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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

MLW MEDIA LLC,

Plaintiff,

v.

WORLD WRESTLING
ENTERTAINMENT, INC.,

Defendant.

) CASE NO. ____

) **COMPLAINT FOR:**

-) **1) INTENTIONAL INTERFERENCE WITH CONTRACTUAL RELATIONS;**
-) **2) INTENTIONAL INTERFERENCE WITH PROSPECTIVE ECONOMIC RELATIONS;**
-) **3) VIOLATION OF SECTION 2 OF THE SHERMAN ANTITRUST ACT; AND**
-) **4) BUS. & PROF. CODE §17200 ET SEQ.**

) **REDACTED VERSION**

) **JURY TRIAL DEMANDED**

Plaintiff MLW Media LLC (“MLW”), for its complaint against defendant World Wrestling Entertainment, Inc. (“WWE”), alleges as follows:

COMPLAINT

1 6. When WWE found out about the MLW/VICE agreement, its Senior Vice President,
2 Susan Levison, called a VICE executive to tell him that WWE's owner, Vince McMahon --
3 notorious for his aggressive business tactics -- was "pissed" that VICE was airing MLW content and
4 wanted VICE to stop doing so. The VICE executive told Levison that "I think that this is illegal
5 what you're doing" and that it was probably an antitrust violation, to which Levison responded that
6 she could not control Vince McMahon. WWE had considerable leverage over VICE because
7 professional wrestling was an important part of VICE's programming and wrestling viewers were an
8 important part of VICE's audience. VICE therefore needed WWE, as the overwhelmingly dominant
9 wrestling company, to ensure the success of VICE's wrestling-related programs, which included a
10 series, Dark Side of the Ring, often focused on WWE storylines based on input from WWE.
11 WWE's interference resulted in VICE withdrawing from negotiations over airing new MLW content
12 and in VICE airing only a single MLW program.

13 7. WWE's interference with MLW's business continued in mid-2021 after MLW
14 entered into a lucrative agreement with Tubi -- a California-based streaming service owned by major
15 media company Fox Corporation ("Fox"). Under the agreement, [REDACTED]
16 [REDACTED]
17 [REDACTED]. The agreement would have had a profound impact on MLW's
18 business by giving it exposure to Fox's broad television and NFL football audience, further
19 positioning MLW for future media deals.

20 8. When WWE found out about the agreement, WWE contacted a Tubi executive
21 located in Tubi's headquarters in San Francisco and threatened that if Tubi did not terminate the
22 MLW contract, WWE would cease doing business with Fox and would pull important WWE
23 programs from Fox platforms. Soon thereafter, and just days before MLW content was to begin
24 airing on Tubi, the MLW contract was terminated, resulting in substantial losses to MLW and harm
25 to consumers, including in California.

1 **JURISDICTION AND VENUE**

2 15. This action seeks damages caused by WWE’s violation of, among other things,
3 Section 2 of the Sherman Antitrust Act, 15 U.S.C. § 2, and Section 4 of the Clayton Antitrust Act, 15
4 U.S.C. § 15. This Court therefore has subject matter jurisdiction over this action pursuant to 28
5 U.S.C. § 1337 and Sections 4 and 16 of the Clayton Antitrust Act, 15 U.S.C. §§ 15, 26. This Court
6 has supplemental jurisdiction under 28 U.S.C. § 1367 over MLW’s California state law claims.

7 16. Venue is proper in this District pursuant to Sections 4, 12 and 16 of the Clayton
8 Antitrust Act, 15 U.S.C. §§ 15, 22, 26, and 28 U.S.C. § 1391(b)(2), inasmuch as WWE transacts
9 business and has an agent in this District, and it is the District where a substantial part of the events
10 or omissions giving rise to the claims occurred.

11 **BACKGROUND**

12 **A. The Professional Wrestling Industry.**

13 17. WWE, MLW, non-party All Elite Wrestling (“AEW”) and non-party Impact
14 Wrestling (“Impact”) are competitors in the United States professional wrestling market. The
15 relevant product market for purposes of this action is the national market for the sale of broadcasting
16 rights for professional wrestling programs to networks, cable and streaming services (the “Relevant
17 Market”).

18 18. The business of promoting professional wrestling as sports entertainment is
19 fundamentally a media industry, with revenues and business valuation driven largely by fees
20 obtained from broadcasting rights deals. For example, almost 90% of WWE’s revenues in the first
21 six months of 2021 came from its long-standing media rights agreements with media distribution
22 channels such as NBCUniversal and Fox Sports, which is headquartered in California.

