# SPORTS LITIGATION ALERT

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## Cases

## **Court's Ruling in Pavia Could Reshape** Landscape of Collegiate Athletics

## **By** Professor Robert J. Romano, JD, LLM, St. John's University, Senior Writer

On November 11, 2024, Diego Pavia, a senior quarterback for the Vanderbilt University football team, filed for declaratory and injunctive relief against National Collegiate Athletic Association (NCAA) alleging that the governing body is in violation Section 1 of the Sherman Act.<sup>1</sup> That lawsuit, brought in the U.S. District Court, Middle District of Tennessee at Nashville, challenged NCAA Bylaws 12.8, 12.02.6, and 14.3.3 (the "JUCO Eligibility Limitation Bylaws") which, in essence, reduces the number of years former junior college football players can play Division I NCAA football after transferring to an NCAA Division I school, while at the same time unjustifiably restraining the ability of these

1 15 U.S.C. § 1

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college athletes to earn money through use of their name, image, and likeness ("NIL") connected to their work as a Division I football player.<sup>2</sup>

This 2024-25 college football season, with Pavia at the helm as quarterback, the Vanderbilt University football team has seen historic success, beating both the University of Alabama and Auburn University, and the team will be playing in a bowl game for the first time since 2018.<sup>3</sup> Because of this on-field success, it is estimated that the young Commodore gunslinger could earn is excess of \$1 million in NIL compensation next year during the 2025-26 season.<sup>4</sup> But because Pavia attended the New Mexico Military Academy for one year, a junior college that is not a member institution of the NCAA, he was able to capitalize on his and the team's success since the time he played their "counts" towards his collegiate athletic eligibility under current NCAA rules. As such, Pavia sought with the District Court a preliminary injunction precluding the NCAA from enforcing the Intercollegiate Competition Rules that prohibit him from competing in football during the 2025-26 season by counting his 2021 season of junior college football as one year of intercollegiate competition, contending that such enforcement is an undue restraint on the labor market for college football players.

Per Federal Rules, Pavia's request for a preliminary injunction "is an extraordinary and drastic remedy, one that should not be granted unless the movant, by a clear showing, carries the burden of persuasion."<sup>5</sup> Therefore,

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the District Court, in deciding whether Pavia's requested should be granted per Federal Rule of Civil Procedure 65, considered the following: (1) the plaintiff's likelihood of success on the merits; (2) whether the plaintiff is likely to suffer irreparable harm absent the injunction; (3) the balance of equities; and (4) the impact of the injunction on the public interest.<sup>6</sup> In addition, the Court was mindful that while these factors are a balancing test, "even the strongest showing on the other three factors cannot eliminate the irreparable harm requirement."<sup>7</sup> Conversely, however, the Court noted, that a failure to establish a likelihood of success on the merits "is usually fatal' to a plaintiff's request for preliminary injunction."<sup>8</sup>

Upon it final analysis, the District Court determined that because of the equities involved and of the public's interest is served by promoting free and fair competition in the labor markets, that the granting the injunction was proper in the matter.9 The Court based its decision on the fact that the scope of injunctive relief sought by Pavia is narrow - to preclude the NCAA from enforcing Bylaw 12.02.6 – to allow him to play next season while this case plays out, and that the NCAA's argument that injunctive relief in this case would be a sweeping change that will "upend the Division I eligibility rules that apply across sports to over 180,000 Division I student-athletes" is overstated. In addition, the court held that enjoining the NCAA from enforcing the Intercollegiate Competition Rule as to Pavia for next season will not result in substantial harm to others or to the NCAA.<sup>10</sup>

Although this ruling by the District Court for the Middle District of Tennessee does not immediately grant the same eligibility rights to other student-athletes playing per the rules of the NCAA, it could, if upheld on appeal, set a precedent that has the potential to significantly change the college football landscape as well as other sports at the high school, junior college and college levels.

(Editor's note: The NCAA appealed the court's decision shortly after the ruling to the 6th U.S. Circuit Court of Appeals.)

- 6 Doe v. Univ. of Cincinnati, 872 F.3d 393, 399 (6th Cir. 2017).
- 7 D.T. v. Sumner Cty. Sch., 942 F.3d 324, 326-27 (6th Cir. 2019)
- 8 Gonzalez v. Nat'l Bd. of Med. Exam'rs, 225 F.3d 620, 625..
- 9 Case 3:24-cv-01336 Document 41 Filed 12/18/24 Page 19 of 25 PageID #: 1413.
- 10 Id.

<sup>2</sup> Case 3:24-cv-01336 Document 1 Filed 11/08/24

<sup>3</sup> Pavia Decl., Doc. No. 9-1 at ¶ 4.

<sup>4</sup> Id at ¶ 5.

<sup>5</sup> Enchant Christmas Light Maze & Market Ltd. v. Glowco, LLC, 958 F.3d 532, 539 (6th Cir. 2020).

## High School Student-Athlete with F-1 Visa Permitted to Play Football After Federal District Court in Utah Grants TRO

#### By Gina M. McKlveen, Esq.\*

The United States Constitution's Equal Protection L Clause embedded in the Fourteenth Amendment makes clear that "No state shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States... nor deny to any person within its jurisdiction the equal protection of the laws." Over the years, the Supreme Court of the United States has interpreted the Equal Protection Clause (hereinafter referred to as "EP clause") to apply to both citizens and noncitizens alike. See, e.g., Plyler v. Doe, 457 U.S. 202, 215, 102 S. Ct. 2382, 72 L. Ed. 2d 786 (1982). Recently, a federal court for the District of Utah, Central Division, was at the center of an alleged EP clause violation when a local high school association attempted to exclude a noncitizen student-athlete with an F-1 visa from playing on the varsity football team. See Szymakowski v. Utah High Sch. Activities Ass'n, 2024 U.S. Dist. LEXIS 189990.

#### **The Key Players**

The plaintiff to this dispute is Zachary Szymakowski, an Australian citizen who is currently a senior student at Juan Diego Catholic High School (hereinafter referred to as "Juan Diego") located in Draper, Utah. *See id* at 1. Prior to enrolling at Juan Diego, Szymakowski testified that "he researched high schools across the United States and chose Juan Diego both for the academic and athletic opportunities he could receive there, and because he wished to receive a Catholic-oriented education." *Id* at 3. Thereafter, he obtained an F-1 visa that was lawfully issued by the United States.

An F-1 visa is a non-immigrant visa (meaning "an applicant must not evince an intent to remain permanently in the United States" *Id* at 26) that allows international students to study full-time in the United States. There are application fees, issuance fees, and various forms and requirements, such as maintaining a full course of study and enrolling in a program that leads to a degree, diploma, or certificate, that must be

completed to be considered eligible for this type of visa.

During his junior year, Szymakowski "made the Juan Diego varsity football team and started as the team's punter in nine out of ten games during the 2023-2024 season." *Id* at 4. Juan Diego operates under the guidance of one the named defendants, the Utah High School Activities Association, Inc. (hereinafter referred to as "UHSAA"), "an organization that governs high school athletics and fine arts activities at 159 member



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schools." *Id.* Beginning in 2023, UHSAA heard and considered testimony from F-1 visa student-athletes who alleged mistreatment by their coaches. *See id* at 5. Then, in early 2024, UHSAA began receiving letters and emails detailing further mistreatment of international student-athletes and improper recruitment efforts, which lead to deeper investigations revealing information that some F-1 visa student-athletes were sleeping on the floor of a host family home, becoming homeless, or living on their own. *See id* at 6, 33.

