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POWER IMBALANCES AND FAIRNESS IN STANDARD FORM CONTRACTS: A CRITICAL ANALYSIS OF PROFESSIONAL SPORTS AGREEMENTS

Rajeeb Kumar¹

I. ABSTRACT

This research paper critically examines standard form contracts in professional sports, analyzing their structural inequities and impact on athlete rights. The study reveals how these standardized agreements create power imbalances that systematically disadvantage athletes, particularly rookies, women, and those in developing markets. Through legal analysis and comparative case studies, the paper identifies three key issues: restrictive compensation structures limiting earning potential, gender disparities in contract terms, and invasive clauses governing personal data and conduct. The research compares contractual systems across North America, Europe, and emerging markets, highlighting varying approaches to athlete protections.

The analysis explores landmark legal cases that have reshaped contract norms and examines emerging challenges from digital technologies and globalization. Findings demonstrate critical gaps in current frameworks, particularly regarding data privacy, mobility restrictions, and pandemic-related contingencies. The study proposes practical reforms, including modular contract designs, enhanced collective bargaining, and regulatory safeguards to balance efficiency with fairness. Concluding with a forward-looking model, the research emphasizes transparent negotiations, equitable risk distribution, and career sustainability.

¹ LLM Student at Gujarat National Law University.

II. KEYWORDS

Standard form contracts, Sports labor law, Contractual inequities, Collective bargaining, Gender disparities, Biometric data clause, Sports governance

III. INTRODUCTION

"Power Imbalances and Fairness in Standard Form Contracts: A Critical Analysis of Professional Sports Agreements"

The modern professional sports industry relies heavily on standardized contracts to manage relationships between athletes, teams, and governing bodies. These pre-written agreements, known as standard form contracts, are created by sports organizations and presented to athletes with little or no opportunity for negotiation.² While designed to ensure efficiency and uniformity across leagues, these contracts often create significant power imbalances that favor institutions over individual players. The widespread adoption of such contracts can be traced back to the early commercialization of sports, when growing league structures needed systematic ways to manage thousands of player agreements. Today, nearly all major sports organizations use standardized contracts, from global governing bodies to national leagues, establishing consistent terms for salaries, transfers, endorsements, and other professional obligations.

At the heart of this system lies a basic paradox: it promotes efficiency for administrators but often at the expense of fairness to athletes. Standard form contracts provide significant advantages to administrators by streamlining negotiations and simplifying management. However, they often disadvantage athletes. This is especially true for those with little bargaining power. For example, young players fresh out of school often must accept whatever terms they are offered.³ Similarly, many minor league or aspiring professional athletes find their salaries stagnate, and opportunities for advancement are limited. Even established stars may be compelled to accept stringent contractual

² Stephen F Ross, 'An Antitrust Analysis of Sports League Contracts with Cable Networks' (1990) 39 *Emory Law Journal* 463.

³ National Football League Players Association (NFLPA), *Rookie Contract Template* (2022)

conditions. For instance, NFL star Odell Beckham Jr.'s 2022 lawsuit against Nike over endorsement obligations illustrates how contract clauses on marketing and advertising rights can embroil athletes in controversy.⁴ Such controversies fundamentally reshape how we consider questions of justice, personal fulfillment, and power in professional sports.

The intersection of sports, commerce, and public image further amplifies these imbalances. Athletes increasingly engage in endorsements and investments that align with social causes or environmental initiatives. However, these engagements can lead to conflicts over contractual obligations, particularly when clauses grant organizations the unilateral right to terminate agreements for reputational reasons. A pertinent example is the controversy surrounding Cristiano Ronaldo during Euro 2020. At a press conference, Ronaldo removed two Coca-Cola bottles placed in front of him and encouraged people to drink water instead. This gesture coincided with a significant drop in Coca-Cola's market value,⁵ Highlighting the tension between an athlete's personal values and the commercial interests of sponsors. Such incidents underscore the challenges athletes face when their personal expressions conflict with contractual obligations tied to sponsorships.

Examining demographic variations among athletes is equally urgent. One prominent disparity is gender: female athletes remain underrepresented in many sports and typically earn far less than their male counterparts, often facing significantly inferior employment terms.⁶ Athletes in less popular sports or smaller markets similarly face structural disadvantages, with far less bargaining power to secure improved terms. Complex clauses regarding data and image rights, personal conduct, and force majeure have created additional avenues for athlete exploitation. Without intervention, many

⁴ *Odell Beckham Jr v Nike Inc* No 22-cv-7548 (D Or 2022)

⁵ IANS, 'Cristiano Ronaldo knocks off \$4 billion from Coca-Cola's value' *The Times of India* (16 June 2021) <https://timesofindia.indiatimes.com/business/international-business/cristiano-ronaldo-knocks-off-4-billion-from-coca-colas-value/articleshow/83569563.cms> accessed 18 May 2025.

⁶ Professional Footballers' Association (PFA), *Gender Inequality in Sports Contracts Report* (2022)

athletes' incomes could stagnate or even decline while revenues for leagues and teams continue to grow.

The examination of these contract dynamics and how they affect professional athletes is the subject of this study. The study will distinguish patterns of advantage and disadvantage in the prevailing paradigms by examining the structure and function of standard form contracts across different sports and geographies. There will be specific emphasis on how different groups of athletes are impacted by contract terms and how social, legal, and economic issues frame these impacts. The study will also examine prevailing challenges to standard contract forms, such as collective bargaining initiatives, judicial rulings, and new forms of player agreement structures.

Knowledge of these problems has real implications for professional sport in the future. The structures that control the employment of athletes must accommodate organizational requirements and treating the athlete fairly as the economic worth and cultural extent of the activity increase further. By identifying potential avenues of change through existing contract practice, this study hopes to aid in achieving a balance. The results can benefit athletes, agents, unions, and legislators looking to make professional sport more equalitarian. Ultimately, the goal of the research is to construct a system whereby standardization does its job without transgressing the underlying principles of justice and human rights in sporting careers.