23 19. These corporations, including NBCUniversal owned by Comcast, WarnerMedia
24 owned by AT&T, and the Fox media companies, purchase broadcasting rights in the Relevant
25 Market for their various distribution channels such as broadcast networks, cable and satellite
26 services, streaming networks, and film production companies. Some of these distribution channels

1 offer content to consumers for free (paid for by advertising), while others, like cable and pay-per-
2 view networks, offer access only through a subscription fee. Streaming, both free and subscription,
3 is becoming increasingly popular with consumers.

4 20. WWE broadcasts on Fox TV and USA Network and streams on WWE Network.
5 NBCUniversal recently purchased WWE's streaming rights for its subscription streaming service
6 Peacock. AEW broadcasts on WarnerMedia's TNT and will move to WarnerMedia's sister channel
7 TBS in 2022. AEW offers streaming content through subscription streaming services which offer
8 access to the cable TV channel TNT, such as Sling TV, Hulu with Live TV, YouTube TV, and
9 through TNT's website. Impact broadcasts on AXS TV and streams these broadcasts simultaneously
10 on its Twitch channel. Impact also streams its content on its proprietary subscription streaming
11 service, Impact Plus.

12 **B. WWE's Market Power.**

13 21. WWE's estimated annual total revenue for 2020 in North America was over \$764
14 million. By contrast, AEW's estimated revenue was \$64 million -- less than 10% of WWE's.

15 22. The combined average annual value of WWE's U.S. TV rights for its programs
16 WWE Raw and WWE Smackdown alone is \$470 million. By contrast, the average annual value of
17 AEW's U.S. TV rights for its most popular program, Dynamite, is just \$43.8 million.

18 23. WWE Smackdown, WWE Raw, and WWE NXT together averaged over 4.7 million
19 U.S. television viewers per episode in 2020, with average ratings in the important 18-to-49 year-old
20 demographic of .575, .5075, and .206 respectively.¹ By contrast, AEW's Dynamite averaged
21 810,755 U.S. television viewers per episode in 2020, with an average rating of .344 in the 18-to-49
22 year old demographic, and Impact averaged 154,038 U.S. television viewers per episode in 2020,
23 with an average rating of .03 in that demographic.

24 ¹ The 18-to-49 year-old demographic is the primary demographic by which ad rates are set for
25 entertainment programming. Ratings essentially represent the percentages of a given demographic
26 watching a given program. Thus, the higher the rating, the more popular the program with that
demographic.

1 30. MLW, as an innovative startup, caught the attention of consumers by developing
2 cutting-edge storylines and character wrestlers with distinct and unique identities. MLW has built a
3 reputation for hiring new wrestlers (also known as “fighters”) and spending its time and resources to
4 train and develop those wrestlers to become highly skilled professional fighters. MLW’s success is
5 dependent upon its ability to hire and maintain relationships with its fighters and to market and
6 distribute content featuring those fighters.

7 31. Since 2017, Court Bauer -- who worked at WWE until 2007 -- has been the CEO of
8 MLW. Mr. Bauer, who is the driving force in developing and training MLW talent, is well-known
9 for promoting diversity at MLW and in the sport.

10 32. The disclosure to its competitors of MLW’s confidential policies, practices, and
11 trade secrets, including the terms of its wrestling contracts with its fighters and how it hires and
12 maintains relationships with them, would irreparably harm MLW’s business. Accordingly, MLW
13 enters into confidentiality agreements with its fighters.

14 33. Beginning in early 2020, WWE sought to poach MLW’s fighters who were under
15 exclusive contracts, and even aired footage of an MLW wrestler without MLW’s consent. WWE
16 also attempted to induce MLW wrestlers to breach their contracts and reveal confidential and
17 proprietary information about MLW’s business. WWE also sought to prevent wrestlers from
18 working with MLW by refusing to hire wrestlers who had worked for MLW. As a result of WWE’s
19 efforts, one of MLW’s wrestlers demanded to be released early from his contract so he could join
20 WWE.

21 34. In the spring of 2021, MLW entered into a television deal with VICE, under which
22 VICE would air MLW’s archival footage. At the same time, MLW and VICE were negotiating an
23 expanded relationship which would include the airing of new MLW programs on VICE platforms.