"In response to concerns about the recruitment of international athletes, the UHSAA Constitution and Bylaws Committee met and determined that the rule about eligibility of F-1 student athletes should be examined." Id at 8. By late spring 2024, UHSAA adopted a rule, the Student Visa Eligibility Rule, stating that "international students on F-1 visas were only eligible for non-varsity level sports competition unless the school attended by that student opted for an independent status or forfeited its eligibility for postseason competition." Id at 2. Szymakowski, through his football coach and his international student advisor at Juan Diego, attempted to obtain an exception to the new rule; however, just before the start of the 2024-2025 football season Szymakowski earned that UHSAA denied his requested exception. See id at 11. In turn, Szymakowski, alongside his parents, obtained counsel with Foley & Lardner and asserted that the new UHSAA rule violated the Equal Protection Clause of the Fourteenth Amendment and asked the court for a preliminary injunction, or temporary restraining order (hereinafter referred to as "TRO") enjoining the rule's enforcement as it applies to Szymakowski for the remainder of his 2024 football season. See id at 11, 13.

#### **TRO Legal Standard**

A plaintiff seeking a TRO must establish (1) that he is likely to succeed on the merits, (2) that he is likely to suffer irreparable harm in the absence of preliminary relief, (3) that the balance of equities tips in his favor, and (4) that an injunction is in the public interest. *See Winter v. Nat. Res. Def. Council, Inc.*, 555 U.S. 7, 20, 129 S. Ct. 365, 172 L. Ed. 2d 249 (2008). The likelihood-of-success and irreparable-harm factors are "the most critical" in the analysis. *Nken v. Holder*, 556 U.S. 418, 434, 129 S. Ct. 1749, 173 L. Ed. 2d 550 (2009). In its order and memorandum, the district court

considered each of the TRO factors in the context of the facts presented by Szymakowski.

First, the court determined and neither the plaintiff nor the defendant disputed the fact that UHSAA is a state actor. See id at 16. Generally, a private association, such as a governing athletic organization like UHSAA, will be considered a state actor when the actions of the association form a "sufficiently close nexus" to the State, such that the association's actions may be treated as the actions of the State. See id. In this case, because UHSAA is considered a state actor it was subject to the language of the Fourteenth Amendment that reads, "No state shall... deny to any person within its jurisdiction the equal protection of the laws." See id. The court next analyzed whether Szymakowski was likely to succeed on the merits of his claim that UHSAA's Student Visa Eligibility Rule is unconstitutional because it violated the EP clause by necessarily discriminating based on a person's alienage. In its analysis, the court also reviewed the level of judicial scrutiny to apply to this type of rule.

#### **Equal Protection Clause and Level of Scrutiny**

UHSAA argued, unpersuasively, that Szymakowski was not treated any differently from similarly situated F-1 visa students. See id at 16. The court correctly critiqued this argument stating, "Courts would never find equal protection violations if they only compared an individual member of a class to other members of the same class against which the state law was alleged to discriminate." Id. Thus, the court concluded, "The rule therefore treats Mr. Szymakowski differently on the basis of his alienage." Id at 17. Several cases cited by the court, including cases decided by the Supreme Court, have found that "the Equal Protection Clause protected 'aliens as well as citizens' and held that 'all persons lawfully in this country shall abide ... on an equality of legal privileges with all citizens."" Takahashi v. Fish and Game Commission, 334 U.S. 410, 419-20, 68 S. Ct. 1138, 92 L. Ed. 1478 (1948). Other cases have ruled that "classifications by a State that are based on alienage are 'inherently suspect and subject to close judicial scrutiny." Graham v. Richardson, 403 U.S. 365, 372, 91 S. Ct. 1848, 29 L. Ed. 2d 534 (1971).

There are essentially three levels of scrutiny courts apply in reviewing the constitutionality of certain rules. The first, and lowest level of scrutiny, is rational basis review, which analyzes whether state action is rationally related to a legitimate government interest. Rules that discriminate against a person based on age are typically subject to rational basis review. The second, and middle tier, is intermediate scrutiny, which means a rule must be substantially related to an important state interest. Cases involving sexual orientation are subject to intermediate scrutiny. Finally, strict scrutiny, the highest level of review, presumes the rule is unconstitutional unless the state demonstrates that the rule is necessary to achieve a compelling state interest and the rule is narrowly tailored to achieve that interest by the least restrictive means. Rules that discriminate based on race are required to meet strict scrutiny standards.

Usually, cases involving rules that discriminate based on alienage are subject to strict scrutiny, but not always. There is a "political-function exception" that courts apply narrowly. See Bernal v. Fainter, 467 U.S. 216, 220-21, 104 S. Ct. 2312, 81 L. Ed. 2d 175 (1984). For instance, the Supreme Court applied rational basis review to state laws that excluded aliens, or noncitizens, from political and governmental functions. See Foley v. Connelie, 435 U.S. 291, 295-96, 98 S. Ct. 1067, 55 L. Ed. 2d 287 (1978) (upholding New York statute that restricted aliens from working as police officers); Ambach v. Norwick, 441 U.S. 68, 81, 99 S. Ct. 1589, 60 L. Ed. 2d 49 (1979) (agreeing that New York may prohibit aliens who are eligible for citizenship but who refuse to seek naturalization from employment as an elementary or secondary school teacher); Cabell v. Chavez. Salido, 454 U.S. 432, 447, 102 S. Ct. 735, 70 L. Ed. 2d 677 (1982) (holding that California may require probation officers to be citizens). In more recent years, the Fifth and Sixth Circuit Courts have applied rational basis review to state laws that regulate nonimmigrant aliens. See Szymakowski at 23, citing League of United Latin American Citizens (LULAC) v. Bredesen, 500 F.3d 523, 526 (6th Cir. 2007) and LeClerc v. Webb, 419 F.3d 405, 410-11 (5th Cir. 2005).

The court in the present case expressly declined to apply rational basis review, finding the restrictions placed on Szymakowski by the UHSAA's Student Visa Eligibility Rule were not related to any political or governmental functions (i.e. political-function exception does not apply) and outwardly declining to "adopt a rule whereby state law classifications that affect resident aliens are subject to the highest level of scrutiny, whereas state law classifications that affect nonresident or nonimmigrant aliens are subject to the lowest." *Id* at 23-24, 26. But rather than go all the way up the scrutiny scale to subject the rule to strict scrutiny, the court applied a heightened version of intermediate scrutiny.

To survive heightened scrutiny, a law or rule must be "substantially related to a sufficiently important government interest." Fowler v. Stitt, 104 F.4th 770, 794 (2024). UHSAA alleged that one of its important state interests was an interest in preventing the mistreatment of students on F-1 visas. See Szymakowski at 32. However, the court, again rightfully criticized this interest, calling out UHSAA's proposed solution to F-1 visa student-athlete mistreatment, barring these international students from postseason competition altogether, as "penaliz[ing] the victim of this abuse more than the perpetrator." Id at 34. A second important interest cited by UHSAA in an attempt to justify its rule was "an interest in ensuring fair competitions for high school students in Utah." Id at 32. The court poked holes in this argument also. Specially, the court acknowledged, "UHSAA has an important interest in ensuring that its member schools abide by the same set of rules. But the UHSAA also has an important interest in ensuring that all students can participate." Id at 35. While the court recognized that UHSAA has an important interest in preventing illegal recruitment practices, "UHSAA has addressed this issue with a rule relating to transfer students—but rather than applying this rule equally to both national and international transfer students, the UHSAA also adopted the Student Visa Eligibility Rule that applies only to international students." Id at 37-38.