IV. THEORETICAL FRAMEWORK AND LITERATURE REVIEW

On the subject of elite sports, standard form contracts always put demands for effective administration into conflict with the protection of the rights of the athletes. These contracts are known as 'adhesion contracts' and are usually signed by leagues or governing bodies before athletes, who cannot make changes, are forced to accept them.⁷ The necessity to have streamlined administration in the standard form contracts enables the large organizations to impose uniform terms on a wide range of athletes promptly.

⁷ *Williams v Walker-Thomas Furniture Co* 350 F.2d 445 (DC Cir 1965)

There is a common argument that equalizing the playing field is a strength of these contracts, but that assumption is broken when it comes to considering how the contracts actually work. Athletes, particularly newcomers to the sport or players in minor leagues, frequently find themselves under contract terms that are very favorable to the institution because of a lack of bargaining strength. This approach is contrary to the very essence of classical contract law, where the assumption is that parties are on equal footing, thus giving rise to legal principles such as unconscionability to fix this imbalance.⁸ A court ruling that declares void the contracts if the terms are obviously unreasonably disable one of the sides. Use of this doctrine is on the increase in sports contracts cases, especially those that include clauses like injury waivers or grossly unequal deals, where courts are now increasingly recognising the presence of unfair trends in the industry.

The troubles with standardized sports contracts are more and more viewed as factors that lead to the exploitation of marginalized groups. Minor league players or rookies without the protection from teams' caps commonly end up in tough agreements, which force them to accept inferior salaries, prevent them from progression, and limit their endorsement of products. For example, in draft frameworks, new entrants tend to be provided with stipends that are not adequate to cater for living expenses, leaving an opportunity for no negotiable wage increments based on performance. These inequalities are compounded by gender based inequities.⁹

In women's sports, like the WNBA or women's football contracts normally prevent women players from making huge amounts of foreign compensation, but the same opportunities are left open to male sportsmen who can bargain for better conditions. The ensuing inequities are, therefore, a manifestation of a larger societal discrimination towards women's sports as well as the enforcement of contract terms that guarantee that women's earnings are significantly less than male earnings. Even high-profile female

⁸ *ibid.*

⁹ Deborah L Brake, *Getting in the Game: Title IX and the Women's Sports Revolution* (2010)

athletes, as on winning national teams, have had to go on massive public campaigns to get equal pay, demonstrating the issue of discrimination that remains.

The power dynamics in sports contracts have lately become more lopsided. More and more sports have adopted biometric data clauses that enable teams to control athletes' physiological data obtained through biometric tracking. This data, data about heart rate, activity routines, and risk for injury, is often used to improve performance or sold to businesses for revenue, causing concern about privacy and ongoing exploitation. Moreover, previously vaguely worded morality clauses that granted organizations the authority to terminate contracts for "reprehensible behavior" have been used to punish athletes for their political position or their activism. Prominent cases where athletes have been the targets of political activism are the publicized illustrations of how morality clauses suppress dissent and keep institutional power over free expression. During the COVID-19 pandemic, the limitations of force majeure provisions emerged, because stadiums stopped or decreased salaries to athletes without consulting them, leaving them financially unstable during the international crisis.

Despite increasing concerns about these problems, there are huge research and policy gaps. The athletes of up-and-coming leagues (or those without robust player unions) receive little attention, leaving the standard contracts vague or non-existent, with little in the way of necessary protections. Changes in athlete participation in high-value, but legally nebulous markets introduce new challenges, specifically the absence of labor protections and availability of formal complaint mechanisms. Beyond this, there is little information on the long-term impacts of controlling biometric data as well as the wellness implications of strict morality clauses. North America and Europe have taken steps to even the playing field using the mechanisms of collective bargaining, but this is largely dependent on union power, a necessity which fails in the majority of the world today. Making these fixes will require a set of considerations in contract drafting that go beyond simple business goals versus athlete wellbeing, the call for transparency, and the reflection of evolving standards of ethics in the sports world.

V. METHODOLOGY

This study employs a doctrinal research methodology within a qualitative and analytical framework, examining the intricacy of standard form contracts in sports through a multi-dimensional research design. To examine contractual agreements, power dynamics, and their implications for athletes across various sports and geographic regions, the research design utilizes qualitative and analytical approaches. The study provides an integrated view of the influence of standardized agreements on athlete-team relationships through a combination of case study analysis, comparative legal analysis, and industry practice analysis.

This study uses detailed case studies of high-profile contract disputes and seminal legal questions. These actual case illustrations demonstrate the usefulness of standard form contracts and reveal patterns in their effect on athletes at different points in their careers. In order to determine current dilemmas and structural bias, the study analyzes high-profile instances of collective bargaining agreements, transfer legislation, and contract disputes. These instances demonstrate the proposed and unforeseen effects of contractual wording on athlete welfare, providing tangible proof of how they work in reality.

The second support for the process is comparative research, which looks at how professional sport leagues and legal frameworks elsewhere handle contract standardization. This includes an analysis of differences among new economies with little player representation, European systems with protection of labor, and North American systems with traditional collective bargaining. In examining the differences in contract structures, pay, and career protection among professional men's and women's leagues, the comparison also accounts for gender differences. This comparison between populations and regions assists in the identification of systemic vulnerabilities and best practices in how athlete contracts are currently handled.

Standard form contracts from major sports organizations are collected and examined. These contracts are obtained from official league publications, player association documents, and other publicly available sources. A purposive sampling strategy is

employed to select a representative set of contracts across different sports, geographic regions, and athlete categories (including both men's and women's leagues, and various career levels). The sampled contracts and their standard terms, restrictions, and athlete obligations are then contrasted. Emerging clauses, such as force majeure clauses, morality clauses, and data rights provisions, are addressed specifically. This document analysis approach allows tracing the evolution of contract language to account for social, technological, and financial developments in the sporting sector.

