

Sports & Betting Group Of The Year: Covington

By **Zachary Zagger**

Law360 (February 11, 2022, 2:01 PM EST) -- Covington & Burling LLP guided the NFL and NHL to new multibillion-dollar broadcast rights deals in 2021 that included the return of the NHL to ESPN and ABC for the first time in nearly 20 years, earning it a spot as one of Law360's 2021 Sports & Betting Groups of the Year.

The firm once in 2021 represented the NFL, NHL and NBA in a range of significant matters, from major television and media right deals to sports betting partnerships to handling high-stakes litigation.

In March, the firm acted as lead counsel to the NFL in reaching its new long-term media rights deals with CBS, ESPN/ABC, FOX and NBC, in addition to Amazon, to distribute NFL games on television and digital platforms from 2023 to 2033. The package is reportedly valued at as much as \$110 billion over the course of the agreements, reflecting the continued popularity of the league.

Covington lawyers also guided the NHL in negotiating two new seven-year media rights deals to expand the league's presence on cable and through online streaming, leaving behind longtime partner NBC in the process.

"For the NHL, we have done their media rights for a long time," Covington sports partner Peter Zern said. "We know that league and its issues very well and have worked with a longstanding group of executives and lawyers at the NHL, all of whom have focused on media rights over time."

"It is another one where we got a phone call on a Friday and a had a term sheet basically done by Monday," he added.

The first NHL deal with ESPN in March, reportedly valued at \$2.8 billion, brought the hockey league back to the "worldwide leader in sports" for the first time since 2004 and gave ESPN+, the network's streaming service, the out-of-market games streaming package. In July, Turner Sports stepped in for a secondary cable package reportedly valued at \$225 million per year.

The deals highlighted the sports practice group's ability to not only "roll up their sleeves" and get the job done, but also its ability to work seamlessly across all the different parts of such a complicated transaction, Zern said.



"I think we are able to work across both traditional media, digital media and new media-related distribution paths in a way that is, hopefully, very beneficial to our clients," Zern said.

Covington also advised the Arizona Cardinals in a deal with BetMGM **announced in August** to build a physical sportsbook at the team's home venue, State Farm Stadium. The sportsbook is set to open before the 2022 season and will be the first retail sportsbook in operation inside an NFL stadium.

The deal showcases how the sports practice is evolving as sports betting becomes legalized across the U.S. to provide clients on both the transactional side, including media deals and sponsorships, and the gambling side, which is regulatory and policy work in nature, in one complete package.

"There was a time when those things were independent practices," Covington partner Jeremy Spector said. "I think where the sports world is moving now is that they are not only overlapping, but in a short time, they are going to be the same thing. The betting/gambling practice is going to be part and parcel of the sports practice, so we are combining all of that for our clients."

To that end, the firm in November added Sandra Douglass Morgan, the former chairwoman of the Nevada Gaming Control Board, to lend her litigation and regulatory expertise to the firm's gaming and sports betting practice.

On the litigation side, the firm also represented the NFL in high-stakes litigation over the league-approved relocation of the Raiders from Oakland, California, to Las Vegas. As part of a series of lawsuits over the move, the city of Oakland had alleged that the NFL had violated its own relocation policy, which the city said it was entitled to enforce as a third-party beneficiary.

But a California judge in April tossed Oakland's claims against the NFL, finding that the city had not sufficiently purported a breach of contract and did not have third-party beneficiary standing to sue. The NFL later won at the Ninth Circuit in a related suit over the Raiders' move.

"We have had the privilege of working on some of the most high-profile litigation matters for not only the NFL but other leagues and their teams," said Covington sports and litigation partner Neema Sahni. "When you think about some of the most impactful litigation that the NFL has been grappling with over the last few years, this is at the top of the list."

The victory for the Raiders in California state court was huge for the NFL, as a suit over the Rams' move from St. Louis to Los Angeles overcame a motion to dismiss in Missouri state court and was eventually settled for a whopping \$790 million.

"That is sort of the trademark of Covington litigation, bringing to bear our substantive expertise, whether antitrust or regulatory or policy issues, and coupling that with a broad bench of commercial litigators who know how to win cases," Sahni said.

--Editing by Steven Edelstone.