Moreover, the court looked to other states for guidance on how their athletic associations implemented rules regarding F-1 visa student-athletes. The court found "these state athletic association rules—many of which the UHSAA reviewed in crafting its policy limiting F-1 visa students' participation in athletics provide less restrictive regimes to achieve the school district's stated goal to ensure international students' well-being and discourage inappropriate recruiting activities." *Id* at 46. Because UHSAA's Student Visa Eligibility Rule did not use the least restrictive means to accomplish its stated interest it failed to satisfy the heighted level of intermediate scrutiny applied by the court in this case. As a result, the court found the rule violated the EP clause.

#### **Supremacy Clause Also Examined**

In addition to analyzing the EP clause to assess the merits of Szymakowski's case, the court also examined the Supremacy clause. This clause is another principle established in the U.S. Constitution that essentially outlines the order of legal precedence in our county's judicial system. The Constitution and other federal laws are considered the supreme law of the land and will take precedence over any conflicting state laws. In this instance, the court determined "[w]hile F-1 visa holders are subject to many restrictions, it is for Congress and not the UHSAA to impose those restrictions." Id at 46. According to the court, "Athletics is not the only field in which high schools compete with each other, and the court is wary of rules that deny opportunities to one class of students but not another on the grounds of the student's immigrant status—a determination that is more appropriately regulated by Congress." Id at 47.

Based on the application of both the EP clause and the Supremacy clause to the facts, the court ultimately found Szymakowski demonstrated a substantial likelihood that he will succeed on the merits of his claim.

## Proving the Remaining Elements of Requested TRO

Because the court has found a substantial likelihood that the Student Visa Eligibility Rule poses an ongoing violation of Szymakowski's rights under the Equal Protection Clause, the court similarly found that Szymakowski made a strong showing of irreparable harm. In reaching this decision the court wrote, "the evidence demonstrates that Mr. Szymakowski's failure to compete with his high school football team at the varsity level could affect his chances of admission to American universities... Mr. Szymakowski's missed opportunity to play tonight be made up elsewhere at a later date. For Mr. Szymakowski, his varsity season is fleeting-he is a senior with just one game left in the regular season. Tonight's game and any postseason play are the last opportunities for Mr. Szymakowski to impress scouts in this singularly critical way." Id at 48, 50. The court recognized the value in extracurricular activities, "including the right to participate in high school varsity football," and a loss of his opportunity to play and potential loss of college opportunities, according to this court, "constitutes irreparable harm." *Id* at 50, 51.

Despite UHSAA's arguments that it would be harmed by the TRO, the court was once more, not persuaded.

Regarding the public interest, the court determined the public is "best served by a decision that upholds the equal protection of the laws to all persons who are lawfully within the state's jurisdiction." Solidifying the constitutional principle that equal protection means equal for all.

#### The Ruling on the Field

In reaching its ruling, the Utah District Court concluded there is a strong likelihood that UHSAA Student Visa Eligibility Rule is unconstitutional. The court granted Szymakowski's request for a TRO, allowing him to play in Juan Diego's final game of the 2024-2025 regular season without forfeiting Juan Diego's eligibility for postseason play. Finally, the court enjoined UHSAA from enforcing of the Student Visa Eligibility Rule only as it applies to Szymakowski.

This case is a textbook-worthy lesson about the American value of equality for all in action.

Gina is a licensed attorney in Maryland, New York, and Pennsylvania. Her practice and experience ranges from handling civil and criminal domestic violence cases, involvement in personal injury and product liability lawsuits, and instruction in the areas of sports, entertainment, and art law. She is a first-generation law school graduate and alumna of The George Washington University Law School.

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## EU Ruling Against FIFA Transfer Fees Obvious To American Sports Lawyers

#### By Christopher R. Deubert, Senior Writer

In an October 4, 2024 decision, the Court of Justice of the European Union, the EU's top court, ruled that certain of FIFA's rules requiring compensation to be paid to a player's former club when the player changes team violate EU law. The Court found that the rules unreasonably "impede the free movement of professional footballers" and unreasonably restrain crossborder competition. American courts reached the same conclusion as to similar restraints imposed by its sports leagues decades ago.

#### The Lassana Diarra Case

The underlying case concerns Lassana Diarra, a nowretired French player. Diarra played for Russian club Lokomotiv Moscow in 2013-14. After a dispute with Lokomotiv, Diarra's contract was terminated. He was then reportedly in negotiations to play for the Belgian club Charleroi. However, Diarra claims that the negotiations were unsuccessful because Charleroi believed it would have to pay compensation to Lokomotiv under FIFA's Regulations on the Status and Transfer of Players. Those regulations require clubs that sign or acquire players to pay compensation to the players' prior teams depending on various factors, such as the costs involved in in training the player and the players' age and contract status. These payments, referred to as training or solidarity compensation payments, are intended to compensate teams for the costs associated with developing players and can be in the millions of dollars.

Diarra sat out the 2014-15 season and eventually commenced the litigation which has now successfully challenged FIFA's rules.

#### The NFL's Rozelle Rule

FIFA's rules are not new in their design. In 1963, the NFL implemented the Rozelle Rule. The Rule, named for then-NFL Commissioner Pete Rozelle, was a unilaterally imposed rule whereby players could sign with other teams upon the expiration of the contract, but the Commissioner could award players to the club which the player left. The Rule had a chilling effect on player movement, as only four players changed clubs between 1963 and 1973.

In 1972, Baltimore Colts tight end and future Hall of Famer John Mackey filed a lawsuit alleging that the Rozelle Rule was a violation of antitrust law. Specifically, Section 1 of the Sherman Act prohibits two or more parties from conspiring to unreasonably restrain trade in a market. Mackey claimed that NFL clubs, by collectively agreeing on and implementing the Rozelle Rule, were not competing in a free and open market for players' services as required by antitrust law.

The District Court of Minnesota and the Eighth Circuit Court of Appeals agreed with Mackey. Of

particular relevance to the instant decision on FIFA's rules, the Eighth Circuit held that "the asserted need to recoup player development costs cannot justify the restraints of the Rozelle Rule. That expense is an ordinary cost of doing business and is not peculiar to professional football."

The *Mackey* case was one of many between the 1970s and 90s in which players successfully challenged restraints on the labor market in the NFL, NBA, and NHL (challenges to MLB's restrictions were complicated by its anomalous antitrust exemption, now repealed in relevant part). The leagues for decades had unilaterally prohibited or restricted free agency, diminishing competition among the clubs and player salaries and choice at the same time.

#### **The Non-Statutory Labor Exemption**

As a result of the players' legal wins, the leagues turned to negotiating with their players to have such restrictions protected by the non-statutory labor exemption, perhaps the most important concept in sports and the law. The non-statutory labor exemption is a policy crafted by the Supreme Court which grants antitrust immunity to employers who agree on rules that restrain the labor market so long as those rules are negotiated with the employees' union.

For decades now, the non-statutory labor exemption has underpinned labor relations in America sports. In exchange for salary caps, player drafts, and limits on free agency, the players receive a guaranteed portion of league income (which is largely from television broadcast rights). After years of litigation concerning the bounds of the exemption in the 1980s and 90s, labor relations in American sports has been quite peaceful in recent years.

#### The EU Own Goal

For whatever reason, it does not appear that the European sports industry – or courts – learned from the decades of litigation in American sports. FIFA's rules are problematic because they were not negotiated with the players. Article 101 of the Treaty on the Functioning of Europe (TFEU) is functionally the same Section 1 of the Sherman Act in prohibiting unreasonable restraints of trade among two or more parties.

Yet, the EU too recognizes a non-statutory labor exemption, permitting certain restraints on the labor

market if they are negotiated with the union. Consequently, FIFA – and its member national leagues – could likely lawfully impose their transfer restrictions if they were agreed to by the players, just as American sports leagues have been doing for nearly 50 years.