The study explores industry trends and player experience based on publicly available records, documented complaints, and testimony to put these findings into context. This involves taking into account the way various categories of players – top to developmental roster players – navigate contract arrangements. The study design maximizes evidence from verifiable sources while also taking into account the limitations of working with publicly available information, especially in terms of private negotiations and concealed contract provisions.

The study seeks to construct a rich portrait of standard form contracts in professional sports by integrating various approaches. The study design is structured to show not only what these contracts contain but also how they are actually enforced, who profits from current arrangements, and where improvement is needed. This integrated analysis forms the foundation upon which further research on player empowerment, contractual fairness, and avenues to more equitable contracts in professional sports is conducted.

VI. STRUCTURAL INEQUITIES IN STANDARDIZED SPORTS CONTRACTS

Professional sports contracts seek to achieve balance among leagues; however, these contracts often act as tools to maintain hidden inequities, which especially undermine other athletes. The similarity in these contracts tends to lead to organizational privileges favoring vested interests over grassroots or less experienced athletes. This paper explores the unique deficiencies of these contracts through three major issues: The structures that

encourage pay disparities and the undermining of gender equality while separating collective power from individual rights are basic to professional sports contracts.

Tiered compensation structures are a defining feature of professional sports leagues and are a major contributor to contractual inequities. These systems fix salary levels based on factors like seniority or draft position, limiting the ability of athletes, especially rookies or less established players, to negotiate terms based on individual merit. For instance, while rookies may receive league-mandated minimum salaries, veterans with several years of experience earn significantly higher amounts, even when their on-field performance is comparable. This results in early-career players receiving a fraction of the compensation awarded to senior athletes, creating income disparities that persist across the length of a sporting career. Although exceptional rookies may secure high-value contracts, most new entrants are constrained by rigid wage scales and lack access to bonuses or renegotiation opportunities tied to performance.¹⁰

Gender-based disparities in standardized contracts present another critical structural inequality. In leagues of comparable stature, female athletes consistently receive less favorable contract terms than their male counterparts. For example, the top women's basketball league offers significantly lower starting salaries and fewer financial protections than the men's equivalent, even for top draft picks.¹¹ Similarly, in professional soccer, women's league players often earn base salaries that are less than half of those received in men's leagues, despite similar levels of competition and public engagement.¹² In addition to lower pay, female athletes typically face more restrictive provisions related to endorsement income, maternity protections, and career longevity. These disparities reflect institutional biases embedded in standard form agreements and illustrate how gender remains a defining factor in the allocation of contractual benefits.

¹⁰ National Football League, 'NFL Player Salaries 2024-25' (NFLPA, 2024); National Basketball Association, 'NBA Rookie Scale Contracts' (NBA CBA 2023-24)

¹¹ Women's National Basketball Association, *Collective Bargaining Agreement 2020-2027* (2020)

¹² National Women's Soccer League, 'Minimum Salary Guidelines 2024'; Major League Soccer, 'Player Compensation Report 2024'

One of the important pieces of structural inequality is the power dynamics in the distribution of authority between athletes and the bodies that control their sport. In many situations, it is largely teams and leagues that are granted a tremendous amount of power via general terms of standard contracts to manage the professional and even personal lives of athletes. There are widespread provisions in contracts for unrestricted use of IP, due to which organizations can use an athlete's likeness for commercial purposes with minimal supervision and monetary reward. Agreements usually give organizations the power to enforce disciplinary actions and breach contracts through a subjective evaluation of conduct. Athletes are getting worried about the loss of privacy and heightened commercialisation even after being active, especially since additional deals now provide for ownership of biometric and performance data gathered through biometric tracking.¹³

There are many feedback loops that facilitate these structural inequalities to persist. To succeed in favorable contract negotiations, most athletes (even those from the less popular sports or new to the game) find it a struggle. The oligopolistic nature of the collective structure of most sports markets, with leagues and teams being de facto oligopolies, ensures that there are few options for players to choose a better deal. In addition, the fact that athletic careers are public in nature implies that athletes may be reluctant to pursue contract disputes because they're afraid of being viewed as self-serving or disrespectful by disputing time-honored prescriptions. Although such situations threaten to harm athletes' welfare and careers, they develop a system in which such terms are unquestioned and made the norm.

Such defects affect not only the broader sporting world but also the life of each athlete. When contracts are rigid, they prevent new talents from arising, make it improbable for the athletes to transfer, and only weaken creativity and competition. The financial vulnerabilities of athletes can lead to the premature ending of careers or forcing them to

¹³ *NBA Uniform Player Contract*, Exh F para 2 (2021)

retire early, hence limiting experienced players in sports. Gender disparity¹⁴ in contracts has made the path of athletic careers less attractive to women, leading to the underdeveloped of women's sports. These disparities are at their essence, questioning the way athletes are viewed as workers and people by multibillion-dollar sports companies.

It is necessary to take a look at these systemic failures to make sure that sports contracts are more balanced. Administratively, there are some benefits to standardization, but it often results in the disregard for both the welfare of the athletes and the principle of fairness. Apart from the considered possible reforms that would be helpful for restoring balance in the relations between athletes and organizations, in the further parts of the work, the author will examine ways applied by legal bodies, collective bargaining, and governmental policies to solve the problems. The purpose of this discussion is to provide a grounding understanding that can contribute to new thinking about how professional sport contracts are possible for the benefit of all parties when the underlying structural inequalities are made very visible.

