

## RECENT CASES

ANTITRUST — SPORTS LAW — FIRST CIRCUIT APPLIES BASEBALL’S ANTITRUST EXEMPTION TO LEAGUE OUTSIDE MLB. — *Cangrejeros de Santurce Baseball Club, LLC v. Liga de Béisbol Profesional de Puerto Rico, Inc.*, 146 F.4th 1 (1st Cir. 2025).

Baseball isn’t unique only for being “America’s pastime.”<sup>1</sup> It is also unique because activities involving the “business . . . of base[ball]” are exempt from federal antitrust laws on the ground that they are not interstate commerce.<sup>2</sup> This “business of baseball” exemption, first introduced by the Supreme Court in *Federal Baseball Club of Baltimore, Inc. v. National League of Professional Baseball Clubs*,<sup>3</sup> has been criticized<sup>4</sup> as “anomal[ous]”<sup>5</sup> and “illogical” under modern Commerce Clause doctrine.<sup>6</sup> Yet the Supreme Court has repeatedly upheld it, albeit narrowly, relying on stare decisis.<sup>7</sup> Recently, in *Cangrejeros de Santurce Baseball Club, LLC v. Liga de Béisbol Profesional de Puerto Rico, Inc.*,<sup>8</sup> the First Circuit held that baseball’s antitrust exemption applies to Puerto Rico’s top professional baseball league.<sup>9</sup> In doing so, the court erroneously interpreted precedent to extend the baseball exemption beyond Major League Baseball (MLB) for the first time. This decision invites further expansion of the exemption to other baseball arrangements, in contravention of Supreme Court precedent restricting the exemption to a tightly confined anomaly.

*Cangrejeros* originated from a dispute between the Liga de Béisbol Profesional de Puerto Rico (“the ‘only top-tier professional baseball league in Puerto Rico’”<sup>10</sup>) and Thomas Axon, owner of the Cangrejeros de Santurce Baseball Club (a team that played in the league).<sup>11</sup> The Cangrejeros play their home games at Hiram Bithorn Stadium, which the municipality of San Juan owns and operates.<sup>12</sup> As alleged, the

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<sup>1</sup> E.g., Levi Stahl, *When and How Baseball Became America’s Pastime: An Interview with David Rapp*, CHI. BLOG (Oct. 4, 2018), <https://pressblog.uchicago.edu/2018/10/04/when-and-how-baseball-became-americas-pastime-an-interview-with-david-rapp.html> [<https://perma.cc/2T4L-3FW8>].

<sup>2</sup> *Fed. Baseball Club of Balt., Inc. v. Nat’l League of Pro. Baseball Clubs*, 259 U.S. 200, 208, 208–09 (1922).

<sup>3</sup> 259 U.S. 200 (1922); see Paul Finkelman, *Baseball and the Rule of Law Revisited*, 25 T. JEFFERSON L. REV. 17, 29–30 (2002).

<sup>4</sup> See, e.g., Finkelman, *supra* note 3, at 30–31.

<sup>5</sup> *Flood v. Kuhn*, 407 U.S. 258, 282 (1972).

<sup>6</sup> *Id.* (quoting *Radovich v. Nat’l Football League*, 352 U.S. 445, 452 (1957)).

<sup>7</sup> See *id.* at 282–85; *Toolson v. N.Y. Yankees, Inc.*, 346 U.S. 356, 357 (1953) (per curiam).

<sup>8</sup> 146 F.4th 1 (1st Cir. 2025).

<sup>9</sup> *Id.* at 5.

<sup>10</sup> *Id.* at 6.