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## Appellate Court Decision Highlights Painful Lesson to Screen and Supervise your Employees

#### By Gil Fried, University of West Florida, Editor-in-Chief Sports Facilities and the Law

The need to properly vet employees, check their backgrounds, follow regulations (policies and procedures), and cooperate with authorities came to painful reality for Hyatt when a Missouri appellate court recently upheld a \$177 million verdict against Hyatt Corp. The allegations involved a security guard employed by the hotel who sexually assaulted a female guest in her room.

The security guard, identified as D.W., had a documented history of arrests related to sexual misconduct, which was not uncovered during Hyatt's hiring process. The hotel guest had not responded to a co-worker's call and knock on her door, so security was called. According to the hotel's policies, whenever a welfare check was being conducted, two security guards were to respond. D.W. entered the room while a colleague waited in the hallway. Several hours later D.W. returned with his master key and entered the room alone and was caught by the Plaintiff while he was sexually assaulting her. Later that morning the plaintiff asked for a record of entry into her room to share with the police and was told by the hotel's security director she would need a subpoena.

Even though Hyatt policy required them to help the victim of a crime and to report alleged crimes to the police, security did not do those steps. Hyatt confirmed that it had video footage of a person resembling D.W. entering the room and had the key log but refused to provide that information (without a subpoena) even when the police requested that information. The security department further did not tell the police that D.W. had called and said he was heading out of town.

When D.W. was hired he had a brief interview, and they examined his prior seven year criminal history rather than the policy which required an entire criminal history check. During the hiring process D.W.'s references were not checked, nor did they check his employment history. D.W. had prior sexual abuse investigations and lied about his employment history on his job application. A jury heard the facts and awarded \$28 million in compensatory damages and \$149 million in punitive damages.

Hyatt appealed the verdict, contesting the punitive damages awarded by the jury. The Missouri Court of Appeals rejected Hyatt's claims, emphasizing that substantial evidence demonstrated the company's "conscious disregard" for guest safety.

The appellate panel noted that Hyatt hindered police investigations and failed to assist the victim effectively. As highlighted by the court, Hyatt's actions included denying the victim access to electronic key records and obstructing law enforcement's inquiries. The court found that Hyatt's behavior during the investigation and trial illustrated a corporate priority of self-preservation over guest welfare.

"In our judgment, Hyatt's conduct in this regard epitomizes a conscious disregard for the rights and interests of its own hotel guest who suffered a sexual assault in her hotel room at the hands of Hyatt's own security guard. Instead of following its policies and putting Dugan's (the Plaintiff) interests first, the jury appears to have concluded that Hyatt, from the top of its corporate governance, prioritized its own interests," the court said. "This evidence supports the conclusion that the trial court properly submitted punitive damages to the jury."

Evidence at trial revealed that Hyatt violated its policy to assist crime victims and delayed police access to critical information, such as surveillance footage and key records. When Hyatt learned D.W. was leaving town, the company failed to notify authorities. The appellate court found these actions indicative of corporate misconduct, which undermined both the victim's case and police efforts.

The verdict sends a strong message to the hospitality and sport industry regarding the repercussions of failing to prioritize guest safety. When something bad happens, there is often a tendency for self-preservation. However, policies and procedures should never be compromised as that is something an expert, court, and jury will always examine. Furthermore, venue related employers need to make sure they cooperate as much as possible with authorities to protect others, but also it is the ethically right thing to do.

This decision, along with a recent punitive damages award in 2024 against a Los Angeles Dodgers' security officer, shows that juries are now going to punish those who fail in their mission to protect others. I can foresee more of these cases in the future and sport venues and security providers need to critically screen their front-line personnel and train all managers to carefully follow adopted policies.

Here is an article about the decision: https:// www.law.com/2024/12/05/state-appellate-courtupholds-149m-punitive-damages-award-againsthyatt-/?slreturn=20241211175846

Here is the appellate court's decision: https://assets.alm.com/47/5f/b9c54f1e4d49932df9910e9bdc7b/opinion-ed111485.pdf

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# Roller Rink Scissors and Dips Out of Skater's Injury Claims

## By Robert E. Freeman and Jonathan Mollod, of Proskauer

California appellate court affirmed the dismissal of negligence and premises liability claims against roller rink owner Skateland Enterprises, Inc. ("Skateland") over injury claims brought by a skater, Plaintiff Geraldine Myers ("Myers" or "Plaintiff"), with the court finding that roller skating is "inherently risky" and Plaintiff failed to show that Skateland increased the risks of injury beyond those inherent to skating. (Myers v. Skateland Enterprises Inc., No. B328404 (Cal. App. 2<sup>nd</sup> Dist. Sept. 23, 2024) (unpublished)). Hence, this appeal—a "couples-only slow skate" of sorts between Skateland and Myers—is over and Skateland's initial summary judgment award stands.

Plaintiff was injured at Skateland in December 2019 during a Sunday evening public skating session after another skater clipped her arm and caused her to fall after the rink had issued a "stop skating" instruction to

allow workers to remove gum from the floor. Plaintiff was wearing her own roller skates. Evidence suggested that at the time of the fall, there were around 150 skaters on the floor, and camera footage showed at least two floor guards in referee shirts in the vicinity of Plaintiff skating with the patrons and monitoring for unsafe behavior (or perhaps groups of friends skating a bit overzealously in a "train"); the rink also had a program director/DJ in an elevated booth who could supervise the rink and make rink-wide announcements. Testimony suggested Skateland exceeded safety standards, as industry guidelines recommend only one floor guard for every 200 skaters. Apparently, on the day of the incident, floor guards had admonished one skater after receiving a complaint about his skating that night (the man did not receive any further complaints), but later in the evening it was this same skater who bumped into Plaintiff's outstretched arm at a slow speed and caused her to fall.

In March 2021, Myers wheeled into California Superior Court in Los Angeles and filed her complaint against Skateland and the other skater (who was not involved in the appeal), advancing negligence and premises liability claims. While Plaintiff conceded that skating is an inherent risky activity, she alleged that Skateland unreasonably increased the risks of injury by failing to properly regulate the skating floor, failing to provide trained skating supervisors, and failing to prevent a rogue skater from injuring Plaintiff. Skateland countered in its motion for summary judgment that Myers assumed the risk of injury, that the "incidental contact" between Myers and the other skater "is endemic in the activity" and that Skateland followed industry safety protocols and did nothing to increase the risk associated with roller skating.

In January 2023, the trial court **granted** Skateland's motion for summary judgment, finding that falling is an inherent risk of roller skating and that Plaintiff failed to meet her burden to prove that Skateland did anything to unreasonably increase that risk. The trial court pointed to CCTV footage from the day in question that bolstered the defense: an adequate number of skate guards on the floor, the supposedly "reckless" skater skating in control, and depicting the incident as a "low-speed interaction." Thus, the trial court ruled that Skateland was not liable for what is an ordinary risk of roller skating: "[B]umping into other skaters

and falling is an inherent risk of roller skating, especially in a group setting...."

Lacing up their quad skates, the California appellate court **affirmed** Skateland's award of summary judgment and concluded the assumption of risk doctrine foreclosed Myers' claims. The court stated that a defendant has no duty to eliminate or protect against risks inherent in a sport or recreational activity but cannot unreasonably "increase the risks to a participant over and above those inherent in the sport." The court also pointed out that several states in fact have enacted statutes limiting the liability of roller rink operators for the inherent risks of skating (see e.g., New Jersey, N.J.S.A. §5:14-6: "Roller skaters and spectators are deemed to... assume the inherent risks of roller skating... [which include] injuries which result from incidental contact with other roller skaters or spectators...").