VII. JUDICIAL AND REGULATORY RESPONSES TO CONTRACTUAL INEQUITIES

The protection of athlete rights and the regulation of fair competition are important objectives of many legal and regulatory initiatives that have arisen in reaction to growing awareness of the imbalance of power in standardized sports contracts. This paper examines the ways legislative, judicial, and arbitral developments have influenced the development of professional sports contracts. The main points investigated in this regard include seminal court rulings, the new legal doctrines, and the continued challenges that confront resolving the conflicts between athletes and leagues.

The court systems in various jurisdictions find it difficult to maintain substantive fairness and uphold formal contract values in the sports environment. Decisive court decisions,

¹⁴ WNBA *Collective Bargaining Agreement*, s 12(a) (2020)

including rulings on movement restrictions and unjustified penalties, have influenced the standards of legal validity of contractual terms in the cases of popular sports. Courts today are looking at adherence clauses in standard contracts with increased supervision and tend to quash prohibitive or unfair terms as unenforceable. Judicial attention has centered on the good faith principle, which becomes particularly relevant when teams use their unilateral powers to change or terminate contracts. In *Williams v Walker-Thomas Furniture Co.*, the court articulated the principle of unconscionability and contractual fairness, which has informed modern doctrines of good faith in US contract law.¹⁵ In the more recent and highly publicised *Kaepernick v National Football League*, the player filed a grievance under the collective bargaining agreement, alleging that team owners colluded in bad faith to deny him employment after his political protest.¹⁶ Similarly, in *CAS 2017/A/5379 A. v Club X*, the Court of Arbitration for Sport considered whether a football club had violated the principle of good faith by terminating a player's contract without procedural fairness.¹⁷

In the outer range, in the international sphere, arbitration¹⁸ It is frequently used in order to resolve problems with contracts in the sports sphere. Organisations such as the Court of Arbitration for Sport, with specialists in sports arbitration, have accrued extensive legal teachings on how to understand standard contracts and reconcile conflicting parties. Arbitral judgments have been guiding the interpretation of critical clauses of sport contracts, including the unilateral option years, utilization of liquidated damages, and termination based on conduct. Although arbitration accelerates proceedings and includes experienced arbiters, one's trust in the general credibility of arbitration and substantial systemic advantages given to well-heeled sports entities remains questionable. Most of the arbitration procedures are kept in secret, limiting transparency and the formulation of popular legal precedents upon disputes over contractual terms.

¹⁵ *Williams v Walker-Thomas Furniture Co* (n 6).

¹⁶ *Colin Kaepernick v National Football League et al*, No 3:19-cv-02887 (ND Cal 2019)

¹⁷ *CAS 2017/A/5379 A v Club X* (award on file with CAS)

¹⁸ CAS Code: Statutes of Bodies Working for the Settlement of Sports-Related Disputes, art R45 (2023)

The efforts to curtail structural injustices in the world of sports contracts have been facilitated by the development of various regulatory and legislative initiatives. Legislation has been passed in some regions that regulates aspects of athlete contracts, for instance, making arbitration compulsory, which guarantees a minimum contract period, or stipulates amounts of remuneration. However, some leagues have engaged in collective bargaining, which has equalized some rights and benefits but permitted the continued negotiation of important elements on a case-by-case basis by the athletes. Regulators have increasingly turned toward countering new challenges like biometric data rights, and some jurisdictions have passed policies mandating transparent disclosures and controls of the use of athletes' health data by organizations. Despite this, many global markets remain with significant gaps in athlete protections and uneven legal frameworks.

A more comprehensive understanding of international legal frameworks is essential, as sports labor markets are increasingly globalized. Article 45 of the Treaty on the Functioning of the European Union (TFEU) ensures the free movement of workers across member states and has been instrumental in liberalising player mobility in European sport.¹⁹ The landmark *Bosman ruling* by the European Court of Justice struck down transfer fees for out-of-contract players, interpreting such restrictions as contrary to the free movement provision under EU law.²⁰ Similarly, FIFA's Regulations on the Status and Transfer of Players establish binding international rules regarding contract length, transfer windows, and dispute resolution, thereby significantly standardizing player contracts across jurisdictions.²¹ In addition, the World Players Association's Universal Declaration of Player Rights offers a global soft-law framework affirming basic

¹⁹ Consolidated Version of the Treaty on the Functioning of the European Union [2012] OJ C326/47, art 45

²⁰ Union Royale Belge des Sociétés de Football Association ASBL v Bosman (Case C-415/93) [1995] ECR I-4921 (ECJ).

²¹ Fédération Internationale de Football Association (FIFA), Regulations on the Status and Transfer of Players (2023 ed)

contractual standards, including non-discrimination, collective bargaining, and data protection.²²

Worldwide, sports contracts face unprecedented jurisdictional issues, making it a complicated process to design effective legal and regulatory structures. Conflicts usually arise when athletes play sports that cross over the borders of several jurisdictions or when contracts are made with legal regimes as a condition. The international nature of many sports organizations means that model contracts can be written in a manner that ignores certain athlete protections provided by specific countries. International federations have tried to harmonize contract rules by the use of standard model contracts and a centralized registration system. However, strong enforcement and the consistent application of the law have not always been achieved. Traveling athletes continue to be exposed to risks due to business arrangements, due to a lack of an established global structure in terms of contracts, dispute resolution, and intermediary controls.

There are indications that views about protecting athletes under contract rules and regulations are changing. In many nations, the judges were becoming increasingly inclined to scrutinize the terms of contracts that produce considerable inequalities of power. In different countries, new laws are being proposed to enhance athletes' rights of data privacy, image rights.²³ And career transitions. Sports person organizations and public campaigns have forced some sports associations to make necessary voluntary changes in their contract regulations. These improvements are not insignificant, but they are inconsistent and often restricted to specific sports or geographies where groups of players hold significant voices.

