

Sports Group Of The Year: Covington

By Rick Archer

Law360 (February 19, 2019, 6:55 PM EST) -- From helping some of the biggest organizations in U.S. sports deal with high-profile controversies to aiding in the formation of brand-new organizations dedicated to brand-new sports, Covington & Burling LLP's activities over the past year have won it a spot as one of Law360's 2018 Sports Practice Groups of the Year.

Over the past year, the firm has advised the U.S. Olympic Committee on matters ranging from Los Angeles' successful bid for the games to sensitive matters involving allegations of sexual abuse of athletes, represented the National Football League in high-profile labor disputes and litigation related to its concussion settlement and worked with the National Hockey League as it expands into China.

"One of the defining aspects of our practice is, every year we do the kind of high-profile matters that, taken individually, would be seen as a pretty big deal," partner Derek Ludwin said.

Covington's high-profile work has included representing the U.S. Olympic Committee. Over the course of the year, the firm won dismissal of an antitrust suit against the committee and USA Track & Field that the committee said would have imperiled its ability to raise sponsorship revenues by overturning its advertising restrictions, and advised the committee in its successful attempt to bring the 2028 Summer Games to Los Angeles.

The firm has also advised and represented the USOC in the litigation and congressional investigations that sprang from multiple allegations of sexual abuse, including those against former gymnastics doctor Larry Nassar, made by current and former Olympic athletes.

"That's obviously a very high-profile and sensitive matter," partner Peter Zern said. "It's drawn on a lot of different lawyers from a lot of different practices."

Over the course of the year, Covington has represented the NFL in collective bargaining proceedings initiated by players Colin Kaepernick and Eric Reid alleging the league and its clubs are boycotting their services, as well as a New York state court suit over insurance coverage for the league's landmark concussion settlement, and successfully defended the league against an antitrust MDL challenging its television distribution agreements.



In less traditional sports, the firm worked with the National Basketball Association to launch a joint venture esports league for the "NBA2K" video game. It has also advised video game publisher Activision Blizzard in the formation of a global professional league for its "Overwatch" game and Riot Games in organizing a league for its "League of Legends" game.

The attorneys said esports leagues present challenges not found in traditional sports, such as intellectual property rights issues.

"You've got a game publisher involved that you don't have in traditional stick and ball sports," Zern said.

He added that the international nature of the sport also poses a challenge.

"Esports is global from the get-go," he said.

Another global matter the firm took on this year was an effort coordinated between Covington's U.S. and Chinese offices to advise the NHL on its push to expand its presence in China in the lead-up to the 2022 Winter Olympics in Beijing.

Partner Jeremy Spector said this was an example of both the depth and breadth of coverage the firm provides, saying it began with a tax planning question from the NHL and grew into advising the league on all aspects of the venture, from sponsorship and employment agreements to real estate matters, corporate governance and regulatory issues.

"One of the things we pride ourselves on is being embedded within the business," he said.

The attorneys said they expect to see a lot of work related to sports gambling in the coming year.

"I think sports betting is very high on everyone's lists," Zern said.

The businesses scrambling to take advantage of May's U.S. Supreme Court ruling striking down the federal law barring sports gambling operations have IP, antitrust and cross-border tax issues to deal with, along with current and proposed state and federal regulations.

"I think what's neat about our practice is we touch on all of these issues," Zern said.

"These trends are going to keep our whole practice busy," Ludwin said.

--Editing by Marygrace Murphy.