Noting that collisions between skaters in a rink are an intrinsic risk of skating that could not be prevented by more skate guards or warnings, the court found that Plaintiff's claims do not raise a triable issue because there was no evidence that Skateland increased the inherent risks of the skating: "It is inevitable that a skater may move unexpectedly, or throw out an arm, resulting in unintended contact... and Skateland had no duty to decrease that inherent risk." In affirming dismissal, the court added: "Short of fundamentally changing skating by encasing skaters in a mound of bubble wrap, the possibility of injury cannot be avoided as skaters turn, slow, and speed up while maneuvering around the rink, creating an inherent risk of collisions."

Having notched a win on appeal, Skateland can now take a victory lap around the oval and "Shoot the Duck." Though, it should be noted, that since the filing of this litigation, the Skateland Northridge location has closed and been sold to a local community organization.

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## Articles

### Controversy Swirls Around Team Orders and Formula 1

#### By Kerri Cebula, J.D.

Team orders in Formula 1 have a wide and varied history. One of the earliest incidents of team orders occurred in 1951. Back then, drivers could switch cars with their teammates to earn half points. In the 1951 French Grand Prix, Alfa Romeo driver Luigi Fagioli was forced to swap with teammate Juan Manuel Fangio. Fangio goes one to win the race and the first of his four World Championships; Fagioli retires from racing at the end of the race.<sup>11</sup> The most famous example occurred in the 2002 Austrian Grand Prix. Race leader Rubens Barrichello of Ferrari was ordered to let teammate Michael Schumacher pass on the last turn of the final lap to ensure that Schumacher earned enough World Championship points. Schumacher and Ferrari were met on the podium with jeers and boos from the fans. Ferrari was fined one million dollars, not for issuing team orders, but for violating the regulations on the podium ceremony.<sup>12</sup> It worked for Ferrari as Schumacher went on to win the World Championship.<sup>13</sup>

Team orders continue to play an outsized role in Formula 1, particularly during the current (2024) season. McLaren came into the season with two stated goals: winning the Constructor's Championship and one of their drivers, either Lando Norris or Oscar Piastri, winning the World Driver's Championship. This led to a season-long discussion on team orders and at least three times (and possibly four) when team orders were issued: the Australian and Hungarian Gran Prix and the Sprint Race in Brazil (the Qatar Sprint Race was the possible).<sup>14</sup> And there was one notable time,

<sup>11</sup> Six times team orders decided a race. PLANET F1 (Oct. 3, 2018, 1:00 pm), https://www.planetf1.com/features/six-times-team-orders-decided-a-race

<sup>12</sup> Salomeja Zaksaite, Karolis Radusevicius, *Manipulation of Competitions in Formula 1: Where Policy Ends and Cheating Begins.* 16 INT. SPORT LAW J. 240.

<sup>13</sup> Supra, note 1.

<sup>14</sup> See Filip Cleeren, *Piastri: McLaren team orders 'completely fair' in F1 Australia GP*, AUTOSPORT (March 24, 2024, 11:04 am) https://www.autosport.com/f1/news/piastri-mclaren-team-orders-completely-fair-in-f1-australia-gp/10591156/; Jonathan Noble,

the Italian Grand Prix, when team orders were not issued, possibly costing McLaren the win.<sup>15</sup> While Red Bull's Max Verstappen has already won the World Driver's Championship, as of the writing of this article, the Constructor's Championship has not.

Team orders in Formula 1 took on a new significance in June 2019. Italy became the sixth country to ratify the Council of Europe's Convention on the Manipulation of Sports Competitions (the Macolin Convention or the Convention); its ratification came into force on October 1, 2019.<sup>16</sup> Belgium joined Italy in ratifying the Convention in July 2024; its ratification came into force on November 1, 2024.<sup>17</sup> This matters as both Italy and Belgium host Formula 1 Grand Prix.

#### <u>Convention on the Manipulation of Sports</u> <u>Competitions</u>

Possible issues surrounding team orders come when using the Convention's definition of manipulation of competition. It defines manipulation of sports competition as "an intentional arrangement, act or omission aimed at an improper alteration of the result or course of a sports competition in order to remove all or part of the unpredictable nature of that aforementioned sports competition with a view to obtaining an undue advantage for oneself or others."<sup>18</sup>

The Explanatory Report to the Council of Europe Convention on the Manipulation of Sports Competitions, which does not constitute an authoritative interpretation of the text, but instead helps to provide understanding, breaks down the definition of manipulation of competitions into three distinct words: improper, intentional, and undue advantage.<sup>19</sup> Improper refers to an act which infringes on the regulations of the sports competition and intentional means that the act improperly influences the results of a sport competition.<sup>20</sup> Finally, an undue advantage refers to the objective of the act; does one gain financially from the act or even simply the glory of winning.<sup>21</sup>

#### Does Formula 1 Have a (Potential) Problem?

Under the definition of manipulation of competition in the Macolin Convention, team orders could be considered to be a manipulation of competition, and a plain reading for the definition backs that up. But the key is in the three words: improper, intentional, and undue advantage.

#### Improper

An act that violates the sport's regulations is considered an improper manipulation of competition. The events of the 2002 Austrian Grand Prix led the International Automobile Federation (FIA), Formula 1's governing body, to ban "team orders which interfere with a race result..."22 This ban did not matter as teams became more creative in issuing team orders. In the 2010 German Grand Prix, Ferrari driver Felipe Massa was leading the race when the following came over his team radio: "Okay, so Fernando is faster than you. Can you confirm you understood the message?"23 Massa confirmed by slowing down and allowing teammate Fernando Alonso to take the lead and win the race. Alonso was in a battle with Vettel, then driving for Red Bull, for the World Championship and needed the points. Ferrari was fined \$100,000 and Alonso ended up losing the championship by four points but beat the third place driver, Red Bull's Mark Weber, by ten points.24 Formula 1 removed the ban on team orders in 2011, but warned teams that they could still be punished for bringing the sport into disrepute under the FIA's

Piastri: McLaren did 'right thing' team orders switch, AUTOSPORT (July 21, 2024, 11:23 am) https://www.autosport.com/f1/news/ piastri-mclaren-did-right-thing-with-team-orders-switch/10637282/; Alex Kalinauckas, F1 Brazilian GP: Norris wins sprint after McLaren team orders - Verstappen fourth with penalty, AUTOSPORT (Nov. 2, 2024 at 12:45 pm) https://www.autosport.com/ f1/news/f1-brazilian-gp-sprint-race-report/10669681/

<sup>15</sup> Has McLaren left it too late for team orders? Our F1 writers have their say, AUTOSPORT (Sept 2, 2024 at 8:59 am) https://www. autosport.com/f1/news/has-mclaren-left-it-too-late-for-team-ordersour-f1-writers-have-their-say/10650641/

<sup>16</sup> Chart of signatures and ratifications of Treaty 215, COUNCIL OF EUROPE, https://www.coe.int/en/web/conventions/fulllist?module=signatures-by-treaty&treatynum=215

<sup>17</sup> *Id.* 

<sup>18</sup> Council of Europe Convention on the Manipulation of Sports Competitions. Council of Europe Treaty Series No. 215.

<sup>19</sup> Explanatory Report to the Council of Europe Convention on the Manipulation of Sports Competitions. Council of Europe Treaty Series No. 215.

<sup>20</sup> Id.

<sup>21</sup> Id.

<sup>22</sup> Federation Internationale de l'Automobile (FIA), 2008 Formula One Sporting Regulations, Article 17.07.18.

