

## Sports & Betting Group Of The Year: Covington

By Jade Martinez-Pogue

*Law360 (March 7, 2023, 2:02 PM EST)* -- Covington & Burling LLP represented Major League Soccer in a groundbreaking 10-year media rights agreement with Apple, and advised FIFA on aspects of bringing the 2026 men's World Cup to North America for the first time in more than 30 years, earning the firm a spot among Law360's 2022 Sports & Betting Groups of the Year.

Covington's sports practice has a long and deep history, spanning across practice groups "in a way that maybe one other firm in the country does, but not two," said Peter Zern, co-chair of the sports practice.

The practice is unique in the sense that the people who do sports work have expertise not only in the sports industry, but also in their substantive practice areas — whether it's corporate, privacy, tax, etc. — as well, added Jeremy Spector, also co-chair of Covington's sports practice.

Covington has approximately 80 lawyers primarily based in Washington, D.C., New York and Los Angeles who dedicate all or a "meaningful part" of their time to the sports practice.

The practice group's steady expansion over time has been driven by changing industry trends, Zern said. For example, he noted that the group has an "industry-leading" e-sports practice that "certainly didn't exist two decades ago," pointing out that there are more tech transactions than there used to be with the growth of online sports betting.

"What we've seen is that as the universe of things that touch on sports has expanded, there has been an expansion within our group," Zern said.

The history-making Major League Soccer media rights deal with Apple is one example of how the industry could potentially see more professional sports steering toward partnerships with digital streaming services, Zern said. Covington acted as the lead counsel advising MLS.

The deal, finalized and announced in November, represents the first time that a major U.S. sports league licensed all of its games without blackouts to a digital streaming service.

"MLS has done a lot of work to make sure that all of their rights, both local and national, came up at the



same time, so they were free to be licensed at the same time," Zern said. "So what they've got is really a very unique proposition for the marketplace in the sense that it's one-stop shopping for a soccer fan."

The deal will see all MLS and Leagues Cup matches, plus a number of matches from MLS Next Pro and MLS Next, the league's new development league and youth league, respectively, through Apple platforms. It also includes a new MLS subscription service available to all Apple TV+ subscribers, a weekly live match whip-around show, game replay and analysis, and other original programming.

"Somebody who wants to view and interact with MLS content gets a subscription to the MLS subscription product, and they've got all of it," Zern said. "There's no channel surfing, there's no need to go figure out 'on Thursday night, the game's here and on Sunday night, the game's there.' It's literally all coming through Apple."

Zern said he can foresee more major sports leagues partnering with streaming services. Sports properties have effectively propped up the cable industry and now will help anchor subscription products and drive consumer growth for streaming partners, he added.

Covington's sports group also got a big win when it advised FIFA on aspects of bringing the men's World Cup to the U.S., Canada and Mexico in 2026. Covington began working with the Switzerland-based FIFA, the world governing body of soccer, in early 2022, just as the 2022 men's World Cup was on the horizon.

"It's such a massive event, it's the single largest viewed event in the world, and so you have to start planning five years in advance," Spector said. "You have tax issues, you have corporate law issues, you have intellectual property issues, real estate issues, employment issues, and then all of that gets complicated further by the fact that you're dealing with four different countries."

Covington acted as U.S. counsel to provide FIFA tax, corporate, governance and intellectual property advice about hosting and operating the tournament, but the firm had to navigate all sorts of commercial activity and legal agreements crossing Canada and Mexico, the other two host countries of the 2026 tournament, and Switzerland, Spector said.

"When we think about how to address a tax issue related to a stadium in the U.S., we have to talk to Canadian, Mexican and Swiss advisers about what the ramifications might be in those countries," he said. "It is a lot of moving pieces, but because we have this single team that works across all these borders, and because at Covington, we cover so many practice groups within the sports industry, we are well-equipped within the firm to really take a lead on all of that for the client."

--Editing by Steven Edelstone.