<sup>11</sup> See *id.*

<sup>12</sup> *Id.* at 7.

stadium was in disrepair<sup>13</sup> and Axon lobbied the Mayor of San Juan, Miguel Romero, for a long-term lease in exchange for a \$2 million investment by the team.<sup>14</sup> Romero rejected the proposal, prompting Axon to criticize San Juan's neglect of the stadium and announce his intention to relocate the team.<sup>15</sup> Juan Flores-Galarza, President of the League, responded by accusing Axon of conduct "detrimental to baseball" and thus contrary to League rules.<sup>16</sup> Flores met with the League Board, consisting primarily of investors with control over competing teams, and decided to suspend Axon from the League.<sup>17</sup> Axon<sup>18</sup> sued Flores and the League in the Superior Court of San Juan, seeking to stop the suspension.<sup>19</sup> After the court ruled against Axon,<sup>20</sup> the League seized Axon's controlling interest in the team, stripping Axon of ownership.<sup>21</sup> Axon sued the League and its constituent teams in the U.S. District Court for the District of Puerto Rico, asserting violations of federal and Puerto Rico antitrust laws, the Due Process Clause (suing under 42 U.S.C. § 1983), and Puerto Rico tort law.<sup>22</sup>

The district court dismissed the case in full.<sup>23</sup> On the federal antitrust claims, the court concluded that it lacked subject matter jurisdiction because the business of baseball exemption — which "bars any federal antitrust claims" in organized baseball — also applies to the Puerto Rican league,<sup>24</sup> marking the first time a federal court extended the exemption beyond MLB.<sup>25</sup> It similarly dismissed the antitrust claims brought under Puerto Rico law on preemption grounds, concluding that Supreme Court precedent established that any "state [baseball] antitrust regulation would conflict with [the Sherman Act<sup>26</sup>]."<sup>27</sup> The court lastly dismissed the § 1983 claim as precluded because Axon had lost on a substantively identical claim in state court,<sup>28</sup> and it found that it lacked supplemental jurisdiction over a remaining state-law tort claim.<sup>29</sup>

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<sup>13</sup> *Id.*

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> *Id.*

<sup>17</sup> *Id.* at 8.

<sup>18</sup> Axon, Cangrejeros de Santurce Baseball Club, LLC, and Santurce Merchandising LLC filed suit. *Id.* at 5.

<sup>19</sup> *Id.*

<sup>20</sup> *Id.*

<sup>21</sup> *Id.* at 8–9.

<sup>22</sup> See *Cangrejeros de Santurce Baseball Club, LLC v. Liga de Béisbol Profesional de P.R., Inc.*, 680 F. Supp. 3d 107, 111 (D.P.R. 2023).

<sup>23</sup> *Id.*

<sup>24</sup> *Id.* at 117.

<sup>25</sup> *Id.* at 110–11.

<sup>26</sup> 15 U.S.C. § 1–7.

<sup>27</sup> *Cangrejeros*, 680 F. Supp. at 117 (quoting *Flood v. Kuhn*, 407 U.S. 258, 284 (1972)).

<sup>28</sup> *Id.* at 120.

<sup>29</sup> *Id.* at 121.

The First Circuit affirmed in part, reversed in part, vacated in part, and remanded.<sup>30</sup> Writing for a unanimous panel, Chief Judge Barron<sup>31</sup> first affirmed that the business of baseball exemption applies to the League.<sup>32</sup> Axon argued that, when the Supreme Court confined the exemption to the facts of *Federal Baseball*,<sup>33</sup> it intended the exemption to cover only the parties to that case and their successors.<sup>34</sup> Chief Judge Barron disagreed with that reading, emphasizing that *Federal Baseball* did not describe the exemption in terms of the specific leagues at issue or “any specific league at all.”<sup>35</sup> He further reasoned that a strict limited-to-its-facts approach was foreclosed by *Flood v. Kuhn*,<sup>36</sup> in which the Supreme Court recognized the exemption in the context of baseball’s reserve clause,<sup>37</sup> even though that clause was not implicated in *Federal Baseball*.<sup>38</sup> These precedents, Chief Judge Barron explained, defined the exemption “in terms of an activity — the activity being ‘the business [of] giving exhibitions of base[ball].’”<sup>39</sup> Axon also argued that the exemption should not apply to the League because stare decisis protects only MLB’s reliance interests.<sup>40</sup> Chief Judge Barron rejected that contention, explaining that *Flood* upheld the exemption not only on stare decisis grounds, but also due to tacit congressional acceptance<sup>41</sup> and the sport’s “unique characteristics.”<sup>42</sup> Finally, Axon argued in the alternative that even if the exemption *did* apply to the League, it did not apply *here* because ownership decisions by team owners were not “central” to the business of baseball.<sup>43</sup> Chief Judge Barron disagreed, reasoning that rules governing franchise ownership shape player quality and team composition, and thus “the public display of baseball games”<sup>44</sup> — making such conduct “central,” not “incidental,” to the business of baseball.<sup>45</sup>

The First Circuit next vacated the district court’s holding that Puerto Rico’s antitrust laws were preempted by the Sherman Act under the

<sup>30</sup> *Cangrejeros*, 146 F.4th at 26.