<sup>23</sup> Supra, note 1.

<sup>24</sup> Id.

International Sporting Code.<sup>25</sup> No team has been punished for issuing team orders since the ban was lifted. Instead, team orders are openly discussed by the teams, the media, and the fans.<sup>26</sup> If the act is neither explicitly against the regulations of the sport nor punished for implicitly violating the rules, and in reality is celebrated by those involved in the sport, is the act improper? *Intentional* 

An intentional act is one that improperly influences the results of a sports competition. An attempt to influence the results is enough under the Macolin Convention. McLaren's team orders in the Australian and Hungarian Grand Prix and the Brazil Sprint Race which ordered one driver (Piastri in Australia and Brazil, Norris in Hungary) to let the other pass. These orders were an intentional act that influenced the results of the race. But was it improper?

An act may look like an influence from the outside, but it may not be. The end of the Qatar Spring Race is one such instance. Norris led most of the race, but allowed Piastri to pass for the win at the end of the race. There were no outward discussions or team orders, with Norris stating after the race it was pay back for the sprint race in Brazil.<sup>27</sup>

#### Undue Advantage

Finally, do team orders allow one person or one team to gain an advantage? One type of undue advantage that a person or a team can gain is financial gain. And this is where Formula 1's unique system comes into play. Under Formula 1's system, there is no prize money for winning the World Driver's Championship. All money comes from the Constructor's (team) Championship. The points each constructor earns during a race is dependent on the results of its two drivers added together. In the 2024 Australian Grand Prix, McLaren earned 27 points (18 from Norris, 12 from Piastri), in Hungary, McLaren earned 43 points (25 from Piastri and 18 from Norris), and in Brazil McLaren earned 15 points (8 from Norris, 7 from Piastri). But, if the drivers had remained in their original places, McLaren would have earned the same number of points. There will be no financial gain for McLaren for one driver finishing one in front of the other, even if they win the Constructor's Championship. Many of the team orders issued by Formula 1 teams work in the same way; the team still earns the same number of points.

A second type of undue advantage is the glory of winning the event. Winning is the goal of participating in competitive sports and teams and athletes do what they can to ensure they win by employing certain strategies and tactics.

#### Strategy and Tactics vs. Manipulation of Competition

Strategy and tactics are an integral part of sports. Strategy is defined by the Cambridge English Dictionary as "[a] detailed plan for achieving success in situations such as...sports, or the skill of planning for such situations"<sup>28</sup> and tactic is defined as "[a] planned way of doing something."<sup>29</sup> An argument can be made that what are referred to as team orders are in reality strategy and tactics.

However, this argument hinges on "improper" influence. In the 2007 Monaco Grand Prix, while the team order ban was still in place, the Vodafone McLaren Mercedes team was accursed of using team orders to ensure that Alonso finished in front of teammate Hamilton. The FIA cleared the team of using team orders, stating that the team had used strategy was a sound tactic in Monaco.<sup>30</sup> It is unlikely that the FIA would begin to punish teams for swapping their drivers around during a race.

<sup>25</sup> FIA removes ban on team orders from Formula One regulations, THE GUARDIAN (Dec. 10, 2010, 11:43 am) https://www.theguardian.com/sport/2010/dec/10/fia-removes-f1-team-orders-ban

<sup>26</sup> See Mark Mann-Bryans, *Wolff: time for McLaren to make call* on team orders. AUTOSPORT (Sept 2, 2024, 6:23 am) https://www. autosport.com/f1/news/wolff-time-for-mclaren-to-make-tough-callon-team-orders/10650528/; Alex Kalinauckas, '*lt would've ben* tempting' - F1 drivers weigh in on McLaren team order row, AUTOSPORT (Jul. 25, 2024, 11:02 am) https://www.autosport.com/f1/ news/it-wouldve-been-tempting-f1-drivers-weigh-in-on-mclarensteam-order-row/10638655/

<sup>27</sup> Jonathan Noble, *Norris had decided on sprint race sacrifice at Brazilian GP*, AUTOSPORT (Nov. 30, 2024, 10:15 am) https://www.autosport.com/fl/news/norris-had-decided-on-sprint-race-sacrifice-at-brazilian-gp/10677933/

<sup>28</sup> *Strategy*, Cambridge English Dictionary Online, https://dictionary. cambridge.org/us/dictionary/english/strategy (last visited December 6, 2024).

<sup>29</sup> *Tactic*. Cambridge English Dictionary Online, https://dictionary. cambridge.org/us/dictionary/english/tactic (last visited December 6, 2024).

<sup>30</sup> Alan Henry, *McLaren cleared over Monaco team orders that never were.* The Guardian (May 30, 2007, 7:07 pm) https://www. theguardian.com/sport/2007/may/31/motorsports.sport

#### **Conclusion**

So, are team orders actually a violation of the Macolin Convention? Or are they strategy and tactics. Perhaps Ron Dennis, then Team Principal of McLaren, put it best: "[t]eam strategy is what you bring to bear to win a Grand Prix. Team orders are what you bring to bear to manipulate a Grand Prix."31

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## Attorneys Discuss Changing Times Alongside the Rise of Social Media and Influencer Marketing at SLA Fall Symposium

#### By Kate Ragusa

The Sports Lawyers Association's Fall Symposium: Tech and Sports: Data, Deals, and Decisions included a panel titled, "Sports Marketing: Influencers and Online Promotion." The discussion was moderated by Jeff Kotalik, Senior Vice President and Global Sports and Entertainment Director at Morgan Stanley, and the featured panelists were Kelly Jones, Sports & Entertainment Senior Counsel for Marketing at Under Armour; Alex Kelham, Partner at Lewis Silkin LLP; Kap Misir, Vice President of Business & Legal Affairs and Deputy General Counsel at Roc Nation Sports; and Jordan Thompson, Legal Counsel for TikTok.

The panel explored the new realities of the sports landscape with the expansion of social media and online partnerships, and each panelist was able to give a personal insight on how these developments have impacted their areas of work specifically. Discussing the importance of marketability of athletes at all levels, the discussion primarily covered topics relating to the increased online presence of athletes and the shift to building a personal brand alongside athletic performance. The panelists were presented with three guiding questions:

## Is being an athlete enough? Or do you also need to be an influencer?

All four panelists noted, from experience in their specific niches of the industry, that while on the field, performance matters, it matters less than it used to. While a great game or match can drive fans to an athlete's social media account, consistent engagement and interaction with followers online is what fuels support for the athlete and makes them the most money. The real value of marketing is communication with the fanbase. If athletes aren't posting, they are not being active, and without being active, there will be a lack of engagement on the platforms. Nowadays, as good athletes are competing with good marketers for the same media attention and deals, talent on the field alone will not land and maintain the steady engagement on their socials required to be successful. It was recommended by the panelists that athletes become content creators outside the scope of their profession. Everyone is their own personal brand and it is just as important as daily training. If an athlete wishes to increase their revenue through brand deals, they must be aware of the time and dedication that being active online requires, as well as the maintenance and upkeep necessary to keep engagement rates high.

#### Specifically touching on NIL, what are companies looking for in brand deals with athletes? How are you instructing clients on how to market themselves to these companies?

When signing athletes for deals, companies are looking to those who would have a positive association with the brand. While talent on the field or court establishes an athlete's name, companies nowadays are looking to the social media presence of athletes as a way to engage how adequately that athlete will represent its brand and products. By far, the most important quality mentioned by the panelists was the need for authenticity. Athletes' online conduct through filming videos and responding to comments establishes more of a connection between them and their fanbase, showing their followers their true personality and values off the court or field. Athletes are being instructed to choose their content and deals wisely, looking to companies that aligns with their true values and goals, as engagement and positive interaction is proven to be higher

<sup>31</sup> Jonathan Noble, McLaren team orders under investigation, AUTOSPORT (May 28, 2007, 7:53 am) https://www.autosport.com/fl/ news/mclaren-team-orders-under-investigation-4410949/4410949/

when followers feel as if the athletes are promoting products authentically.