24 35. In June 2021, after WWE learned about MLW’s agreement with VICE, WWE
25 executive Levison warned a VICE executive to stop airing MLW programs, saying that Vince
26 McMahon was “pissed” that VICE was airing MLW content. At the time, WWE knew that it had

1 leverage over VICE because VICE, which caters to viewers of professional wrestling, needed
2 WWE's continued cooperation and access from WWE to ensure the success of its wrestling-related
3 programs. For instance, WWE knew that VICE's special programs included a series, Dark Side of
4 the Ring, that often focused on WWE storylines and included input from individuals associated with
5 WWE. Indeed, later in 2021 VICE aired WWE attorney, Jerry McDevitt, in a starring role on an
6 episode of the VICE series "Dark Side of the Ring," which focuses on wrestling stories, including
7 many involving WWE. Additionally, A&E, which owns a 20 percent stake in VICE and runs and
8 owns a majority of VICE's production operations, has a relationship with WWE, airing WWE
9 programs and A&E/WWE partnership programs.

10 36. The VICE executive responded to Levison that "I think this is illegal what you're
11 doing" and that it was probably an antitrust violation. Levison responded that she could not control
12 McMahon. As a result of WWE's threats to VICE, VICE stopped engaging in discussions with
13 MLW about an expanded media rights deal. WWE's interference resulted in VICE withdrawing
14 from negotiations over airing new MLW content and in VICE airing only a single MLW program.

15 37. Around this same time, FITE, a streaming service focused on combat sports,
16 approached MLW with a media rights offer that would have paid MLW for providing wrestling
17 programs to FITE. MLW immediately agreed to discuss the terms of the deal, but FITE then
18 abandoned it. MLW later learned that FITE's Executive Advisor of Corporate Development, Gregg
19 Bernard, was at the same time working for WWE as Senior Vice President of Strategy and
20 Operations, which -- along with FITE's past use of WWE content, and WWE's ongoing attempts to
21 disrupt MLW opportunities -- further illustrates WWE's dominance and unfair competition in the
22 market.

1 44. In advance of the highly anticipated September 11, 2021 launch date, Tubi and MLW
2 agreed to issue a joint press release on August 10, 2021 to announce the parties' new agreement.

3 45. Prior to Tubi and MLW issuing the joint press release, WWE learned about the terms
4 and existence of the License Agreement. On or about August 9, 2021, WWE executive Stephanie
5 McMahon spoke with a Tubi executive located in California about the License Agreement. Ms.
6 McMahon initially pressured the Tubi executive to deny MLW a time slot that would compete head-
7 to-head with WWE's NXT programs on Tuesday nights. But Ms. McMahon ultimately pressured
8 the Tubi executive and other senior executives at Fox to terminate the agreement in its entirety.
9 Tubi's affiliate, Fox, could lose WWE's business or preferred content if Tubi did not acquiesce to
10 WWE's demand and terminate its agreement with MLW. On August 9, 2021 -- the night before a
11 planned press release about the Tubi-MLW deal -- as a result of WWE's pressure and interference,
12 MLW received a letter purporting to terminate the License Agreement.

13 46. Thus, with wanton, reckless disregard for MLW's rights and the antitrust laws, WWE
14 intentionally and unlawfully interfered with the performance of the License Agreement and procured
15 its termination. WWE purposefully directed its communications to Tubi in California in order to
16 disrupt MLW's relationship with Tubi and to cut off MLW's access to and competition in major
17 national media markets.

18 47. Wrestling industry publications reported on WWE's interference with the License
19 Agreement shortly after it happened. One report noted that "shortly before the [Tubi-MLW] deal
20 was to be announced publicly in August, WWE was made aware of it. A source close to Fox . . .
21 indicated that WWE did not respond favorably to the deal, which was to be announced imminently
22 after WWE was made aware. As a result, the future of that third party deal was in question." As
23 noted by that same publication in other reports, WWE had substantial leverage over Fox because
24 Fox was competing with another network for better WWE programming at the same time that WWE
25 was pressuring Tubi to cancel the License Agreement.

FIRST CLAIM FOR RELIEF
(Intentional Interference with Contractual Relations)

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3 53. Plaintiff MLW realleges and incorporates by reference Paragraphs 1 through 52 as if
4 fully alleged herein.

5 54. MLW had a valid and enforceable contract with Tubi, executed [REDACTED]
6 [REDACTED] in the State of California, which is home to two of the largest national
7 media markets and where Tubi is headquartered.

8 55. MLW substantially performed its obligations under the License Agreement and was
9 ready, willing and able to do so by, among other things, investing resources to rent space for a
10 scheduled live performance, hiring staff for a planned series to be aired and distributed through Tubi,
11 hiring editors, a public relations agency and a marketing consultant, and retaining several new
12 wrestlers.