<sup>31</sup> Chief Judge Barron was joined by Judges Thompson and Gelpí.

<sup>32</sup> *Id.* at 15.

<sup>33</sup> See *Radovich v. Nat’l Football League*, 352 U.S. 445, 451 (1957).

<sup>34</sup> *Cangrejeros*, 146 F.4th at 13.

<sup>35</sup> *Id.* at 12.

<sup>36</sup> 407 U.S. 258 (1972).

<sup>37</sup> See *infra* notes 65–72 and accompanying text.

<sup>38</sup> *Cangrejeros*, 146 F.4th at 13.

<sup>39</sup> *Id.* at 12 (first alteration in original) (quoting *Fed. Baseball Club of Balt., Inc. v. Nat’l League of Pro. Baseball Clubs*, 259 U.S. 200, 208 (1922)).

<sup>40</sup> *Id.* at 13.

<sup>41</sup> *Id.*

<sup>42</sup> *Id.* at 14 (quoting *Flood v. Kuhn*, 407 U.S. 258, 273–74, 282 (1972)).

<sup>43</sup> *Id.*

<sup>44</sup> *Id.* at 15. This legal standard originated in *City of San Jose v. Office of the Commissioner of Baseball*, 776 F.3d 686 (9th Cir. 2015). *Id.* at 690.

<sup>45</sup> *Cangrejeros*, 146 F.4th at 17 (quoting *Wyckoff v. Off. of the Comm’r of Baseball*, 211 F. Supp. 3d 615, 626 (S.D.N.Y. 2016)).

Supremacy Clause,<sup>46</sup> which constituted the district court's grounds for dismissing the state antitrust claims.<sup>47</sup> Chief Judge Barron explained that Supreme Court precedent has implied that the Commerce Clause may bar state antitrust regulation of baseball where it would impermissibly burden interstate commerce but has not indicated, as the district court did,<sup>48</sup> that the Sherman Act could preempt state antitrust law as applied to baseball.<sup>49</sup> Accordingly, the court remanded for further fact-finding on whether state antitrust law governing a league operating solely within Puerto Rico imposes an impermissible burden on interstate commerce.<sup>50</sup>

Finally, the First Circuit reversed the district court's dismissal of the § 1983 claim on preclusion grounds, concluding that the district court relied on outdated law for its preclusion standard.<sup>51</sup> And because the plaintiffs' federal civil rights claim remained viable, the court held that the district court also lacked authority to dismiss the related tort claim.<sup>52</sup>

The First Circuit's extension of baseball's antitrust exemption to an independent league in Puerto Rico departs from precedent. Since the Supreme Court created the exemption in 1922,<sup>53</sup> the Court has exclusively applied it to MLB and its affiliated minor league system.<sup>54</sup> Despite the Supreme Court's admonition that further extensions should come through Congress,<sup>55</sup> the court here truly "[went] where no [other] court has gone before."<sup>56</sup> In so doing, the decision both invites further extensions by lower courts and risks making Puerto Rico an anomaly within baseball — where a professional league could end up both shielded by the federal exemption and exposed to local antitrust law.

Organized baseball's antitrust exemption traces back to the Supreme Court's 1922 decision in *Federal Baseball*. Writing for the majority, Justice Holmes held that the Sherman Act did not apply to "[t]he business [of] giving exhibitions of base[ball]."<sup>57</sup> He reasoned that professional baseball was a "state affair[]"<sup>58</sup> and that any interstate travel required for games was a "mere incident" to the exhibition itself.<sup>59</sup> Thus,

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<sup>46</sup> *Id.* at 19.

<sup>47</sup> See *Cangrejeros de Santurce Baseball Club, LLC v. Liga de Béisbol Profesional de P.R., Inc.*, 680 F. Supp. 3d 107, 111, 117 (D.P.R. 2023).

