

Sports & Betting Group Of The Year: Skadden

By Ryan Boysen

Law360 (March 8, 2023, 2:02 PM EST) -- Skadden Arps Slate Meagher & Flom LLP handled a slew of headline-grabbing cases last year, securing an early win in what's sure to be a blockbuster standoff between the PGA Tour and LIV Golf, defeating a proposed class action targeting online sportsbook FanDuel and facilitating several big deals, earning it a spot among Law360's 2022 Sports Groups of the Year.

Skadden's sports group is really more of an "initiative" than a dedicated practice group, says co-head Anthony J. Dreyer. That means when sports-related cases and deals crop up, the firm draws from a pool of sports savvy attorneys who are also specialists in other areas.

Dreyer, for instance, is a partner in Skadden's intellectual property litigation group. Meanwhile, his fellow sports co-head, Karen M. Lent, is an antitrust partner.

"There's not really a freestanding sports group within the firm," Dreyer says. "Instead we pull from all the departments that intersect with sports matters on a case-by-case basis."

Lent echoes that point, saying, "there's not really such a thing as a 'sports lawyer.'"

"To do this work, you need to have subject area expertise first and foremost," Lent said. "If the client has a complex [mergers and acquisitions] deal, they want the best possible M&A attorney working on it."

Of course, it helps if that hypothetical M&A attorney has also handled a few sports deals before, which is exactly the type of synergy Skadden's sports group exists to provide.

Skadden has more than 1,650 attorneys in total, roughly 325 of them partners.

Currently, there are roughly 30 partners and a dozen associates working on sports-related matters at Skadden, which is roughly in line with other groups like IP or antitrust. Only Skadden's M&A and general litigation groups are much bigger.

"It's an important and growing practice for the firm," Dreyer says.

One case Dreyer and Lent's team handled last year is the nascent clash between the PGA Tour and



upstart rival golf tour LIV Golf, which is sure to become a blockbuster going forward.

LIV Golf was created in 2021 and funded by Saudi Arabia's sovereign wealth fund. The new tour quickly drew headlines for offering eye-popping signing bonuses, as well as accusations that the Middle East kingdom was trying to "sportswash" its public image in the wake of the 2018 killing of journalist and dissident Jamal Khashoggi.

The PGA Tour has long had a policy of suspending players who sign up for rival tours and events, so when three of its tour members also signed up to play with LIV Golf, they were suspended from the PGA Tour.

Those players filed suit, accusing the tour of maintaining a "vice grip on professional golf" by imposing unlawful participation restrictions on golfers and seeking a temporary restraining order that would erase the suspensions. Skadden's sports team successfully parried that request on behalf of the PGA Tour.

At that point many of the players dropped out of the case and LIV Golf joined in, setting the stage for an antitrust clash between two golf titans.

"It's a very interesting situation from an antitrust perspective," Lent says. "Here you have a nascent tour coming in, but it's extremely well funded. Usually you see small, upstart tours just trying to form, who argue they don't have the resources to go up against larger competitors. That's the opposite of what's happening here."

Discovery will begin in that case this year, with a trial currently set for early 2024.

Skadden also recently secured a big litigation win for FanDuel. Consumers filed a proposed class action against the betting site, claiming the company deceived its users by providing inaccurate real-time information about live sports games, but the case fell apart when an Illinois federal judge found the company had explicitly disclaimed liability for any delays in delivering up-to-date information in its terms of service.

Skadden's sports team also had a terrific year on the deal side of things.

The firm represented FaZe Clan Inc., an esports and gaming company, in a \$1 billion merger with a B. Riley Inc.-backed blank-check company. The deal valued FaZe Clan at roughly \$650 million prior to the deal and is expected to deliver about \$291 million that will be used to further grow FaZe Clan's digital sports offering and facilitate its expansion into branding, merchandise and more.

Skadden also represented the NBA in a deal that further solidified a longstanding partnership with Sportradar Group AG, a sports tech company that is the world's foremost provider of live sports data. As part of the deal, the basketball league took a 3% equity investment in Sportradar and agreed to a multiyear deal that will continue Sportradar's status as the exclusive provider of NBA data worldwide.

Dreyer says that data is used by news outlets like USA Today and many others, and is also the "lifeline" of sports gambling and fantasy sports outfits like FanDuel and many others.

Dreyer says the deal is important for several reasons.

"It illustrates a couple of different trends," Dreyer says. "The equity investment component is something

we're seeing more often, and it highlights the continued deepening of the relationships between leagues and teams on the one hand, and the sports gaming industry on the other."

Dreyer and Lent say the sports industry is doing very well, and they expect their team to continue handling a ton of major cases going forward.

"There is intense competition to broadcast sports now," Dreyer says. "It used to be that all games appeared on just the major networks — ABC, NBC, CBS or Fox. Now there's Amazon with Thursday Night Football. Apple is broadcasting games. There's more competition."

"That trend demonstrates how valuable sports teams continue to be, and I think it underscores the importance of the big-ticket representation work we do," he adds.

--Editing by Andrew Cohen.