13 56. Also as a result of entering into the License Agreement, MLW lost potential
14 economic opportunities when it ceased all talks with other potential partners and rights bidders [REDACTED]
15 [REDACTED]
16 [REDACTED].

17 57. WWE knew about the existence and terms of the License Agreement. With the intent
18 of disrupting that contract, WWE demanded that Tubi terminate the License Agreement. WWE
19 knew that it had leverage over Tubi due to WWE's business relationship with Tubi and its affiliate,
20 Fox. WWE caused a disruption of the contractual relations by wrongfully inducing Tubi's early
21 termination of the License Agreement.

22 58. WWE, acting with malice and willful disregard for MLW's rights, interfered with the
23 License Agreement with the intent of causing harm to MLW. MLW has been damaged as a result of
24 WWE's tortious and wrongful conduct, which was a substantial factor in causing that harm,
25 including lost profits and money expended preparing programming pursuant to the now-terminated
26 contract.

1 59. By reason of the foregoing, MLW has incurred and will continue to incur actual
2 damages in an amount to be determined at trial. Because WWE acted with oppression, fraud and
3 malice, MLW is also entitled to exemplary damages.

4 **SECOND CLAIM FOR RELIEF**
5 **(Intentional Interference with Prospective Economic Advantage)**

6 60. Plaintiff MLW realleges and incorporates by reference Paragraphs 1 through 59 as if
7 fully alleged herein.

8 61. As alleged herein, in the spring of 2021, MLW announced that it had an agreement
9 with VICE for the airing of older MLW programs on VICE platforms. At the same time, MLW was
10 negotiating a media rights deal with VICE that would have resulted in an array of MLW programs
11 airing on VICE platforms.

12 62. In June 2021, after WWE learned about the growing relationship between VICE and
13 MLW, WWE executive Levison warned a VICE executive to stop airing MLW programs, saying
14 that Vince McMahon was “pissed” that VICE was airing MLW content. At the time, WWE knew
15 that VICE needed continued acquiescence, if not cooperation, from WWE for purposes of ongoing
16 coverage of professional wrestling, and that this gave WWE leverage in discussions with VICE.

17 63. The VICE executive responded to Levison that “I think this is illegal what you’re
18 doing” and that it was probably an antitrust violation. Levison responded that she could not control
19 McMahon.

20 64. As a result of WWE’s threats to VICE, VICE stopped engaging in discussions with
21 MLW about an expanded media rights deal. While VICE subsequently aired one MLW program in
22 the fall of 2021, this was far smaller than the broad media rights deal the parties had been discussing
23 before WWE’s interference. That media rights deal would have resulted in expanded profits and
24 marketing opportunities for MLW.

1 65. WWE acted with malice and willful disregard for MLW's prospective economic
2 advantage with the intent of causing harm to MLW and MLW's relationship with VICE. MLW has
3 been damaged as a result of WWE's tortious and wrongful conduct, which was a substantial factor in
4 causing that harm, including lost profits and marketing opportunities.

5 66. By reason of the foregoing, MLW has incurred and will continue to incur actual
6 damages in an amount to be determined at trial. Because WWE acted with oppression, fraud and
7 malice, MLW is also entitled to exemplary damages.

8 **THIRD CLAIM FOR RELIEF**
9 **(Violation of Section 2 of the Sherman Antitrust Act, 15 U.S.C. § 2)**

10 67. Plaintiff MLW realleges and incorporates by reference Paragraphs 1 through 66 as if
11 fully alleged herein.

12 68. The Relevant Market is the national market for the sale of broadcasting rights for
13 professional wrestling programs to networks, cable and streaming services.

14 69. WWE's predatory efforts to prevent MLW from broadcasting its licensed programs
15 on media platforms such as VICE TV and Tubi were done with the specific intent to attempt to
16 monopolize the Relevant Market in violation of Section 2 of the Sherman Antitrust Act.

17 70. WWE is the dominant competitor in the market. WWE's dominance and the high
18 barriers to entry in the market give it the ability to control prices and exclude competition in the
19 market.

20 71. WWE's unfair business practices include, among other things, cutting off
21 competitors' access to viewers and licensing opportunities, interfering with contracts, poaching
22 talent, eliminating price competition, and misappropriating and attempting to misappropriate
23 confidential information of its competitors. As a result of WWE's anti-competitive conduct, WWE
24 has unlawfully restrained and undermined competition, thus maintaining and building its dominance
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1 of the Relevant Market and threatens a dangerous probability of success at monopolizing the
2 Relevant Market.