<sup>48</sup> *Id.* at 117.

<sup>49</sup> *Cangrejeros*, 146 F.4th at 20–21.

<sup>50</sup> *Id.* at 23.

<sup>51</sup> *Id.* at 25.

<sup>52</sup> *Id.* at 26.

<sup>53</sup> See *Fed. Baseball Club of Balt., Inc. v. Nat'l League of Pro. Baseball Clubs*, 259 U.S. 200, 209 (1922).

<sup>54</sup> See *Cangrejeros*, 146 F.4th at 12.

<sup>55</sup> See cases cited *supra* note 7.

<sup>56</sup> *Cangrejeros de Santurce Baseball Club, LLC v. Liga de Béisbol Profesional de P.R., Inc.*, 680 F. Supp. 3d 107, 110 (D.P.R. 2023).

<sup>57</sup> *Fed. Baseball*, 259 U.S. at 208.

<sup>58</sup> *Id.*

<sup>59</sup> *Id.* at 209.

because the Court held that baseball was not “commerce among the [s]tates,” Congress’s Commerce Clause authority — under which the Sherman Act was enacted<sup>60</sup> — did not reach baseball.<sup>61</sup> By the time the Court revisited the issue in *Toolson v. New York Yankees, Inc.*,<sup>62</sup> Commerce Clause doctrine had shifted markedly,<sup>63</sup> yet the Court upheld *Federal Baseball* on stare decisis grounds, citing reliance interests and the absence of any legislative override.<sup>64</sup>

Two years later, in *United States v. Shubert*,<sup>65</sup> the Court explained that the exemption preserved baseball’s unique reserve system<sup>66</sup> — a contractual provision that bound a player to his team by granting the club exclusive, indefinite control over his services.<sup>67</sup> Chief Justice Warren explained that the Court had upheld baseball’s antitrust exemption for over thirty years, including “the validity of the so-called ‘reserve clause.’”<sup>68</sup> The Court’s reference to the reserve system reflected a widespread belief — shared by Congress<sup>69</sup> — that baseball’s economic viability depended on preserving competitive balance among teams.<sup>70</sup> The reserve clause, the argument went, prevented wealthier clubs from hoarding talent and allowed organized baseball to avoid a chaotic market in player contracts.<sup>71</sup> By grounding the exemption in that system, the Court demonstrated that the exemption inhered not in baseball as a sport but in the institutional structure of organized baseball.<sup>72</sup> The Court reaffirmed that understanding in *Radovich v. National Football League*,<sup>73</sup> emphasizing that the exemption applied only “to the facts” of *Federal Baseball* and *Toolson* — that is, to “organized professional baseball.”<sup>74</sup> It cautioned that courts should “not extend”

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<sup>60</sup> See *United States v. E.C. Knight Co.*, 156 U.S. 1, 16–17 (1895).

<sup>61</sup> See *Fed. Baseball*, 259 U.S. at 209.

<sup>62</sup> 346 U.S. 356 (1953).

<sup>63</sup> See, e.g., David L. Snyder, *Anatomy of an Aberration: An Examination of the Attempts to Apply Antitrust Law to Major League Baseball Through Flood v. Kuhn* (1972), 4 DEPAUL J. SPORTS L. & CONTEMP. PROBS. 177, 187 (2008).

<sup>64</sup> See *Toolson*, 346 U.S. at 357.

<sup>65</sup> 348 U.S. 222 (1955).

<sup>66</sup> *Id.* at 229.

<sup>67</sup> See Mitchell Nathanson, *Who Exempted Baseball, Anyway? The Curious Development of the Antitrust Exemption That Never Was*, 4 HARV. J. SPORTS & ENT. L. 1, 7 (2013).

<sup>68</sup> *Shubert*, 348 U.S. at 229 (emphasis added).

<sup>69</sup> See J. Gordon Hylton, *Why Baseball’s Antitrust Exemption Still Survives*, 9 MARQ. SPORTS L.J. 391, 398 (1999) (describing “the unwillingness of [Congress] to risk shaking the foundations of Organized Baseball” after hearing testimony “that the reserve clause was necessary for the survival of the industry”).

