendants distributed and sold the
17 NFL Sunday Ticket package in a continuous and uninterrupted flow of transactions in
18 interstate commerce throughout the United States, including through and into this
19

20
21 ³ NFL, Forbes: Roger Goodell steers NFL well amid concussion issue,
22 [http://www.nfl.com/news/story/0ap1000000229966/article/forbes-roger-goodell-](http://www.nfl.com/news/story/0ap1000000229966/article/forbes-roger-goodell-steers-nfl-well-amid-concussion-issue)
23 [steers-nfl-well-amid-concussion-issue](http://www.nfl.com/news/story/0ap1000000229966/article/forbes-roger-goodell-steers-nfl-well-amid-concussion-issue); Brent Schrotenboer, *NFL takes aim at \$25*
24 *billion, but at what price?*, USA Today, Feb. 5, 2014, available at
25 [http://www.usatoday.com/story/sports/nfl/super/2014/01/30/super-bowl-nfl-revenue-](http://www.usatoday.com/story/sports/nfl/super/2014/01/30/super-bowl-nfl-revenue-denver-broncos-seattle-seahawks/5061197/)
26 [denver-broncos-seattle-seahawks/5061197/](http://www.usatoday.com/story/sports/nfl/super/2014/01/30/super-bowl-nfl-revenue-denver-broncos-seattle-seahawks/5061197/); Mike Ozanian, *The Most Valuable NFL*
27 *Teams*, Forbes, Aug. 14, 2013, available at
28 <http://www.forbes.com/sites/mikeozanian/2013/08/14/the-most-valuable-nfl-teams/>.

⁴ Joe Flint, *NFL signs TV rights deals with Fox, NBC, and CBS*, Los Angeles Times, Dec. 15, 2011, available at <http://articles.latimes.com/2011/dec/15/business/la-fi-ct-nfl-deals-20111215>.

⁵ Matthew Futterman, et al., *NFL Reaches TV Deals With Fox, CBS, and NBC*, Dec. 15, 2011, available at <http://www.wsj.com/articles/SB10001424052970204026804577098774037075832>.

⁶ Trefis Team, *DirecTV Extends Its Deal With NFL For \$12 Billion*, Forbes, Oct. 8, 2014, available at <http://www.forbes.com/sites/greatspeculations/2014/10/08/directv-extends-its-deal-with-nfl-for-12-billion/>.

District. Defendants' business activities, as described herein, had a direct, substantial, and reasonably foreseeable effect on interstate trade and commerce in California and caused antitrust injury to Plaintiff and members of the Class in the United States.

FACTUAL ALLEGATIONS

A. The NFL Has A History of Anticompetitive Conduct

37. As described above, the NFL is made up of 32 separately owned teams. Each of the League's member teams is an independently owned and managed business. As a result, each team is a separate economic actor with a separate economic interest to pursue. Teams therefore compete with each other on the playing field and with respect to attracting fans, encouraging game attendance, selling merchandise, and personnel. Despite their separate economic interests, the NFL and the member teams' have historically taken anticompetitive measures to unlawfully restrict competition.

38. In 1951, the Department of Justice filed an antitrust action against the NFL and its member teams, contending that the league's restrictions on television broadcasting of its games violated the Sherman Act. The Department of Justice contended that the NFL's bylaws, agreed to by all of the League's members, imposed unreasonable restraints of trade. The NFL bylaws prohibited a member team from permitting one of its games to be televised by a station within 75 miles of another league city on the day that team of the other city is playing a game in its home city or is playing away from home and televising its game through a station within 75 miles of its home city.⁷ As implemented, these restrictions effectively prevented all live telecasts of outside games within a team's home territory where the home team was not a participant of the game. The court found that the NFL and the teams'

⁷ *U.S. v. National Football League*, 116 F.Supp. 319, 321 (E.D. Penn. 1953), superseded by statute, Sports Broadcasting of 1961, Pub. L. No. 87-331, § 1, 75 Stat. 732, as recognized in *Shaw v. Dallas Cowboys Football Club, Ltd.*, 172 F.3d 299, 301 (3d Cir. 1999).

1 agreement was an unlawful trade restraint to the extent the by-laws prevented the
 2 telecasting of outside games into the home territories of other teams when the home
 3 teams are playing away games while permitting the telecasting of a home teams'
 4 away games into their home territories.⁸

5 39. Prior to 1961, the NFL's member teams individually negotiated and sold
 6 their television rights to their games to sponsors and telecasters.⁹ In 1961, the NFL's
 7 member clubs pooled their individual television rights, and each team agreed not to
 8 sell its television rights separate from the other clubs, and instead to sell the rights as
 9 a pooled package.

10 40. The *U.S. v. National Football League* court, relying on its earlier
 11 decision and the corresponding consent decree, found that the NFL was prohibited
 12 from entering into an agreement to sell the pooled rights of its member teams.¹⁰
 13 Realizing that centralizing broadcast rights could increase overall broadcast revenues,
 14 the NFL sidestepped the decision and lobbied for a narrow statutory exemption that
 15 applies only to pooling contracts for the sale of rights in sponsored telecasts of
 16 football games, and not satellite distribution, among other things.¹¹ The act that was
 17 created is known as the Sports Broadcasting Act ("SBA"), 15 U.S.C. § 1291.