The discussion turned then to the growing presence of collectives in the NIL sphere. All of the panelists believed there was a growing necessity for education on collectives for all student-athletes, as deals are extremely lucrative but can be problematic if not handled correctly. Universities are now becoming more like professional sports firm offices, as roles similar to general managers and recruiting staff are becoming more common. As the collectives become the marketing agencies themselves, the education for student-athletes is in higher demand in order to protect unseasoned athletes from the complexity of these deals. One panelist even recalled receiving a call from a university that was substantively similar to a call normally received from the NFL or an agency. As the shift to compensation in college athletics approaches, all four panelists discussed the need for proper education in order to protect student-athletes.

#### How are new technology and the spread of platforms affecting the modernization of athletes' ability to make money?

Affiliate marketing has opened the doors to a plethora of ways to make money across a number of online platforms. Discount codes and commissions for influencers are the most prominent ways that athletes are earning money outside of their athletic performance, and athletes can easily link products to their posts, requiring little time or effort. On the other side of the deals, affiliate marketing was also said to be more cost-effective for companies in competitive industries, as online sales and commissions create a "win-win situation" for both parties. Rather than increasing spending on extravagant campaigns, companies are now preferring to contract with athletes directly, giving them the creative freedom to promote the product in their own manner. Companies are gaining more traction on their sites and athletes are simultaneously building their brand and increasing interaction with followers.

Subscriptions and tips on streaming services are ways that athletes can make money while showing more of their personalities to their subscribers using casual, conversation-style communication. These options are far less risky than other investments that athletes pursue and create yet another opportunity for athletes to show fans and followers more of their personalities.

In conclusion, the "Sports Marketing: Influencers and Online Promotion" discussion focused heavily on the routes and opportunities that are available to athletes outside of their primary roles in sports, as well as strategies for athletes to monetize on their personal brand. The panelists each touched on their experiences to highlight the important aspects of staying ahead in the social game, as well as the proper education needed as the rise of athlete influencers persists. This discussion is especially important as the athletic sphere continues to develop in unprecedented ways, and the insights of each distinguished panelist will continue to hold value in this new realm of sports and entertainment.

Events, *Fall Symposium: Tech and Sports: Data, Deals and Decisions*, SLA, (November 7, 2024), https://www.sportslaw.org/events/2024fallsymposium.cfm.

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### Esports Joins the Olympic Movement: Unpacking the Decision and Exploring Potential Opportunities and Challenges

By Jeffrey Levine, JD, PhD, Associate Clinical Professor and Esport Business Program Lead, Drexel University

(Editor's Note: The following article appeared in **Esports and the Law**, where Levine is the Academic Editor.)

This past summer, the International Olympic Committee (IOC) made a landmark decision to establish the Olympic Esports Games, with the inaugural 2025 event scheduled to take place in Saudi Arabia. The new event marks the IOC's most significant step yet in embracing esports after years of experimental ventures, including the Olympic Virtual Series launched in 2021 (Burelli et al., 2024). The move to formalize an esports-specific event reflects the IOC's strategic push to capture younger audiences, particularly those immersed in digital and virtual competition (IOC, 2023). Another potential decision to embrace esports may be influenced by the fact that newer generations are less interested in traditional Olympic games (Bradish & Burton, 2021). With its increasing viewership, revenue, and cultural impact, esports presents a potential opportunity for the IOC to counteract the stagnation facing the Olympic Movement among younger audiences. As the IOC integrates esports into the Olympic framework, it faces both new opportunities and complex challenges that will shape the future of digital and traditional sports.

#### **Background and Past Challenges**

The IOC's involvement in esports began tentatively in 2018, as the organization explored ways to bridge traditional sports with the digital sphere. Initial events, like the Olympic Virtual Series, featured sports simulations such as baseball, cycling, and rowing, which were more accessible to conventional sports audiences (Burelli et al., 2024). However, these early efforts quickly revealed several challenges to fully integrating esports into the Olympic framework. Esports' decentralized structure, diverse game genres, and governance inconsistencies across regions and game titles complicated the establishment of standardized rules and the selection of games that could qualify as "Olympic-friendly." Additionally, the fact that governance authority primarily rests with game developers, rather than a neutral regulatory body, presented a unique challenge for the IOC (Burelli et al., 2024).

Efforts to create global tournaments outside the developers' direct control, such as the World Cyber Games and EVO, highlighted the difficulties of gaining international traction and sustaining unified esports events. These events require developer licensing and may struggle with inconsistent participation, financial issues, legal discrepancies, and varied appeal across international audiences (Walker, 2016). Without a global governing body comparable to those in traditional sports, regulating and organizing esports on an Olympic scale has remained complex (Shinohara, 2023). For the IOC to integrate esports effectively, it will need a structured framework that respects esports' unique dynamics while promoting the Olympic Movement's values. Furthermore, given the diversity of developer perspectives on esports, obtaining the

necessary support and licenses from the various game developers who hold intellectual property rights over popular titles adds another layer of difficulty.

## Saudi Arabia Partnership and Lessons from Esports World Cup

The IOC's 12-year partnership with Saudi Arabia's National Olympic Committee is a critical component of its Olympic Esports Games, providing not just a location for the event but also the stability, resources, and influence necessary to unify stakeholders and establish a structured framework for integrating esports within the Olympic model. This relationship aligns well with Saudi Arabia's Vision 2030, an ambitious economic diversification plan aiming to reduce the Kingdom's reliance on oil by heavily investing in sports and entertainment, with esports at the forefront (Dunbar, 2024). Saudi Arabia has demonstrated its commitment to esports through investments in key stakeholders, including the Electronic Sports League, Modern Times Group, and numerous game developers (Tan, 2024).

Hosting the Olympic Esports Games in Saudi Arabia capitalizes on the Kingdom's rising influence in esports, positioning it as a global center for digital entertainment and granting the IOC access to new markets and revenue streams. This partnership reflects Saudi Arabia's recent success with the inaugural Esports World Cup, which attracted over 500 million viewers and drew substantial sponsorship support (Fudge, 2024; Fragen, 2024). The event provided a vital financial injection into an industry grappling with an "Esports Winter" of slowed investment and stakeholder consolidation (Ciocchetti, 2024). Saudi Arabia's involvement has been crucial in revitalizing the sector and fostering an esports tourism economy, solidifying its role as a strategic partner for the IOC (Tan, 2024). For the IOC, this alliance not only enhances its presence in the esports economy but also establishes a foundation for sustainable financial and cultural benefits through Saudi Arabia's emerging market of gaming enthusiasts and professionals (Hilani, 2024).