3 72. Because of its unlawful acts of interference with MLW's contractual relations, among
4 other unlawful acts, WWE has harmed MLW's ability to attract and acquire talent, gain exposure to
5 new customers, attract and enter into business partnerships for its media rights, and to operate and
6 meaningfully compete in the market. WWE's exclusionary behavior has also stifled competition
7 generally. MLW's ability to produce a viable substitute for WWE's content is diminished, resulting
8 in harm to consumers by a reduction of choice and elimination of price competition.

9 73. WWE's willful conduct as described above has given it the ability to control prices
10 and exclude competition and has caused MLW an antitrust injury.

11 74. Because of WWE's history of anticompetitive behavior, such as interfering with its
12 competitors' contracts, and its entrenched domination of the market, there is a dangerous probability
13 that WWE will be successful in its intended goal of attempting to obtain monopoly power in the
14 Relevant Market.

15 75. There is no legitimate business justification for WWE's conduct.

16 76. MLW has suffered and will suffer irreparable harm to its business from its antitrust
17 injuries caused by WWE's unlawful attempts to exclude competitors, manipulate the market, and
18 unlawfully attempt to monopolize the Relevant Market. MLW therefore is entitled to an injunction
19 that terminates the ongoing violations alleged in this Complaint pursuant to Sections 4 and 16 of the
20 Clayton Antitrust Act, 15 U.S.C. §§ 15, 26.

21 77. MLW also has incurred and will continue to incur actual damages as a result of
22 WWE's anticompetitive conduct and is entitled to recover trebled damages along with reasonable
23 attorneys' fees and costs.

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FOURTH CLAIM FOR RELIEF
(Cal. Bus. & Prof. Code §17200 et seq.)

78. Plaintiff MLW realleges and incorporates by reference Paragraphs 1 through 77 as if fully alleged herein.

79. As described herein, WWE has a history of attempting to unfairly compete against MLW. In 2020, WWE attempted to poach MLW's talent and aired footage of one of MLW's fighters without authorization or consent. WWE also attempted to induce MLW's wrestlers to breach their contracts and reveal confidential and proprietary information about MLW's business.

80. WWE's efforts to prevent MLW from broadcasting its licensed programs on other media platforms, such as VICE TV and Tubi, violated Section 17200 of California's Business and Professions Code (the Unfair Competition Law or "UCL") and California common law. WWE's anticompetitive conduct also violated the UCL.

81. MLW is entitled to an injunction barring WWE from further interference with MLW's operations and business opportunities.

DEMAND FOR A JURY TRIAL

MLW hereby demands a trial by jury of all issues triable of right by a jury.

PRAYER FOR RELIEF

WHEREFORE, MLW prays that this Court enter judgment in its favor on each and every claim for relief set forth above and award it relief, including but not limited to an order granting:

1. Judgment in favor of MLW and against WWE;
2. An award of actual damages and all damages that were a natural result of WWE's tortious conduct, in an amount to be calculated at trial, inclusive of any pre-judgment or post-judgment interest accrued, pursuant to Cal. Civ. Code § 3333;

- 1 3. An award of exemplary damages for WWE's oppressive and malicious tortious
2 conduct, pursuant to Cal. Civ. Code § 3294;
- 3 4. A declaration that WWE's unlawful and predatory interference with MLW's access
4 to the media markets and wrestling talent was and is decreed a violation of Section 2
5 of the Sherman Antitrust Act, 15 U.S.C. § 2.
- 6 5. Injunctive relief to prevent WWE from engaging in anti-competitive and unfair
7 business practices towards MLW pursuant to California Business and Professions
8 Code § 17200 *et seq.*;
- 9 6. Injunctive relief to prevent WWE from engaging in anti-competitive and unfair
10 business practices towards MLW pursuant to Sections 4 and 16 of the Clayton
11 Antitrust Act, 15 U.S.C. §§ 15, 26;
- 12 7. An award of treble the amount of MLW's damages resulting from its antitrust injuries
13 to be proven at trial in accordance with Section 4 of the Clayton Antitrust Act, 15
14 U.S.C. § 15;
- 15 8. An award of MLW's costs and expenses of litigation, including attorneys' fees and
16 expert witness fees, in accordance with Section 4 of the Clayton Antitrust Act, 15
17 U.S.C. § 15;
- 18 9. Interest; and
- 19 10. Such other relief as the Court deems just and proper.

20 Dated: January 11, 2022

Respectfully submitted,

21 */s/ Jason S. Takenouchi*

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