18 **B. The NFL Teams Pool and Collectively Market Their Broadcast Rights**
 19 **Through the NFL With Complex Territorial Restrictions That Limit the**
 20 **Availability of Sunday Out-Of-Market Football Games**

21 41. Since the SBA, the league's member teams have agreed to pool their
 22 individual television rights and have given the NFL authority to negotiate television
 23 contracts for the collective sale of broadcasts of their games to national networks. To
 24 this end, the NFL has negotiated television agreements with Fox, NBC, CBS, and
 25

26
 27 ⁸ *Id.* at 326-327.

⁹ *U.S. v. National Football League*, 196 F.Supp.445, 446 (E.D. Penn. 1961)

¹⁰ *Id.*

28 ¹¹ *See Shaw v. Dallas Cowboys Football Club, Ltd.*, 172 F.3d 299 (3rd Cir. 1999); 15 U.S.C. § 1291.

1 ESPN. Depending on the time, day, and location of the game, however, NFL games
2 may be carried by Fox, NBC, CBS, ESPN or the NFL Network.

3 42. For example, Thursday night games are generally aired by CBS and/or
4 the NFL Network. Pursuant to its agreement with the NFL, CBS televises the first
5 eight Thursday night football games, which are simulcast on the NFL Network. The
6 subsequent eight Thursday night football games are aired exclusively on the NFL
7 Network.¹²

8 43. In comparison, the NFL's agreement with ESPN gives the cable network
9 the right to nationally broadcast the Monday night football games. Unlike CBS,
10 however, ESPN does not generally broadcast NFL games during any other days of
11 the week.

12 44. The broadcast rights to the remaining NFL games, which mostly include
13 Sunday football games and a few special broadcasts, are covered by the NFL's
14 television agreements with broadcast networks NBC, CBS, and Fox. Telecasts of
15 Sunday football games and special broadcasts are highly restricted based on the time
16 and location of the game, the conferences involved, the teams playing, and the
17 network's regional affiliate.

18 45. While NBC, CBS, and Fox's broadcast agreements with the NFL
19 collectively cover all of the Sunday games, the express territorial restrictions imposed
20 by the NFL make it such that only a select number of games are televised in any
21 given location. Due to these restrictions, viewers without DirecTV have access to
22 only three—and sometimes only two—of the approximately 13 Sunday football
23 games that occur each week (excluding Sunday Night Football which is nationally
24 televised).

25
26
27
28 ¹² Brian Steinberg, *CBS, NFL Renew Deal for 'Thursday Night Football,'* Variety, Jan. 18, 2015, *available at* <http://variety.com/2015/tv/news/cbs-nfl-renew-deal-for-thursday-night-football-1201408283/>.

1 46. CBS and Fox broadcast the Sunday Day Games¹³ (be they morning or
 2 afternoon based on the time zone), while NBC broadcasts primetime Sunday Night
 3 Football. Under their contracts with the NFL, CBS and Fox, through their local
 4 affiliates, collectively televise between 10 and 16 Sunday Day Games each week.
 5 Generally, however, only three Sunday Day Games are broadcast each week in any
 6 particular territory. Each week one of the networks is allocated a doubleheader,
 7 allowing it to broadcast an early game at 10:00 a.m. PT/1:00 p.m. ET and a late game
 8 at 1:25 p.m. PT/4:25 p.m. ET. The other network broadcasts a single game either in
 9 the early slot at 10:00 a.m. PT/1:00 p.m. ET or in the late slot at 1:05 p.m. PT/4:05
 10 p.m. ET. Fox and CBS generally alternate the doubleheader and single-game
 11 Sundays. During a season, each network has approximately nine doubleheaders,
 12 including one in the final week of the season when both networks have
 13 doubleheaders.

14 47. In addition to the Sunday Day Games, there are approximately 16
 15 primetime Sunday Night Football games per season. Since 2006, NBC has carried
 16 Sunday Night Football, which is nationally televised.¹⁴ In 2014, the NFL expanded
 17 its flexible scheduling program to ensure quality matchups for its Sunday Night
 18 Football primetime games between weeks 5 and 10 of the season. Under flexible
 19 scheduling, two afternoon games during the season may be “flexed” or moved to
 20 NBC’s Sunday night show. The previously scheduled Sunday night game on NBC
 21 would then be moved to an afternoon start time and aired on either CBS or Fox.¹⁵

23 ¹³ Sunday Day Games refers to that commence at 10 a.m. PT, 1:05 p.m. PT, and 1:25
 24 p.m. PT, or, 1:00 p.m. ET, 4:05 p.m. ET, and 4:25 p.m. ET.

25 ¹⁴ National Football League (“NFL”), *The tradition continues: NFL to remain on*
 26 *broadcast TV*, NFL, Dec. 14, 2011,
 27 <http://www.nfl.com/news/story/09000d5d8250cb48/article/the%ADtradition%ADcontinues%ADnfl%ADto%ADremain%ADon%ADbroadcast%ADtv1/3> (hereinafter
 “*The Tradition Continues*”). In addition, NBC also nationally broadcasts the NFL’s
 season-opening game on Thursday night and, since 2012, the league’s primetime
 Thanksgiving game. *Id.*

28 ¹⁵ NFL, Flexible Scheduling, <http://www.nfl.com/flexible-schedules> (last visited
 Aug. 3, 2015); see NFL, *The Tradition Continues*.

1 With the exception of the one weekly Sunday Night Football game, the other Sunday
2 football games on CBS and Fox are televised regionally with limited access in areas
3 outside a team's home market.

4 48. While CBS and Fox primarily televise games of the American Football
5 Conference teams and the National Football Conference teams respectively, the
6 specific game(s) aired by a network in a given area depends on the NFL's territorial
7 restrictions, where the game is being played, and which team is considered the
8 home/away team, among other things. Thus, the Sunday Day Games broadcast by
9 CBS and Fox are distributed through regional coverage to local affiliates.