<sup>70</sup> See *id.* at 399.

<sup>71</sup> See Samuel R. Pierce, Jr., *Organized Professional Team Sports and the Antitrust Laws*, 43 CORN. L.Q. 566, 588 (1958).

<sup>72</sup> In 1922, and certainly by 1955, organized baseball was synonymous with today’s MLB. Cf., e.g., *id.* at 582 (“The Commissioner of Baseball is the titular head of organized baseball.”).

<sup>73</sup> 352 U.S. 445 (1957).

<sup>74</sup> *Id.* at 451.

those interpretations further.<sup>75</sup> Finally, in *Flood*, the Court acknowledged *Federal Baseball's* tension with then-current Commerce Clause doctrine,<sup>76</sup> but nonetheless reaffirmed the “anomal[ous]” exemption based “on a recognition . . . of baseball’s unique characteristics and needs”<sup>77</sup> — characteristics that flow from the reserve-clause system central to organized baseball.<sup>78</sup>

The House Committee on the Judiciary also affirmed this understanding of the exemption in a 1952 report.<sup>79</sup> The report identified the “so-called reserve clause” as “[t]he keystone of the entire structure of organized . . . baseball” and acknowledged that “[o]rganized baseball ha[d] for years occupied a monopoly . . . in the business of selling professional baseball exhibitions.”<sup>80</sup> This language confirmed what had been clear since *Federal Baseball*: The exemption arose in the context of organized baseball — now known as MLB and its affiliates<sup>81</sup> — and any legislative acquiescence on the issue was acquiescence to an exemption for MLB’s reserve system. Indeed, Congress rejected a proposal for blanket antitrust baseball immunity, concluding that legislation was “premature” until “the reasonableness of the reserve rules ha[d] been tested by the courts.”<sup>82</sup>

Congress finally addressed baseball’s anomalous antitrust status with the Curt Flood Act of 1998,<sup>83</sup> eliminating the exemption for MLB’s reserve system as to major league players.<sup>84</sup> However, the Act cautioned that “[n]o court shall rely on” it to alter the application (or nonapplication) of antitrust law to other conduct, including minor league player agreements, franchising, and broadcasting.<sup>85</sup> Those provisions might imply that Congress recognized that the antitrust exemption could apply outside MLB’s reserve system, particularly given that some lower courts have applied the exemption to such other aspects of MLB’s business.<sup>86</sup> However, Congress stated the Act does not “chang[e] the application of the antitrust laws”<sup>87</sup> with regard to anything but the reserve

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<sup>75</sup> *Id.*

<sup>76</sup> *Flood v. Kuhn*, 407 U.S. 258, 282 (1972) (explaining that the exemption “has survived the Court’s expanding concept of interstate commerce”).

<sup>77</sup> *Id.*

<sup>78</sup> *See id.*; *see also* H.R. REP. NO. 82-2002, at 228 (1952); Stephen F. Ross, *Reconsidering Flood v. Kuhn*, 12 U. MIA. ENT. & SPORTS L. REV. 169, 173 (1995) (explaining that “the [*Flood*] Court was convinced that the reserve system . . . was essential for the continued integrity of the game”).

<sup>79</sup> *See* H.R. REP. NO. 82-2002, at 134.

<sup>80</sup> *Id.* at 228.

<sup>81</sup> *See* Marc Edelman & John T. Holden, *Baseball’s Anticompetitive Antitrust Exemption*, 65 B.C. L. REV. 1695, 1704–05 (2024) (recounting the twentieth-century merger between the National and American Leagues).

<sup>82</sup> *See* H.R. REP. NO. 82-2002, at 231.

<sup>83</sup> 15 U.S.C. § 26b.

<sup>84</sup> *Id.*

<sup>85</sup> *Id.* § 26b(b).

<sup>86</sup> *See* cases cited *infra* note 90.