The nature of the regulations and laws pertaining to sports changes the possibility and difficulty of reforming the procedures of contracts. Even though fragmentation continues to overshadow the entirety of the law, some measures are effectively promoting enhanced athlete-organization relationships. The results of legal interventions are

²²World Players Association, Universal Declaration of Player Rights (2021)

²³ *National Collegiate Athletic Association v Alston* 141 S Ct 2141 (2021)

influenced by the fact that athletes become aware of their own rights, have access to qualified legal support, and sports organizations become receptive to incorporating legal judgments into standard contracts. The legal and regulatory environment might need an additional adaptation in the future as new contractual issues associated with progress in areas such as artificial intelligence, genetic testing, and unconventional competition come into play.

The results of judicial and regulatory interventions, discussed here, give an insight into the strengths and weaknesses of current practices for correcting contractual unfairness. Legal institutions are usually reactive, coming into play to end contractual disputes and not proactively establishing contract rules, though they have proven they can do so in major cases. In subsequent parts that follow, we will explore how legal developments overlap with pressures of the market, collective bargaining, and changes being made by players to make a difference. Once stakeholders are aware of recent legal and regulatory trends, they are better able to identify the present vulnerabilities and opportunities for systemic change in professional sports' standard contract agreements.

VIII. COMPARATIVE ANALYSIS OF CONTRACTUAL SYSTEMS ACROSS SPORTS AND REGIONS

Various contract arrangements are employed in international sports, which identify different legal, cultural, and economic approaches. This part explores the approach to player contract management by different sporting leagues and markets with an emphasis on both innovative approaches and recurrent issues. In analyzing institutional forces, this analysis shows the influence of institutional forces on athlete protections, contractual practices, and bargaining practices in various sectors of the sports industry.

North American professional leagues' unique model is based on collective bargaining agreements between league owners and players' unions dating back many years. These frameworks allow controlled negotiation between players with lower-bound outcomes for compensation, welfare, and work standards. Although such policies encourage more

competition, they also limit the amount of money that players will be able to make. League-wide equality and predictable circumstances are favoured over giving athletes a vast variety of individual choices in the North American model. Important features, including rookie salary grades, individual contract disputes eliminated via arbitration, and intricate free agency rules, outline the unique features of these sports. While doing so, these contracts restrict opportunities for the top players' work-based earnings and impose narrow paths to professional promotions.

The European Union labour law and civil law principles have shaped the fragmented structure regulating European sports contracts. The transfer system in football creates a global market for players, with special and almost unique contract conditions. Contracts vary greatly between teams and leagues, most of which contain specific provisions. The landmark *Bosman* ruling by the European Court of Justice fundamentally altered this system. The Court ruled that an EU player whose contract had expired could not be prevented from moving freely to another club within the EU, and that transfer fees for out-of-contract players were contrary to the free movement of workers under Article 45 of the Treaty on the Functioning of the European Union. This significantly increased player mobility across European leagues and led to the abolition of nationality quotas for EU players. In response, FIFA and UEFA developed mechanisms such as training compensation and solidarity payments to address club investment in player development while complying with *Bosman*. Clubs often include longer contract durations or release clauses as a pre-emptive strategy to protect against free transfers.²⁴

The Indian Premier League (IPL), a commercial cricket franchise model in India, introduced a novel and somewhat controversial approach to player acquisition by employing an auction-based system. Each IPL team operates under a strict salary cap and can retain a limited number of players before the auction, including through the Right-to-Match (RTM) provision. Unretained players are bid upon in an open auction, with the highest bid determining the player's salary. Contracts typically last for one to three

²⁴ *Bosman* (n 19)

seasons. The IPL regulations contain specific clauses regarding injury compensation, medical coverage during tournaments, and full payment if a player is released mid-season.²⁵ However, if a player withdraws before the start of the season, the team may owe no salary. Since the IPL is governed by the BCCI without a collective bargaining agreement, players lack unionized negotiation power and must accept the terms dictated by the league. Because there are no reliable player associations or systems for resolving disputes, players in these areas are at the mercy of arbitrary decision-making. There is sporadic enforcement of contracts in various areas, making it hard for players who are owed money to do anything meaningful.

The unique contractual difficulties faced by women's professional sports are a reflection of larger gender differences in sport sponsorship and media coverage. Most women's leagues pay considerably less and have shorter contracts than similar men's leagues.²⁶ The WNBA's 2020–2027 Collective Bargaining Agreement introduced crucial reforms such as fully paid maternity leave, a \$5,000 child care stipend, and access to nursing rooms in arenas – rights not specifically outlined in NBA player contracts. Additionally, WNBA players are limited to earning up to \$250,000 through league-facilitated marketing agreements, while NBA players enjoy the freedom to enter individual, often multimillion-dollar sponsorship deals. In football, the NWSL guarantees all contracts, prohibits the draft system, and offers extended healthcare and paid parental leave under its latest agreement. By contrast, MLS contracts offer longer terms and more extensive insurance but lack clauses specific to pregnancy or family-related support. These examples show that female athletes, while seeing recent improvements, continue to face contractual clauses that undercompensate and undersupport them relative to male athletes.²⁷

²⁵Board of Control for Cricket in India, *IPL Player Regulations* (2023) cls 3.1–6.2

²⁶ WNBA *Collective Bargaining Agreement* (n 10)

²⁷Major League Soccer Players Association, *Summary of Player Agreement* (2021)

Individual and team sports have very different contract types and pay structures. Participants in sports like tennis, golf, and boxing have sponsorship and event organizer contracts in place of team employment contracts. These systems give competitors more freedom, but they also make them more accountable and risky. A larger percentage of income comes from endorsement deals and appearance fees than from team sports, which leads to different contractual priorities and exposures. The majority of individual sports, with the exception of the most traditional team sports, do not have centralized league structures, which leads to more variation in contract terms and fewer standardized protections. Players in most sports typically have to negotiate complex networks of contracts involving multiple parties in addition to managing their own professional development.