10 49. Pursuant to the territorial restrictions set by the NFL's television
11 agreements, CBS and Fox's local affiliate must broadcast any Sunday Day Game
12 being played by the team whose territory falls within the local affiliate's coverage
13 area. Where a network's local affiliate channel is the home market station for the
14 team, that channel will generally show all of the team's Sunday Day Games. For
15 non-primetime games between different conferences, the network (CBS or Fox) of
16 the visiting team gets the rights to broadcast the game.

17 50. In order to restrict competition from telecasts of out-of-territory or out-
18 of-market games, the NFL prohibits other NFL games from being shown on a
19 network local affiliate station while the local 'home' team is playing a home game.
20 As a result, when a home team is being shown on the network with a single-game
21 Sunday, the network with a doubleheader Sunday (i.e. the other network) can only air
22 one of its two allotted games and only two Sunday Day Games will be shown in that
23 particularly territory that weekend.

24 51. As a result of these agreements and territorial restrictions, access to the
25 Sunday Day Games is extremely limited. Viewers without NFL Sunday Ticket are
26 therefore denied access to 155 or more of the NFL's Sunday football games.

27 ///

28 ///

1 **C. DirecTV and the NFL Have Maintained an Exclusive Agreement for the**
2 **Distribution of the Sunday Ticket to Eliminate Competition from the**
3 **Market and Facilitate Supra-competitive Prices**

4 52. In restraint of trade, Defendants have colluded to sell access to live
5 broadcasts of NFL Sunday afternoon out-of-market games only through DirecTV via
6 the NFL Sunday Ticket.

7 53. Sometime in or around 1994, the NFL entered into an exclusive
8 agreement with DirecTV, allowing the satellite television provider to broadcast
9 otherwise-out-market NFL games that are unavailable through local affiliates or
10 national broadcasts. DirecTV subscribers are exclusively able to gain access to these
11 out-of-market games by purchasing a premium subscription package known as the
12 NFL Sunday Ticket. In particular, the package provides access to all Sunday Day
13 Games broadcast on Fox or CBS (i.e. the Sunday Day Games) with the exception of
14 locally televised games—those available on the customer’s local Fox or CBS affiliate
15 channel—and local games that are blacked out.

16 54. Pursuant to its broadcasting agreement with the NFL, DirecTV airs the
17 live game telecast feeds produced by CBS and Fox and redistributes them without
18 alteration to NFL Ticket subscribers via DirecTV channels.

19 55. Defendants’ exclusive agreement relating to the NFL Sunday Ticket
20 eliminates competition in the distribution of live broadcasts of NFL Sunday afternoon
21 out-of-market games. Due to their exclusive agreement, any person seeking access to
22 these out-of-market games must subscribe to DirecTV and purchase the NFL Sunday
23 Ticket at the supracompetitive price dictated by Defendants.

24 56. As a result of DirecTV’s exclusive agreement with the NFL, Sunday
25 Ticket purchasers, including commercial subscribers like Plaintiff, pay a higher price
26 for the Sunday Ticket than they otherwise would pay in the absence of Defendants’
27 anticompetitive conduct.
28

1 57. In May 2014, AT&T announced its plan to acquire DirecTV in a \$49
 2 billion stock-and-cash transaction, which depended, in substantial part, on the
 3 continued exclusivity of the Sunday NFL Ticket service. As DirecTV noted in a
 4 filing with the SEC on December 3, 2014, “[p]ursuant to the Merger Agreement,
 5 AT&T had the right to terminate the Merger Agreement or not consummate the
 6 Merger if we failed to enter into a contract with the NFL providing for exclusive
 7 distribution rights for the NFL Sunday Ticket service.”

8 58. In October 2014, DirecTV and the NFL renewed the agreement for the
 9 Sunday NFL Ticket package, under which the NFL will continue to give DirecTV the
 10 exclusive right to broadcast out-of-market games until 2021.¹⁶ Pursuant to
 11 Defendants’ agreement, DirecTV will pay approximately \$12 billion, or \$1.5 billion
 12 annually for eight years, to secure its exclusive rights over the distribution of live out-
 13 of-market NFL football games.¹⁷

14 59. In July 2015, the Federal Communications Commission granted
 15 approval of the merger between AT&T and DirecTV. The parties consummated the
 16 merger that same month. AT&T, through DIRECTV Group Holdings, LLC,
 17 maintains DirecTV’s practice of exclusively distributing live broadcasts of NFL
 18 Sunday afternoon out-of-market games.

19 **D. As a Result of Defendants’ Anticompetitive Conduct, Commercial**
 20 **Subscribers Pay Supracompetitive Prices for Access to the Sunday Ticket**

21 60. As a result of Defendants’ exclusive agreement for the Sunday Ticket,
 22 bars, restaurants and other commercial businesses, including Plaintiff and the
 23

24
 25 ¹⁶ Tyler Conway, *NFL and DirecTV Extend NFL Sunday Ticket with New Multiyear*
 26 *Agreement*, Bleacher Report, Oct. 1, 2014, [http://bleacherreport.com/articles/2217598-nfl-and-directv-extend-nfl-sunday-ticket-](http://bleacherreport.com/articles/2217598-nfl-and-directv-extend-nfl-sunday-ticket-with-new-multi-year-agreement)
 27 [with-new-multi-year-agreement](http://bleacherreport.com/articles/2217598-nfl-and-directv-extend-nfl-sunday-ticket-with-new-multi-year-agreement); Darren Rovell, *NFL, DirecTV extend deal for 8*
years, ESPN, Oct. 1, 2014, [http://espn.go.com/nfl/story/_/id/11624442/nfl-extends-](http://espn.go.com/nfl/story/_/id/11624442/nfl-extends-sunday-ticket-deal-directv)
[sunday-ticket-deal-directv](http://espn.go.com/nfl/story/_/id/11624442/nfl-extends-sunday-ticket-deal-directv).