<sup>87</sup> 15 U.S.C. § 26b(b).

system — that is, whatever law existed prior to the Act would remain unchanged, punting the question back to the courts.<sup>88</sup> If anything, the Act confirms that Congress, like the courts, has understood baseball's exemption to be tied to MLB rather than to the sport in general, given that the Act's illustrative list of conduct not affected by the Act appears cabined to the major-minor league system of organized baseball.<sup>89</sup> Even if an exemption for other aspects of the baseball business survives the Act, its scope remains confined to MLB; lower courts since the Act have applied the exemption exclusively in that context.<sup>90</sup>

The First Circuit made two interpretive errors in extending the business of baseball exemption beyond MLB. First, it lifted the phrase “business of baseball” from *Federal Baseball* out of context. *Federal Baseball* endorsed the D.C. Circuit's framing of the case,<sup>91</sup> which characterized the issue narrowly as “the giving of exhibitions of baseball, under the circumstances disclosed in the record.”<sup>92</sup> But the record did not refer to baseball at large.<sup>93</sup> Instead, at the time of *Federal Baseball*, “professional baseball” was widely understood as inseparable from the reserve system<sup>94</sup> — a system unique to organized baseball. Indeed, the controversy in *Federal Baseball* stemmed specifically from the Federal League's (a would-be competitor to MLB) collapse due to its inability to sign high-quality players<sup>95</sup> — a consequence of the reserve system.<sup>96</sup> *Federal Baseball* concluded that the reserve clause's contractual restrictions did not implicate interstate commerce.<sup>97</sup> Because Justice Holmes tethered the exemption to the D.C. Circuit's narrow

<sup>88</sup> See, e.g., Nathaniel Grow, *The Curiously Confounding Curt Flood Act*, 90 TUL. L. REV. 859, 862 (2016) (“[C]ourts should view Congress as having expressed no opinion one way or the other regarding the continued existence or scope [of the exemption].”).

<sup>89</sup> See, e.g., § 26b(b)(1) (minor league baseball players); § 26b(b)(2) (“matter[s] relating to organized professional baseball's minor leagues”); § 26b(b)(3) (“the business of organized professional baseball relating to or affecting franchise[s]”); § 26b(b)(4) (antitrust exemption for broadcasting organized sports, including baseball).

<sup>90</sup> See, e.g., *Nostalgic Partners, LLC v. Off. of the Comm'r of Baseball*, No. 22-2859, 2023 WL 4072836, at \*1 (2d Cir. June 20, 2023) (reorganization of minor leagues); *City of San Jose v. Off. of the Comm'r of Baseball*, 776 F.3d 686, 690, 692 (9th Cir. 2015) (franchise relocation).

<sup>91</sup> Justice Holmes declared that “[t]he decision of the Court of Appeals went to the root of the case,” and, after summarizing the facts, concluded “the Court of Appeals was right.” *Fed. Baseball Club of Balt., Inc. v. Nat'l League of Pro. Baseball Clubs*, 259 U.S. 200, 208 (1922).

<sup>92</sup> *Nat'l League of Pro. Baseball Clubs v. Fed. Baseball Club of Balt., Inc.*, 269 F. 681, 684 (D.C. Cir. 1920) (emphasis added).

<sup>93</sup> See Brief on Behalf of Plaintiff in Error at 27, *Fed. Baseball*, 259 U.S. 200 (No. 204) (describing how “parties to the National Agreement,” now MLB, “represented every existing organization . . . [known as] Organized Baseball”).

<sup>94</sup> Cf. STUART BANNER, *THE BASEBALL TRUST: A HISTORY OF BASEBALL'S ANTITRUST EXEMPTION* 61 (2013) (describing how in the lead-up to *Federal Baseball*, Judge Landis delayed deciding the Federal League's 1916 case against organized baseball because the court would have invalidated the reserve system, which “would have been if not destructive, vitally injurious to [professional baseball]”).

<sup>95</sup> *Nat'l League*, 269 F. at 683.

