

## Sports Group of the Year: Covington & Burling

By Zachary Zagger

*Law360, New York (January 15, 2016, 9:04 PM ET)* -- The Covington & Burling LLP sports group continued its representation of longtime client the NFL over the past year, guiding the league through several major issues including helping it score a major victory in a suit by the players union that had alleged the league colluded to suppress player salaries during the uncapped 2010 season, helping the Covington team earn a spot as one of Law360's Sports Groups of the Year.



With over 50 attorneys working on sports full time, mostly in Washington D.C., but also in New York and around the globe, Covington over the past couple decades has really expanded its sports practice from its beginnings as the go-to firm for the NFL. The firm has deepened its relationship with the other major North American sports leagues and increased its representation of teams and owners around the world handling everything from antitrust litigation to regulatory and tax advice to financings and other deals.

"I do think our group is one of the few groups that really does have a broad swath of lawyers working full time on sports," Covington sports partner Peter Zern told Law360. "It really does put us in a unique position to cover the industry in a way that I don't think many of our competitors can."

The past year has been no different for Covington. The firm guided the NFL in defending allegations from the National Football League Players Association that the league had colluded to keep NFL player salaries low during the 2010 season, which was played without a salary cap.

In September, U.S. District Judge Michael J. Davis sided with the NFL, ruling that the NFLPA did not show "clear and convincing evidence" that the league engaged in fraud or other misconduct. The union had alleged that it was forced to sign a 2011 agreement under false pretenses barring it from bringing certain antitrust claims, but Judge Davis said the union did not meet its "heavy burden."

The league was facing serious damages in the suit, but Covington partner Gregg Levy, one of the lead attorneys in the sports practice, said that more importantly, the final ruling took away leverage the

NFLPA had been hanging over the league's head on other issues.

"More than anything else, it is a sort of finality," Levy said. "Because the pendency of that claim, the union believed at least, it gave it leverage in terms of dealing with the NFL on other issues. If successful, there would have had to have been a check written, but more to the point, the leverage that the union thought that suit provided, we heard about all the time when dealing with other issues. Now that leverage is gone."

Showcasing the firm's other league work, it advised the National Hockey League in a blockbuster \$1.2 billion licensing deal with MLB Advanced Media LP, the media arm of Major League Baseball, giving it the right to distribute the NHL's out-of-market packages on television and online as well as the right to arrange for NHL Network carriage and operation of NHL.com.

"It was obviously pretty unique in the sense that you had the NHL essentially giving a broad set of rights to the licensing arm of one of the other major sports leagues," Zern said, adding that it made "it a pretty interesting set of negotiations with the back-and-forth of what can [MLB Advanced Media] do and what can the NHL approve and what can't they approve."

With its team-side work, the firm defended the San Francisco 49ers in an antitrust suit against the team and Ticketmaster alleging they harmed competition among ticket resale websites by restricting fans' access to their own tickets until shortly before game day. The NFL and Ticketmaster filed motions to dismiss last month, but the plaintiff voluntarily dropped the suit this week.

Still, the Covington sports group continued to make its mark representing the NFL in several ongoing issues over the past year, including defending it in antitrust multidistrict litigation challenging the exclusivity of its television deal with DirecTV to offer what it calls the "NFL Sunday Ticket" package. The firm actually also represented the NFL in renewing that reported \$1.5 billion-a-year deal in October 2014.

The NFL had pushed for centralizing the cases in the Central District of California, which the Judicial Panel on Multidistrict Litigation granted last month.

The cases "are getting geared up and I expect that in the coming year that has the potential to be a very substantial and highly-visible case," Levy said, noting the plaintiffs are pushing for what "would be a fundamental change in the way that the NFL has done business in the past."

The firm also advised the league regarding the ongoing Los Angeles franchise relocation issue, helped it reach a one-year broadcast deal with CBS for its Thursday Night Football games in January 2015, as well as help it defend a class action of several former NFL players over the administration of painkillers by team doctors and trainers.

The Los Angeles relocation issue came to a head in this week with the NFL owners approving the St. Louis Rams' bid to move to the City of Angels. The owners further granted the San Diego Chargers an option to join the Rams in a shared stadium being built by Rams owner Stan Kroenke.

The Raiders had also sought an L.A. move, but the league said that it and the Chargers could also receive \$100 million to go toward stadiums in their home markets if they choose to stay.

"It reflects the fact that the league values stability and maintaining existing relationships when it can,"

Levy said. "What we have here is from the league's perspective, the stadium situations in each of the three communities were basically unacceptable and unsatisfactory from a whole host of respects. But each stadium had its own issues, and even the communities acknowledged that the stadiums were ineffective."

The work on relocation really required a broad swath of attorneys from Covington's various practices to look at all the issues with the new and old stadiums, as well as dozens of other considerations, showcasing the breadth of the firm's industry group.

"It would be hard to find a place that has a better platform for growth," Zern said.

--Additional reporting by Benjamin Horney, Jeff Zalesin, Linda Chiem and John Kennedy. Editing by Patricia K. Cole.

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