28 ¹⁷ Trefis Team, *DirecTV Extends Its Deal With NFL For \$12 Billion*, Forbes, Oct. 8,
 2014, available at [http://www.forbes.com/sites/greatspeculations/2014/10/08/directv-](http://www.forbes.com/sites/greatspeculations/2014/10/08/directv-extends-its-deal-with-nfl-for-12-billion/)
[extends-its-deal-with-nfl-for-12-billion/](http://www.forbes.com/sites/greatspeculations/2014/10/08/directv-extends-its-deal-with-nfl-for-12-billion/).

1 Commercial Subscriber Class, must purchase a commercial subscription to the NFL
2 Sunday Ticket from DirecTV in order to access and show live broadcasts of NFL
3 Sunday afternoon out-of-market games.

4 61. DirecTV advertises its services as the way to “keep customers coming
5 back” and offers bars and restaurants “amazing exclusive sports content, like the NFL
6 Sunday Ticket.” As the company states on its website, “[o]nly DirecTV has the
7 sports packages you need to attract fans of every stripe with the NFL Sunday Ticket
8 2015...”¹⁸ The National Restaurant also reports that NFL fans stay longer, often 4
9 hours, and order more than other customers, making the Sunday Ticket valuable for
10 attracting customers.

11 62. With the Sunday Ticket, bars and restaurants can feature games that
12 potential customers would not otherwise be able to watch, unless they also purchased
13 the Sunday Ticket through DirecTV. Because DirecTV offers out-of-market games
14 not available elsewhere, DirecTV therefore markets to bars and restaurants catering to
15 NFL fans with loyalties to teams located throughout the United States. These
16 businesses generate a substantial share of their overall revenue by having the
17 capability to televise multiple professional football games simultaneously in order to
18 attract a diverse range of fans to their establishments on Sundays during the NFL
19 football season. The Sunday Ticket package, however, comes at a cost for
20 commercial subscribers.

21 63. DirecTV charges commercial subscribers fees for the Sunday Ticket
22 services that are based on the estimated viewing occupancy (“EVO”) and the fire
23 code occupancy (“FCO”), which is the maximum occupancy permitted by the local
24 fire code. For example, a bar or restaurant with an EVO and FCO between 101 and
25 150 will pay approximately \$4,630.00 for the NFL Sunday Ticket. This fee is in
26

27
28 ¹⁸ DirecTV, TV Packages for Restaurants & Bars,
<http://www.directv.com/DTVAPP/content/directv-for-business/restaurants-and-bars-tv-solutions>.

1 addition to the cost of their general DirecTV subscription cost, and any access fees or
 2 other charges. As shown in the table below, the cost of the Sunday Ticket increases
 3 for establishments with a higher EVO and FCO.

EVO	FCO	Cost for the Sunday Ticket
1-50	1-50	\$1,458.00 (or \$499.99 for 4 receivers or fewer)
51-100	51-100	\$2,314.00
101-150	101-150	\$4,630.00
151-200	151-200	\$4,630.00
201-350	201-350	\$6,479.00
351-500	351-500	\$9,258.00
501-750	501-750	\$10,419.00
751-1,000	751-1,000	\$13,888.00
1,001-1,500	1,001-1,500	\$20,832.00
1,500-2,000	1,500-2,000	\$27,774.00
2,001-5,000	2,001-5,000	\$57,864.00
5,001-10,000	5,001-10,000	\$102,415
10,001+	10,001+	\$122,895

15
 16 64. As reflected in the above chart, DirecTV's monopoly power and
 17 Defendants' collusive, anticompetitive behavior has enabled DirecTV to charge
 18 thousands of dollars to bars and restaurants each season for access to the NFL Sunday
 19 Ticket. As a result of Defendants' exclusive agreement, commercial subscribers are
 20 not able to purchase Sunday afternoon out-of-market NFL games from any other
 21 MPVD competitors and must pay Defendants' supra-competitive prices because they
 22 need to offer these games to patrons in order to effectively operate their businesses.

23 65. Knowing that commercial subscribers like Plaintiff and the Commercial
 24 Subscriber Class, must show the NFL's out-of-market games to successfully run their
 25 businesses, Defendants have agreed to set commercial subscriber prices for the NFL
 26 Sunday Ticket far higher than a competitive market would allow. It has been
 27 estimated by a leading sports economist that the prices are as much as 43% higher
 28 because of DirecTV's exclusive deal with the NFL, reaping millions in excess profits

1 for Defendants each year. But for Defendants' exclusive agreement and
2 anticompetitive behavior, prices for the live broadcasts of out-of-market games would
3 be much lower.

4 66. The price of the NFL Sunday Ticket has also increased substantially
5 over the years for commercial subscribers. For example, prices for certain large
6 commercial subscribers in 2010 were \$41,895 and more than doubled in 2014 to
7 \$86,446.

8 67. As recently as 2014, representatives of DirecTV and the NFL also
9 discussed targeting commercial users, like Plaintiff and the members of the
10 Commercial Subscriber Class, for double-digit price increases because they would
11 have little choice but to pay the higher cost.