<sup>96</sup> *Id.*

<sup>97</sup> *Fed. Baseball*, 259 U.S. at 209.

characterization, the scope of that holding should be read in light of the record's circumstances, including the reserve system.<sup>98</sup>

Second, the First Circuit misinterpreted *Radovich's* statement that the exemption is confined "to the facts"<sup>99</sup> of *Federal Baseball* and *Toolson*. By the First Circuit's account, those "facts" could not mean the major league apparatus and reserve system because neither case squarely addressed the reserve clause.<sup>100</sup> Instead, the First Circuit relied on *Flood*, which did confront the reserve system,<sup>101</sup> and treated that discussion as evidence that the Court intended the exemption to apply more broadly than the circumstances in *Federal Baseball* and *Toolson*.<sup>102</sup> In doing so, the panel read precedent as endorsing a sport-wide conception of "baseball" that encompasses *any* professional arrangement.<sup>103</sup> But that interpretation overlooks the reality that the underlying dispute in all three cases — *Federal Baseball*, *Toolson*, and *Flood* — involved MLB's reserve system and the major-minor league structure it sustained.<sup>104</sup> Interpreting *Radovich's* "to the facts" limitation as a blanket rule for professional baseball misstates those cases and untethers the doctrine from the organized baseball framework that both the Court and Congress had in mind.

These interpretive errors introduce nonuniformity into baseball's antitrust law in two ways. First, the First Circuit's preemption holding creates an anomaly *within* an anomaly: Courts have held that the federal antitrust exemption preempts state antitrust regulations (that is, organized baseball is exempt from both federal *and* state antitrust law) on the theory that national uniformity in baseball's governance is essential.<sup>105</sup> But a finding against preemption on remand would make Puerto Rico stand alone as the only jurisdiction in which a professional baseball league is simultaneously exempt from federal antitrust law and subject to local antitrust regulation.<sup>106</sup> Second, by being the first court to extend the exemption beyond MLB, the decision invites further expansion. Taken to its logical extreme, if courts can extend the exemption to an independent Puerto Rican league on the basis of functional similarity —

<sup>98</sup> See Nathanson, *supra* note 67, at 12.

<sup>99</sup> See *Radovich v. Nat'l Football League*, 352 U.S. 445, 451 (1957).

<sup>100</sup> See *Cangrejeros*, 146 F.4th at 13–14.

<sup>101</sup> See *Flood v. Kuhn*, 407 U.S. 258, 282 (1972).

<sup>102</sup> *Cangrejeros*, 146 F.4th at 13.

<sup>103</sup> See *id.* at 12.

<sup>104</sup> See *Toolson v. N.Y. Yankees, Inc.*, 346 U.S. 356, 362 (1953) (Burton, J., dissenting) ("[P]laintiffs here allege that they . . . have been damaged by enforcement of the standard 'reserve clause' . . ."); *Flood*, 407 U.S. at 282; *Nat'l League of Pro. Baseball Clubs v. Fed. Baseball Club of Balt., Inc.*, 269 F. 681, 687 (D.C. Cir. 1920).

<sup>105</sup> See *Flood*, 407 U.S. at 284–85 (endorsing both Commerce Clause and Supremacy Clause justifications in affirming the dismissal of state antitrust claims); *Major League Baseball v. Crist*, 331 F.3d 1177, 1186 (11th Cir. 2003) (declaring preemption "in the name of uniformity").

<sup>106</sup> See *Cangrejeros*, 146 F.4th at 23 (noting that the Court has never addressed whether a league confined to Puerto Rico poses an impermissible burden on commerce).

paid baseball exhibitions — little doctrinal barrier would prevent its application to any system of professionalized baseball, including, conceivably, National Collegiate Athletic Association (NCAA) baseball in a world where college athletes are recognized as employees.<sup>107</sup> Once the exemption is severed from the reserve clause origins that defined its scope, there is no principled way to exclude other professional baseball arrangements.

The Court's cases counsel the opposite: Treat the exemption as a tightly confined anomaly and decline to extend it beyond MLB absent congressional action.

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<sup>107</sup> The question of whether student athletes are employees — and thus potentially professional athletes — remains unresolved. In *National Collegiate Athletic Ass'n v. Alston*, 141 S. Ct. 2141 (2021), the Court held that certain NCAA rules were subject to the Sherman Act, but it did so, in part, based on the debate over whether college athletes are amateurs. *Id.* at 2166. Ongoing litigation challenges that premise. See *Johnson v. Nat'l Collegiate Athletic Ass'n*, 108 F.4th 163, 180 (3d Cir. 2024) (holding that college athletes may qualify as employees under the Fair Labor Standards Act, 29 U.S.C. § 203).