

## NFL, Reebok To Pay \$4.75M To Settle Apparel Antitrust Suit

By **Matthew Perlman**

*Law360, New York (February 26, 2016, 3:36 PM ET)* -- The NFL and Reebok Inc. reached a \$4.75 million settlement agreement in California federal court on Thursday, in a proposed class action brought by apparel customers who claimed Reebok's exclusive NFL licensing deal violated antitrust laws.

Putative class representative Michael Villa filed an unopposed motion for preliminary approval of the settlement. According to the terms of the agreement, California residents who purchased Reebok hats, shoes or jerseys bearing the NFL logo or the logo of one its teams between Oct. 25, 2008, and April 1, 2012, are entitled to an award.

In his filing, Villa said the deal was a good outcome for the allegedly overcharged customers.

"The settlement reached is unquestionably fair," the motion said. "It provides class members ... meaningful monetary relief to reimburse them for the alleged overcharges they were subjected to as a result of the antitrust violations pled in the [first amended complaint]."

The settlement agreement notes that the NFL and Reebok continue to deny the allegations against them, but that they entered the agreement "to avoid further expense, inconvenience and the distraction of burdensome and protracted litigation."

The exact relief that prospective class members will receive from the settlement depends on the type of apparel they purchased and whether or not they have a receipt for their purchase. It also depends on the number of class members to submit claims, since the settlement will be divided among them, according to the agreement.

### Settlement Disbursements

This table shows how the \$4.75 million settlement will be divided among affected California consumers. The actual amounts will depend on the number of claims that are submitted.

Qualifying Item	Ratio	Sample Calculation (x=\$5)
Jersey with Proof of Purchase	3x	\$15.00
Shoes with Proof of Purchase	3x	\$15.00
Hat with Proof of Purchase	x	\$5.00
Jersey without Proof of Purchase	3x/2	\$7.50
Shoes without Proof of Purchase	3x/2	\$7.50
Hat without Proof of Purchase	x/2	\$2.50

Customers with documentation can receive up to one third of the purchase price for the item, with those purchasing shoes or jerseys receiving an award three times larger than customers who purchased hats. Without documentation, the awards will be halved and hat purchasers will be limited to a maximum payout of \$5, while jersey and shoe buyers can get up to \$15, the agreement said.

The case was brought in October 2012 by Patrick Dang, a buyer of NFL-branded apparel who alleged that a 2000 licensing deal that gave Reebok sole permission to sell apparel bearing the logos of NFL teams drove up prices and caused him to pay an “anti-competitive overcharge” for the merchandise.

According to the complaint, prior to the exclusive deal with Reebok, the NFL gave licenses to as many as 28 businesses, which created competitive pricing and a more varied selection of team apparel. The decision to give Reebok an “exclusive blanket license” resulted in a monopoly on team apparel and caused apparel prices to increase, the suit says.

The complaint alleged that the price of fitted caps increased from \$19.99 to \$30, shortly after the deal was made. Similarly, the price for NFL replica jerseys increased from \$40 to \$65 between 2002 and 2003, the complaint said.

The NFL lost a dismissal bid in 2013, after arguing that Dang couldn’t claim injury from the licensing arrangement because he is not an apparel manufacturer competing for licensing rights.

Dang dropped out of the case in 2014 citing health issues, and ceding class representation to Villa.

The plaintiffs moved for a partial summary judgment on liability last year, but were denied.

The NFL declined to comment Friday. Reebok and attorneys for the proposed class did not immediately respond to requests for comment.

Villa is represented by Roy A. Katriel of The Katriel Law Firm and Ralph B. Kalfayan of Krause Kalfayan Benink & Slavens LLP.

The NFL is represented by John S. Playforth, Gregg H. Levy, Derek Ludwin and Sonya D. Winner of Covington & Burling LLP.

Reebok is represented by Joshua N. Holian and Michael J. Nelson of Latham & Watkins LLP and Timothy B. Hardwicke and Katherine S. Walton of GoodSmith Gregg & Unruh LLP.

The case is Dang v. San Francisco Forty Niners Ltd. et al., case number 5:12-cv-05481, in the U.S. District Court for the Northern District of California.

--Additional reporting by Jonathan Randles, Alex Lawson, Aaron Vehling and Y. Peter Kang. Editing by Bruce Goldman.

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