12 68. Defendants' exclusive agreement is not necessary to ensure live
13 broadcasts of NFL Sunday afternoon out-of-market games. Viewership of NFL
14 games is extremely strong and would support competition in the distribution of the
15 live broadcasts of out-of-market games. During the 2012 season, NFL regular season
16 games accounted for 31 of the top 32 most-watched programs of the fall season and
17 an NFL game ranked as the most-watched program in all 17 weeks of the regular
18 season.¹⁹ CBS and Fox are also contractually obligated to produce these games,
19 which they already broadcast in local and/or regional markets.

20 69. Defendants' exclusive deal is, however, necessary to restrict
21 competition, maintain monopoly power, and exercise such market power to impose
22 and profit from supracompetitive prices.

23 **E. The Relevant Market Has High Barriers to Entry**

24 70. The relevant geographic market is the United States. The relevant
25 product market is the market for the distribution of live broadcasts of NFL Sunday
26 afternoon out-of-market games. These games air on Sundays and are only available
27

28

¹⁹ <http://nflcommunications.com/2013/01/03/nfl-2012-tv-recap/>.

1 through the Sunday Ticket product. As described above, the broadcasts of these
2 games are negotiated collectively by the NFL, the individual teams, with CBS, NBC,
3 ESPN, and Fox. Broadcasts of other sports or other content do not compete with
4 broadcasts of NFL games. Moreover, NFL games broadcast nationally on Monday
5 night, Thursday night, and Sunday night via ESPN, CBS, and NBC respectively do
6 not compete with and are not interchangeable with the out-of-market games offered
7 through the Sunday Ticket because they are aired nationally, are not available via the
8 Sunday Ticket, and are at different days and times. Furthermore, NFL games
9 broadcast locally on CBS and Fox on Sundays are not interchangeable with the multi-
10 game offering provided through the Sunday Ticket because the local games are
11 different from the out-of-market-game package offered through the Sunday Ticket,
12 which caters to fans not located within the geographical confines of their favorite
13 teams' home territories.

14 71. DirecTV distinguishes between residential and commercial subscribers.
15 DirecTV has separate portions of its website dedicated to "DirecTV for Business"
16 and "Packages for Restaurants & Bars." DirecTV will not sell residential packages to
17 businesses, like Oggi's. DirecTV therefore treats commercial and residential
18 subscribers as distinct markets.

19 72. The availability of in-market NFL games does not impact Defendants'
20 ability to raise the price of out-of-market games above competitive levels and exclude
21 competition.

22 73. New entries that would dilute the market power created by the collusive
23 agreements at issue here are extremely unlikely. New entrants would require the
24 creation of a new professional American football league. An undertaking of this
25 nature is extremely expensive and highly unlikely to succeed based on history. Even
26 in the unlikely event that a new entrant appeared, it is unlikely that any resulting
27 broadcast programming would sufficiently compete with the NFL's broadcasts to
28 dissipate its monopoly power.

1 74. In the 95 years since the NFL's formation in 1920, there have been only
2 a few noteworthy attempts at entry into the market for professional American football
3 games. Three times, once in the 1920s, the 1930s, and the 1940s, the American
4 Football League ("AFL") was formed, operated briefly, and then failed. In 1960
5 there was another entry attempt by the AFL, which operated independently for nine
6 years before merging with the NFL in 1970.

7 75. The United States Football League ("USFL") was founded in 1982 and
8 was disbanded in 1986. It sued the NFL for monopolization and won a jury verdict.
9 There have also been failed attempts to start and sustain a women's football league
10 and various other minor leagues. The most successful entrant is the Arena Football
11 League, but since its members play indoor football it involves a substantially
12 different type of football. The Arena Football League began in 1987 and continues
13 today, following a reorganization in 2010. Because the Arena Football League
14 produces a different sport, it does not substantially compete with the NFL for
15 broadcast audiences. In addition, the Arena Football League games are played in the
16 spring and summer to further avoid competition with the NFL broadcasts.

17 76. As evidenced by the League's annual revenues, NFL teams are well
18 established and popular throughout the United States. The 32 member teams are in
19 regionally diverse locations in most major population areas of the United States.
20 There are NFL teams within 18 of the 25 most populated metropolitan areas of the
21 country, significantly limiting the locations and audiences available to new teams or
22 leagues. Not surprisingly, none of the sporadic attempts to enter the professional
23 football market during the NFL's history have succeeded in competing with the
24 League for broadcast audiences.

25 77. As explained above, this landscape has created extremely high barriers
26 to entry. As a result, it is highly unlikely, if not impossible, that a new league would
27 be able to compete to take away the NFL's monopoly power, or the supracompetitive
28 pricing in effect as a result of Defendants' anticompetitive conduct. The monopoly

1 will only be tempered if the underlying collusive agreement that enabled such power
2 is broken up by virtue of this Court's authority under the antitrust laws, enabling non-
3 exclusive agreements and competitive behavior.

4 **F. Defendants' Conduct and Agreements Have Restricted Competition and**
5 **Caused Plaintiff and the Class To Suffer Antitrust Injury**

6 78. Defendants' combination and conspiracy has restrained horizontal
7 competition between and among the NFL teams, who would otherwise compete with
8 each other with respect to the distribution of their football games. Defendants'
9 conduct has also restrained horizontal competition between DirecTV and its potential
10 MPVD competitors, who have been effectively eliminated by its exclusive agreement
11 with the NFL.