Several current tensions in contract design are exemplified by comparing different sports and venues. More open markets can result in concentration of capital and talent, but mechanisms of competitive balance appear to have a price tag: individuals' ability to earn. More sophisticated baseline protections accompany strong collective bargaining, but compensation for stars can be limited. More contract predictability is offered while regions with strong legal systems might be less sensitive to the newness of emerging economies. These trade-offs capture the difficult balance of creating contractual systems that are both equalitarian and effective. From the analysis, underlying tensions between organizational goals, player rights, and competitive equity have not been adequately addressed by one model.

Analysis of such comparative contrasts can help to fine-tune contract systems in each sport. Elements of various models, such as the North American central collective bargaining rights, the European football mobility rights, the innovative pay schemes of Asian leagues, and the gender-based distinctions being tested in women's sport, can be synthesized to generate more balanced solutions. From this comparative analysis, the following discussion will provide suggestions that address the issues raised while maintaining the strengths of various contractual traditions. The foundation for the

development of proposals that can render sports contracts more balanced across various competitive and cultural contexts is given by this review of international practice.

IX. EMERGING CHALLENGES AND FUTURE DIRECTIONS IN SPORTS CONTRACTS

Because of new economic realities, public expectations, and technological advancements, professional sports contracts continue to change quickly. This paper examines the key contemporary concerns influencing athlete contracts and explores how future contractual frameworks might need to adapt to prevent new problems. The analysis focuses on few key areas that are changing traditional contract patterns and making athlete-team relationships more complex.

Sports contracts are now more complicated than ever thanks to digital technologies' data collection and ownership clauses. These days, most athlete contracts include terms pertaining to biometric tracking, performance data, and digital likeness rights. These days, wearable technology tracks biometric data such as sleep patterns and heart rate variability, generating useful information that teams can take control of using boilerplate contract language. New technologies like artificial intelligence and machine learning add complexity as computers examine athlete data to inform strategic choices or assess performance potential. These developments raise urgent legal concerns. Under the EU's General Data Protection Regulation (GDPR), biometric data is treated as a 'special category' of personal data, requiring explicit consent, limited purpose use, and high security standards. Similarly, the California Consumer Privacy Act (CCPA) and its amendment (CPRPA) define biometric identifiers as sensitive personal information, requiring disclosures, opt-outs, and protective processing obligations for covered businesses. These laws apply directly to clubs and leagues collecting athlete data in

Europe and California, respectively, and impose enforceable obligations such as notice, consent, and deletion rights.²⁸

With the rise of social media and personal branding, the sponsorship era has changed, and new contractual issues have arisen. Modern players' direct communication with sponsors and fans via new media is undermining exclusivity clauses in traditional team contracts. Organizations are requesting more control over athletes' use of social media as part of standard contracts in an effort to preserve brand image and capitalize on online interaction. By blurring the boundaries between personal expression and professional accountability, increased influencer marketing has led to content ownership and permitted partnership conflicts. Contracts now include complex social media policies, sponsorship conflict clauses, and online conduct guidelines because of the increased monetary value of an athlete's online presence.

As public attitudes toward athlete advocacy and personal expression change, so do conduct clauses and morality rules. Over the past few decades, contract provisions that limit athletes' ability to express their opinions on social and political issues have come under increased scrutiny. Traditional morality clauses are being reexamined for possible subjectivity and bias. Teams can terminate contracts for actions that harm the organization's reputation thanks to these clauses. The new athlete empowerment movement has challenged overly broad conduct rules that historically repressed personal identification or political expression. Progressive leagues have started to create more sophisticated strategies for striking a balance between organizational risk management and athlete autonomy, even though there are still big differences between sports and geographical areas.

²⁸ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation) [2016] OJ L119/1

The globalization of the sports labor markets has brought up new contractual concerns about cross-border contracts and regulatory harmonization. Players perform in different jurisdictions throughout their careers, navigating conflicting employment regulations and contract regimes. Different tax laws, visa requirements, and labor laws complicate international contracts and put mobile professionals at risk. While some locations have made a name for themselves by luring top players with generous contract terms, others exploit legal loopholes to impose restrictive terms on players. Due to the lack of consistent international standards for contract enforcement and dispute resolution, the majority of parties are left vulnerable when cross-border agreements fail. Among the new solutions are model contract forms provided by international player associations and standardized arbitration regimes.

The COVID-19 pandemic exposed the inadequacy of standard force majeure clauses. Many contracts lacked specific language addressing pandemics or public health crises, leaving athletes vulnerable. In Major League Soccer (MLS), players faced unilateral wage cut proposals in 2020 because the collective bargaining agreement (CBA) lacked pandemic-specific provisions.²⁹ In contrast, the NBA's CBA contained an epidemic clause that allowed prorated pay deductions; players ultimately agreed to a phased 25% reduction. The NFL had no comparable clause and addressed player opt-outs via new protocols, including stipends of \$350,000 for high-risk players. These cases demonstrate how pre-pandemic contracts failed to anticipate such crises and prompted legal reforms to force majeure provisions in player agreements.³⁰

A wide range of prevailing themes will influence the sport contract of the future. The growing influence of athlete and specialist representative groups is likely to result in a rebalancing of negotiating power in various areas of the sport. Technological innovation particularly blockchain and smart contracts is reshaping the administration of rights and compensation. The NBA's Top Shot platform (developed with Dapper Labs) uses

²⁹ Jeff Carlisle, 'MLS Proposes 20 Percent Pay Cut to Players' Association' *ESPN* (23 May 2020)

³⁰ Andrew Brandt, 'How NFL Players and Teams Are Navigating COVID Opt-Outs' *Sports Illustrated*

blockchain to tokenize highlight videos, automatically transferring ownership and royalties.³¹ Juventus issued blockchain-based Fan Tokens on Socios.com to allow fans to vote on club matters. FIFA launched “FIFA Collect,” its official NFT platform. These examples reflect a growing shift toward automated and secure digital contracts in sports, enabling dynamic and transparent control over licensing and engagement.³² As a result of growing pressure from lawmakers and labor regulators, standard minimum protections will be applied in more jurisdictions. Perhaps most importantly, new leagues and a greater professionalization of women's sport will require contract structures that allow for long-term career pathways away from elite events.