12 79. Competition by individual teams and other potential distributors would
13 produce consumer benefits, including the increased availability of live broadcasts of
14 NFL Sunday afternoon out-of-market games and reduced prices. The agreements
15 described herein, however, have adversely affected and substantially lessened
16 competition in the relevant market. The output for distribution of live broadcasts of
17 NFL games are lower and prices for out-of-market NFL games are higher than they
18 would be in the absence of the agreements to restrict competition.

19 80. As a direct and proximate result of Defendants' anticompetitive and
20 unlawful conduct, Plaintiff and the members of the Class have been injured in their
21 business and property in that, during the Class Period, they paid supracompetitive
22 prices for out-of-market NFL football games that they purchased from DirecTV.
23 Commercial Subscribers to the NFL Sunday Ticket will continue to overpay for out-
24 of-market games as result of the exclusive agreement between DirecTV and the NFL,
25 and the territorial restrictions that it enforces.

26 81. The agreements described herein do not concern matters of league
27 structure and do not concern any unique characteristic or need of football exhibitions.
28 These anticompetitive restraints are not necessary to the exhibition of football and are

1 not integral to the sport itself. Furthermore, there are no legitimate, pro-competitive
2 justifications for Defendants' exclusive agreements and other competitive restraints,
3 nor would any potential justifications outweigh the anticompetitive harms.

4 **CLAIMS FOR RELIEF**

5
6 **FIRST CLAIM FOR RELIEF**

7 **Violations of Section 1 of the Sherman Act, 15 U.S.C. § 1**

8 **(Per se Violation)**

9 **(Alleged against all Defendants)**

10 82. Plaintiff hereby realleges and incorporates by reference each and every
11 allegation set forth above as though fully set forth herein.

12 83. Beginning at a time presently unknown to Plaintiff, and continuing
13 through the present, Defendants entered into a continuing agreement, combination
14 and conspiracy in unreasonable restraint of trade with the purpose, intent, and effect
15 of restricting horizontal competition in the distribution of live broadcasts of NFL
16 Sunday afternoon out-of-market games in violation of Section 1 of the Sherman Act
17 (15 U.S.C. § 1).

18 84. The contract, combination, or conspiracy has resulted in an agreement,
19 understanding, or concerted action between and among the Defendants and their co-
20 conspirators to restrain competition among NFL member teams for the distribution of
21 live broadcasts of NFL Sunday afternoon out-of-market games, to allocate territories
22 among the NFL teams, that the NFL shall collectively market, sell and control the
23 broadcast and distribution rights to live presentations of NFL football games, and that
24 DirecTV shall be the exclusive distributor of live broadcasts of NFL Sunday
25 afternoon out-of-market games through the NFL Sunday Ticket.

26 85. In furtherance of their unlawful conspiracy and for the purpose of
27 formulating and effectuating their contract, combination, or conspiracy, Defendants
28

1 and their co-conspirators did those things they contracted, combined, or conspired to
2 do, including, but not limited to:

- 3 a. Allocating territories;
- 4 b. Pooling the distribution rights for live presentations of football
5 games for the collective marketing by the NFL exclusively to DirecTV;
- 6 c. Refraining from competing with other NFL teams or distributors
7 for the live distribution of football games;
- 8 d. Agreeing to exclusively distribute live broadcasts of NFL Sunday
9 afternoon out-of-market games only through DirecTV via the NFL Sunday NFL; and
- 10 e. Selling out-of-market games at supra-competitive prices.

11 86. The Defendants' contract, combination, agreement, understanding, or
12 concerted action occurred in or affected interstate commerce. The Defendants'
13 unlawful conduct was through mutual understandings, combinations or agreements
14 by, between and among the Defendants and other unnamed co-conspirators. These
15 co-conspirators have either acted willingly or, due to coercion, unwillingly in
16 furtherance of the unlawful restraint of trade alleged herein.

17 87. The contract, combination, or conspiracy has restrained competition
18 between and among Defendants in violation of Section 1 of the Sherman Act, 15
19 U.S.C. § 1. The contract, combination, or conspiracy alleged above has substantial
20 horizontal elements, including agreements between the 32 NFL member teams, to
21 limit competition between and among the member teams, who would otherwise be
22 competitors in the distribution of live broadcasts of NFL Sunday afternoon out-of-
23 market games, such that application of the per se rule is justified under the facts and
24 circumstances set forth herein.

25 88. The contract, combination, or conspiracy has also restrained competition
26 between and among DirecTV and potential competitors. As further alleged herein,
27 the contract, combination, or conspiracy has therefore led to anticompetitive effects
28

1 in the relevant markets, including increased prices and reduced output, and caused
2 injury to consumers and competition in those relevant markets and elsewhere.

3 89. The alleged contract, combination, or conspiracy is a per se violation of
4 the federal antitrust laws.

5 90. Defendants' anticompetitive conduct has directly and proximately
6 caused antitrust injury, in the form of higher prices and reduced choice. As a
7 proximate result of Defendants' unlawful conduct, Plaintiff and the members of the
8 Class have suffered and will continue to suffer injury in their business and property
9 by paying more for out-of-market football games than they otherwise would have
10 paid or would pay in the absence of Defendants' unlawful conduct.

11
12 **SECOND CLAIM FOR RELIEF**

13 **Violations of Section 1 of the Sherman Act, 15 U.S.C. § 1**

14 **(Rule of Reason)**

15 **(Alleged against all Defendants)**

16 91. Plaintiff hereby realleges and incorporates by reference each and every
17 allegation set forth above as though fully set forth herein.

18 92. Beginning at a time presently unknown to Plaintiff, and continuing
19 through the present, Defendants entered into a continuing agreement, combination
20 and conspiracy in unreasonable restraint of trade with the purpose, intent, and effect
21 of restricting horizontal competition in the distribution of live broadcasts of NFL
22 Sunday afternoon out-of-market games in violation of Section 1 of the Sherman Act
23 (15 U.S.C. § 1).

24 93. The contract, combination, or conspiracy has resulted in an agreement,
25 understanding, or concerted action between and among the Defendants and their co-
26 conspirators that DirecTV shall be the exclusive distributor of live broadcasts of NFL
27 Sunday afternoon out-of-market games through the Sunday NFL Ticket.

1 94. The Defendants' contract, combination, agreement, understanding, or
2 concerted action occurred in or affected interstate commerce. The Defendants'
3 unlawful conduct was through mutual understandings, combinations or agreements
4 by, between and among the Defendants and other unnamed co-conspirators. These
5 co-conspirators have either acted willingly or, due to coercion, unwillingly in
6 furtherance of the unlawful restraint of trade alleged herein.

7 95. The relevant geographic market is the United States. The relevant
8 product market is the market for live broadcasts of NFL Sunday afternoon out-of-
9 market games through the NFL Sunday Ticket. The Defendants have, in fact,
10 trademarked the Sunday Ticket name.

11 96. The NFL and its member teams have monopoly power with respect to
12 the creation, licensing, and distribution rights of NFL games. DirecTV is the
13 exclusive distributor of live broadcasts of NFL Sunday afternoon out-of-market
14 games through the NFL Sunday Ticket, and has monopoly power in that market.

15 97. The contract, combination, or conspiracy has also restrained competition
16 between and among DirecTV and potential competitors in violation of Section 1 of
17 the Sherman Act, 15 U.S.C. § 1. As further alleged herein, the contract, combination,
18 or conspiracy has led to anticompetitive effects in the relevant markets and caused
19 injury to consumers and competition in those relevant markets and elsewhere.

20 98. There are no legitimate business justifications for Defendants'
21 anticompetitive actions and any purported business justifications are mere pretexts.
22 The anticompetitive effects of Defendants' conduct far outweigh any conceivable
23 pro-competitive benefit or justification. Even if such justification existed, any
24 possible pro-competitive benefits could have been obtained by less restrictive
25 alternatives.

26 99. Defendants' anticompetitive conduct has directly and proximately
27 caused antitrust injury, in the form of higher prices and reduced choice. As a
28 proximate result of Defendants' unlawful conduct, Plaintiff and members of the Class

1 have suffered and will continue to suffer injury in their business and property by
2 paying more for live broadcasts of NFL Sunday afternoon out-of-market games than
3 they otherwise would have paid or would pay in the absence of Defendants' unlawful
4 conduct.

5
6 **THIRD CLAIM FOR RELIEF**

7 **Violations of Section 2 of the Sherman Act, 15 U.S.C. § 2**

8 **(Monopolization)**

9 **(Alleged against all Defendants)**

10 100. Plaintiff hereby realleges and incorporates by reference each and every
11 allegation set forth above as though fully set forth herein.

12 101. By way of the anticompetitive conduct alleged herein, Defendants
13 possess monopoly power over the creation, licensing, and distribution of live
14 broadcasts of NFL Sunday afternoon out-of-market games. In violation of Section 2
15 of the Sherman Act, 15 U.S.C. §2, Defendants have maintained and exercised this
16 monopoly power for the purpose of unreasonably excluding and/or limiting
17 competition by restricting the distribution and availability of the Sunday Ticket, and
18 therefore live broadcasts of NFL Sunday afternoon out-of-market games, to
19 exclusively DirecTV.

20 102. The relevant geographic market is the United States. The relevant
21 product market is the market for the live broadcasts of NFL Sunday afternoon out-of-
22 market games through the NFL Sunday Ticket.

23 103. As further described herein, DirecTV willfully acquired, and maintained
24 monopoly power in the relevant market through the exclusionary, anticompetitive
25 conduct set forth above, including, but not limited to colluding and agreeing with the
26 NFL to be the exclusive distributor of live broadcasts of NFL Sunday afternoon out-
27 of-market games through the NFL Sunday Ticket. The NFL, by and on behalf of its
28 32 member teams, have acted with an intent to allow DirecTV to illegally acquire and

1 maintain that monopoly power in the relevant product market, and Defendants' illegal
2 conduct has enabled DirecTV to do so, in violation of Section 2 of the Sherman Act,
3 15 U.S.C. §2. Unless restrained by the Court, DirecTV will continue to willfully
4 maintain monopoly power in the relevant market through anticompetitive and
5 unreasonably exclusionary conduct.

6 104. Defendants' conduct is exclusionary in that it does not further
7 competition and instead impairs opportunities or rivals or potential rivals, thereby
8 prolonging Defendants' monopoly power. Furthermore, there are no legitimate
9 business justifications for Defendants' anticompetitive actions and any purported
10 business justifications are mere pretexts.

11 105. The Defendants' anticompetitive conduct occurred in or affected
12 interstate commerce. As further alleged herein, Defendants' conduct has led to
13 anticompetitive effects in the relevant markets, including injury to competition.

14 106. Defendants' anticompetitive conduct has directly and proximately
15 caused antitrust injury, in the form of higher prices and reduced choice. As a
16 proximate result of Defendants' unlawful monopolization, Plaintiff and the members
17 of the Class have suffered and will continue to suffer injury in their business and
18 property by paying more for live broadcasts of NFL Sunday afternoon out-of-market
19 games than they otherwise would have paid or would pay in the absence of
20 Defendants' unlawful conduct.