These new difficulties demonstrate that rather than being inflexible documents, sports contracts should become dynamic templates that adapt to changes in the economy, society, and technology. If organizations create more adaptable, player-focused contract models, they will probably have a competitive edge in luring and keeping athletes. However, templates that adhere to conventional, one-way contract models are likely to exacerbate conflict and harm their reputation. These will be included in the last section to provide guidance on doable suggestions for developing more flexible and equitable contract models in professional sports.

X. PATHWAYS TO REFORM - CREATING EQUITABLE CONTRACT SYSTEMS IN PROFESSIONAL SPORTS

In order to reframe professional sports contracts into more equitable, sustainable forms, systemic reforms are necessary to address the systemic disequilibrium and related issues this study uncovered. In four areas—structural redesign, empowering players, regulatory innovation, and cultural change—this chapter provides workable solutions. Together, they can restore power dynamics without compromising the useful advantages of standardization.

³¹ NBA, ‘NBA Top Shot’ (Dapper Labs, 2019)

³² Logan Hitchcock, ‘FIFA Collect NFT Platform Will Dump Algorand for Its Own Chain’ *Decrypt* (30 April 2025)

When redesigning the core of a contract architecture, flexibility and consistency should be given equal weight. The current "take-it-or-leave-it" approach must be changed to a tiered system with sufficient room for negotiation depending on career stage and market value. To guarantee that early-career players receive a portion of their increasing value, rookie contracts could include automatic adjust clauses linked to performance indicators. Mid-career professionals need stronger safeguards against capricious termination, especially when it comes to non-performance-related matters like coaching relationships or roster transfers. For veteran players, more deliberate succession planning provisions that take career stages into account are required. All contracts must use modular design,³³ which codifies fundamental safeguards while offering adaptable elements for exceptional circumstances. This approach preserves administrative efficiency with respect to how athletes' needs change throughout their careers.

In practice, modular contracting can be implemented via template clauses and optional addenda. For instance, developers of blockchain applications design contracts in components: Ethereum's so-called "Diamond Standard" allows contracts to be "modularized and efficiently upgraded" by swapping out logic modules.³⁴ Legal scholars similarly note that modular contracts let parties "make changes to a single part without disturbing the rest of the system".³⁵ By analogy, leagues could establish core contract templates with required baseline clauses (minimum pay, insurance, safety) and attachable "modules" for negotiable terms (performance bonuses, data/privacy provisions, etc.). Such tiered designs echo practices in other sectors (for example, tech firms use plugin-architecture software licenses, and entertainment guilds offer standard form contracts with riders).

³³ Richard H McLaren, 'Reforming Sports Contracts' (2017) 28 *Marquette Sports Law Review* 1, 17-18

³⁴ QuickNode, 'The Diamond Standard (EIP-2535) Explained - Part 1' (18 March 2025)

³⁵ Preethi Kakade, 'A Contractual Relationship with Environmental Justice' (2023) 73 *American University Law Review* 343, 384-85

Building player representation and collective bargaining is still required for structural change. Particularly in less developed areas and new leagues, independent, competent player associations with legal and bargaining expertise are required. Web-based software can make contract literacy education more accessible by assisting players of all skill levels in understanding terms and identifying unfavorable conditions. In contrast to traditional agents, the rise of specialized contract advocates in sports could provide tailored assistance when negotiating intricate contracts. By using collective licensing systems for group image rights, similar to those used in the entertainment sector, players can keep control over their commercial value. These empowerment initiatives must specifically target marginalized groups, like women players and players in developing nations, to prevent the benefits of change from going to established stars.

Regulation can be used to enforce baseline protections without inhibiting contract creativity. Minimum standards for general areas like health coverage, data privacy, and fair process in disputes can be mandated by legislators and sports authorities. "Contract fairness certifications" run by impartial third parties can filter contracts for well-known fairness principles. Force majeure clauses must follow pre-established templates that more evenly divide risks between businesses and participants. Jurisdictions must close the gaps that allow offshore contracting to get around local labor laws. International federations can develop model contract templates for international sports that allow for regional variation while offering the bare minimum of athlete protection, much like global labor standards must be followed in other sectors.

Sporting organizations must undergo a cultural transformation in addition to structural and regulatory reform. It is necessary to reframe contracts as long-term partnership agreements rather than risk management techniques. This entails combating compliance attitudes and embracing athlete development as a shared investment. Clear explanations of terms and their implications must be provided, and transparency must take precedence over contract negotiation procedures. Teams and leagues seeking more balanced processes frequently find unintended benefits like athlete loyalty, reputation,

and organizational stability – factors that can be measured and promoted as competitive advantages. The emerging voice movement among athletes provides a forum for co-designing contract systems with genuine collaboration, as opposed to using adversarial negotiating.