21
22 **FOURTH CLAIM FOR RELIEF**

23 **Violations of Section 2 of the Sherman Act, 15 U.S.C. § 2**

24 **(Combination or Conspiracy to Monopolize)**

25 **(Alleged against all Defendants)**

26 107. Plaintiff hereby realleges and incorporates by reference each and every
27 allegation set forth above as though fully set forth herein.
28

1 108. Beginning at a time presently unknown to Plaintiff, and continuing
2 through the present, Defendants entered into a continuing combination and
3 conspiracy to monopolize the distribution of live broadcasts of NFL Sunday
4 afternoon out-of-market games in violation of Section 2 of the Sherman Act (15
5 U.S.C. § 2).

6 109. The combination, or conspiracy has resulted in an agreement between
7 and among the Defendants and their co-conspirators to monopolize the relevant
8 market through the exclusionary, anticompetitive conduct alleged herein, including
9 but not limited to:

10 a. Pooling the distribution rights for live broadcasts of NFL Sunday
11 afternoon out-of-market games for the collective marketing by the NFL exclusively
12 to DirecTV;

13 b. Refraining from competing with other NFL teams or distributors
14 for the live broadcasts of NFL Sunday afternoon out-of-market games; and

15 c. Agreeing to exclusively distribute live broadcasts of NFL Sunday
16 afternoon out-of-market games only through DirecTV via the NFL Sunday NFL.

17 110. By engaging in the activities described above, each of the Defendants
18 committed overt acts in furtherance of the unlawful conspiracy. Defendants'
19 anticompetitive conduct, as set forth above, facilitated their maintenance of a
20 monopoly with respect to the Sunday Ticket and the distribution of live video
21 broadcasts of out-of-market NFL football games.

22 111. Defendants did the things they agreed and conspired to do with the
23 specific intent to monopolize and exclude actual or potential competitors. There are
24 no legitimate business justifications for Defendants' anticompetitive actions and any
25 purported business justifications are mere pretexts.

26 112. The Defendants' contract, combination, agreement, understanding, or
27 concerted action occurred in or affected interstate commerce. As further alleged
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1 herein, the combination, or conspiracy has led to anticompetitive effects in the
2 relevant markets, including injury to competition.

3 113. Defendants' anticompetitive conduct has directly and proximately
4 caused antitrust injury, in the form of higher prices and reduced choice. As a
5 proximate result of Defendants' unlawful conduct, Plaintiff and the members of the
6 Class have suffered and will continue to suffer injury in their business and property
7 by paying more for out-of-market NFL football games than they otherwise would
8 have paid or would pay in the absence of Defendants' unlawful conduct.

9 **PRAYER FOR RELIEF**

10 WHEREFORE, Plaintiff requests that the Court enter judgment on its behalf
11 and on behalf of the members of the Class herein, adjudging and decreeing that:

12 A. This action may proceed as a class action, with Plaintiff Sir Waldon,
13 Inc. as the designated Class representative of the Commercial Subscriber Class and
14 its counsel as Class Counsel for the subscriber Class;

15 B. Defendants and their co-conspirators have combined and conspired in
16 violation of Section 1 of the Sherman Act, 15 U.S.C. § 1, and that Plaintiff and the
17 members of the Class have been injured in their business and property as a result of
18 Defendants' violations;

19 C. Defendants and their co-conspirators' illegally acquired and maintained
20 monopoly power in the relevant product market in violation of Section 2 of the
21 Sherman Act, 15 U.S.C. § 2;

22 D. Defendants and their co-conspirators have combined and conspired to
23 monopolize in violation of Section 2 of the Sherman Act, 15 U.S.C. § 2;

24 E. Plaintiff and the members of the Class shall recover damages sustained
25 by them, as provided by the federal antitrust laws, and that judgment in favor of
26 Plaintiff and the Class be entered against Defendants, jointly and severally, in an
27 amount to be trebled to the extent permitted by and in accordance with such laws;

28 F. Defendants, their subsidiaries, affiliates, successors, transferees,

1 assignees and the respective officers, directors, partners, agents, and employees
2 thereof and all other persons acting or claiming to act on their behalf be permanently
3 enjoined and restrained from continuing and maintaining the combination,
4 conspiracy, or agreement alleged herein;

5 G. Plaintiff and the members of the Class shall be awarded pre-judgment
6 and post- judgment interest, and that such interest be awarded at the highest legal rate
7 from and after the date of service of the initial Complaint in this action;

8 H. Plaintiff and the members of the Class shall recover their costs of this
9 suit, including reasonable attorneys' fees as provided by law; and

10 I. Plaintiff and the members of the Class shall receive such other or further
11 relief as may be just and proper.

12
13 Dated: February 12, 2016

Respectfully submitted,

14 THE MOGIN LAW FIRM, P.C.
15 KESSELMAN BRANTLY STOCKINGER LLP
16

17 By: /s/ Daniel J. Mogin
18 Daniel J. Mogin, Esq.

19 *Attorneys for Plaintiff Sir Waldon, Inc.*
20 *d/b/a Oggi's Pizza*
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JURY TRIAL DEMAND

A jury trial in this matter is hereby demanded.

Dated: February 12, 2016

Respectfully submitted,

THE MOGIN LAW FIRM, P.C.

KESSELMAN BRANTLY STOCKINGER LLP

By: /s/ Daniel J. Mogin
Daniel J. Mogin, Esq.

*Attorneys for Plaintiff Sir Waldon, Inc.
d/b/a Oggi's Pizza*