Before reforms can be implemented, a number of practical obstacles must be resolved. One significant obstacle is the disparity in collective bargaining power among players: in leagues with strong unions (e.g. most major U.S. sports) key contract terms are set through collective agreements, whereas in many other sports players often lack a unified voice. For example, rugby in New Zealand has a well-established players' association (NZRPA) that bargains collectively, whereas sports like Formula One and MMA remain highly individualised.³⁶ For instance, U.S. labor law mandates good-faith bargaining over wages and conditions for unionized leagues, explaining why MLB's Players Association has historically blocked a league-wide salary cap. Similarly, UK labor law required that the Professional Footballers' Association be consulted on a proposed Premier League salary cap. Likewise, globally there is no single players' union: FIFPro defers to national associations, so FIFA/UEFA cannot impose uniform contract limits across all leagues.³⁷ Some sports see new unions emerging: for example, the United States' National Women's Soccer League Players Association recently negotiated "full free agency" and eliminated the draft, a breakthrough first in American sports.³⁸

Adoption processes must be phased because beneficiaries of existing inequalities may oppose them, which could slow down the process. There is no one-size-fits-all solution because sports ecosystems are so varied; instead, reforms must be tailored to fit various economic models, cultural norms, and developmental stages. The effects of reforms will need to be assessed using new metrics that go beyond financial ones, like career length, post-retirement paths, and mental health. With the help of technologies like blockchain-

³⁶ Daniel Pannett, 'Collective Bargaining in Sport: Challenges and Benefits' (LLM thesis, University College London 2016)

³⁷ 'Is it time for a Global Labor Agreement for Professional Soccer Players?' *Fordham International Law Journal Online* (2023)

³⁸ 'Why NWSLPA's collective bargaining agreement with league is historic' *FIFPro* (23 September 2024)

based smart contracts, some fairness checks will eventually be automated and reasonably priced.

Instead of abandoning standards or leaving things as they are, the future lies in rethinking what equitable standardization can achieve. Future contracts must be adaptable instruments that respond to changing circumstances, divide risks and rewards equitably, and balance the interests of the organization and the athletes' well-being. By addressing power disparities at their root causes rather than just their symptoms, the sports industry can develop contract templates that optimize and avoid abusing the human capital at its core. Such a shift is not only morally required but also a wise move, as the value of sports assets is becoming more and more reliant on real athlete engagement and long-term career environments. Under this comprehensive reform model, stakeholders in the sports industry, including leagues, clubs, player associations, lawmakers, and players themselves, have tangible tools at their disposal to change contract clauses. The final chapter will incorporate the suggestions into a comprehensive vision of future sports contracts in which equity and efficiency serve complementary goals rather than conflicting ones.

XI. CONCLUSION - TOWARD A NEW PARADIGM IN SPORTS CONTRACTING

The complicated world of professional sports contracts has been thoroughly examined in this study, which has also mapped out the promising avenues for significant reform while exposing the structural inequities of the current framework. The analysis demonstrates that, despite their usefulness, standardized contracts have far too frequently served as tools of institutional dominance rather than as an example of a just partnership. The same patterns of repetition can be observed in leagues, sports, and geographical areas: institutionalized concentration of bargaining power, marginalization of athletes who are vulnerable, and inability to adjust to changing social and technological contexts. However, there is a lot of room to reconsider the conditions under which sports contracts can be used as tools for mutual rather than exclusive advantage for one party.

Change is demanded for practical reasons as well as ethical ones. Organizations that implement more equitable contract practices will benefit from increased recruitment, retention, and brand value as the global sports market becomes more competitive for talent and public loyalty. Pressure and incentives for change are created by the rise of athlete empowerment movements and heightened public awareness of labor practices in sports. Money redistribution is just one aspect of reform; another is creating structures that view athletes as stakeholders rather than commodities, which will eventually improve the sports system as a whole. The study's recommendations, which range from modular contract designs to stronger collective bargaining mechanisms, provide tangible steps in that direction while taking into account the diverse demands of different markets and sports.

In the future, sports contract design needs to adapt to three fundamental shifts that are changing the industry. New frameworks for handling player data and virtual identities are necessary in light of the digital revolution. Harmonized standards that safeguard migrant professionals without stifling competitive markets are necessary as a result of globalization. Above all, the new social contract between players and organizations calls for agreements that respect both professional commitment and individual freedom. Leagues should establish and enforce equitable contract standards; clubs should implement these standards by promoting fair policies and athlete welfare; player associations must vigorously advocate for members' rights and negotiate improvements through collective bargaining; and players themselves should stay informed and actively engage in advocating for their interests. Only through such coordinated action can these envisioned reforms be effectively achieved.

Future research should build on the findings of this study by investigating both empirical and legal dimensions of sports contracting. Empirical studies could quantitatively measure how proposed reforms affect player outcomes, salary equity, and career longevity across different sports and regions. For example, surveys and longitudinal analyses of athlete experiences under new contractual arrangements would yield

valuable data on the effectiveness of modular contract designs and enhanced negotiation frameworks. Comparative legal research is also needed to evaluate how diverse regulatory environments and international labor laws influence contract fairness, especially in emerging sports markets and developing regions. Further scholarship should explore novel issues at the intersection of technology and law, such as the regulation of biometric data usage, virtual player identities, and the implications of blockchain-based contracts in sports. By addressing these areas, future studies can provide the empirical evidence and legal insights necessary to refine and implement the paradigm shift envisioned in this paper.

According to this research, sports contracting's future lies in striking a balance between two forces that appear to be mutually exclusive: the flexibility required to accommodate individual circumstances and the standardization required to facilitate large-scale operations. In an effort to strike a balance, the suggested solutions included tiered negotiation realms, responsive performance modifications, and improved transparency practices. With this kind of reform, the sports industry can create human-centered and administratively effective contract systems that can support the next stage of athletic competition while respecting the rights and dignity of those who enable it.

The vision put forth here is one of thoughtful evolution rather than revolutionary change, one that boldly confronts what does not work while preserving what does. Professional sports' contract structures have deep significance that goes well beyond the field of play as they become a more powerful force in global culture and business. They determine health outcomes, create career pathways, and convey strong messages about priorities and values. Contracting rights are essential to the integrity of sports as well as the sport's business. Achieving more equitable and sustainable models of sports contracting depends on stakeholders' willingness to implement change. It begins with recognizing both the necessity of reform and a sense of optimism, acknowledging the work that needs to be done. Ultimately, realizing these reforms depends on stakeholders' collective commitment to implement the proposed reform playbook.

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