#### Legal and Governance Considerations

Integrating esports into the Olympic framework presents complex legal and governance challenges, especially since esports lacks a centralized governing body. Unlike traditional sports, where entities like FIFA or FIBA establish consistent standards, esports operates within a fragmented ecosystem, with varying rules across games, regions, and publishers. Additionally, due to extensive intellectual property rights, primarily protected by copyright, developers wield significant influence as de facto top stakeholders in the esports space. The IOC will need to carefully navigate these disparities to create a framework that ensures fair play and athlete protection, both of which are essential to upholding Olympism. Key considerations include player contracts, intellectual property rights for game titles, labor and employment protections, and eligibility criteria (Levine, 2024)—all of which must align with Olympic standards (Reuters, 2024)

Game selection introduces another layer of complexity, as the IOC must weigh Olympic values in determining which esports titles to include. Not all popular esports games align with Olympic ideals, particularly those involving realistic violence (Burelli et al., 2024). Instead, the IOC may prioritize games that emphasize skill, strategy, and non-violent competition, fostering inclusivity while avoiding conflicts with Olympism. This approach, however, could exclude major titles like Counter-Strike, Valorant, and League of Legends, whose depictions of violence may be at odds with the Olympic ethos. Establishing transparent governance guidelines, in collaboration with key stakeholders such as developers, will be essential to shape public perception and determine how seamlessly esports can integrate into the Olympic fold.

#### Conclusion

The establishment of the Olympic Esports Games reflects the IOC's strategic approach to staying relevant in an evolving sports culture and increasingly digital world. This decision not only brings esports into the Olympic fold but also broadens the Olympic brand's appeal among younger demographics who are more engaged with digital entertainment. Nevertheless, significant challenges remain, especially in establishing effective governance frameworks, aligning esports practices with Olympic values, and creating a financially sustainable model that garners support from stakeholders, including publishers, teams, and athletes. As the IOC moves forward, addressing these issues will be essential to fostering a positive and inclusive gaming environment within the Olympic Esports Games.

Looking ahead, the Olympic Esports Games have the potential to create new opportunities and renewed enthusiasm within the esports industry. Such an event may also serve as a catalyst for meaningful discussions on establishing governance standards across the esports landscape. With Saudi Arabia positioned as a central esports player, this partnership invites global stakeholders to carefully consider the cultural sensitivities and nuanced dynamics surrounding player rights, governance structures, and broader industry standards that accompany such a collaboration. This strategic alliance with Saudi Arabia offers the IOC a unique opportunity to usher Olympism into a new era, positioning esports as a valuable addition to the Olympic legacy. Whether this ambitious undertaking will succeed, however, remains to be seen.

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### NCAA Rule Change Seismically Shifts Hockey Landscape

#### By Jon Heshka

In a move that has the potential to seismically shift the landscape in developmental hockey, the NCAA has voted to make Canadian Hockey League (CHL) players eligible to play college hockey.

The rule change effectively Invites hockey to the table to sit alongside other sports and be treated equally. It will take effect on August 1, 2025. The rule change was made necessary in response to the effect that NIL has had on the NCAA landscape. With student-athletes like University of Colorado quarterback Shedeur Sanders earning \$4.7 million and gymnast Livvy Dunne from Louisiana State University earning \$3.7 million, it made no sense to prohibit a hockey player who appeared in even one pre-season game for a major junior team as a teenager because of its rules against professionalism.

The NCAA was no doubt further motivated to move hockey out of the dark ages by lawsuits including a class action claiming the NCAA violated U.S. antitrust laws. In one such suit, Rylan Masteron claimed he lost his eligibility to play Division I hockey because he played two exhibition games for a team in the CHL as a sixteen-year-old.

The rule change, which applies to both men's ice hockey and skiing, brings the NCAA's bylaws in line with other sports such as golf and tennis. It represents "a pragmatic step in aligning men's ice hockey with other sports in terms of allowable pre-enrollment activities," said Josh Whitman, athletics director at Illinois and chair of the council.

The new rules move to permit prospects to compete, practice or tryout with a professional team, provided the prospect does not receive more than actual and necessary expenses from the professional team. They also allow for prospects to tryout on more than one occasion with any professional team and even participate in an NHL Development Camp and does not sign a contract promising current or future payment above actual and necessary expenses with the professional team.

The rules also permit a prospect to sign a contract with a professional team, provided the contract is limited to actual and necessary expenses and does not promise or guarantee future payments. If a prospect had signed a multiyear contract, it must be terminated prior to initial full-time enrollment at any college or university.

The rule change will have a destabilizing effect on hockey in Canadian universities and put them at a competitive disadvantage versus the NCAA. Under the current CHL scholarship program, a player receives one-year post-secondary scholarship for every season a player participates in one of its three leagues: the Western Hockey League (WHL), Ontario Hockey League (OHL)), or Québec Maritimes Junior Hockey League (QMJHL).

The CHL's 60 clubs collectively invested over \$7 million CDN to support more than 930 CHL graduates pursuing post-secondary education during the 2023-24 season. The player can attend any post-secondary or career-enhancing institution of his choice but the vast majority attend Canadian universities.

In contrast to the one year of scholarship for every season played, most NCAA Division I hockey players receive full-ride scholarships. This will be a draw to major junior hockey players when deciding whether to play in the NCAA or U SPORTS (the Canadian equivalent to the NCAA). U SPORTS simply can't compete with the juggernaut of the NCAA. The NCAA was a behemoth compared to its Canadian cousin before this and got only bigger with NIL. This rule change will add to the gravitational pull and talent drain of the NCAA sucking players south at the expense of Canadian universities.

Todd Johnson, the head coach of the University of Regina Cougars in Saskatchewan, has described the change as "a brand new world" to universe of major junior hockey and post-secondary options for its players. He figures there are first-year U SPORTS players who will take a hard look at playing in the NCAA and others who played in the American Hockey League or East Coast League but are now back at U SPORTS that will now consider going the NCAA route.

There are a few things that still need to be ironed out. It's unclear, for example, if CHL teams will let players out of their contracts and how the NHL will address the two-year signing period for CHL players and four years for NCAA players.

Regardless, despite its effect on U SPORTS in Canada, the ultimate effect to players on both sides of the border of this rule change is that they now have more options and development paths to consider.

Jon Heshka is a professor specializing in sports law and adventure tourism law at Thompson Rivers University in Canada.

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# Son of NFL Star Accused in Field Storming Lawsuit

#### By Joseph M. Ricco IV

A n Oklahoma football fan has filed a lawsuit against an Alabama player, alleging he was struck in the head during a post-game field storming. The fan, identified as high school senior Holden Moxley, claims the incident was an "unprovoked attack" that left him with a concussion. The lawsuit names Alabama freshman Dre Kirkpatrick Jr., the son of former NFL cornerback Dre Kirkpatrick, as the defendant and seeks both actual and punitive damages. This article examines the details of the complaint, features insights from a sports law expert, and considers the potential consequences this case could have on fan safety and player accountability.

#### **Details of the Incident**

The lawsuit centers on an incident during a post-game field storming at an Oklahoma football game, where thousands of fans rushed onto the field following the Sooners' victory over Alabama. According to the complaint, Holden Moxley, an 18-year-old high school senior, was attempting to take a selfie when he was struck in the back of the head by Alabama freshman Dre Kirkpatrick Jr. Moxley claims the hit was unprovoked, and the impact caused him to suffer a concussion. The lawsuit alleges that Kirkpatrick's actions were reckless and endangered Moxley, who was taken to the hospital for treatment after the incident.

Dre Kirkpatrick Jr. is the son of D'Andre Lawan "Dre" Kirkpatrick, a former professional football player who spent ten seasons in the National Football League. Kirkpatrick Sr. played college football at the University of Alabama and was selected by the Cincinnati Bengals in the first round of the 2012 NFL draft. His experience and legacy in professional football add another layer of scrutiny to the allegations against his son.

Filed by Oklahoma attorney Mark Hammons, the complaint seeks both actual and punitive damages, claiming that the player's behavior was unjustifiable under any circumstances. Hammons has emphasized that Moxley was not acting aggressively or interacting with the player prior to the alleged strike. Although police were informed of the incident, no criminal charges are expected due to the chaotic nature of the field storming and the restricted access rules in place for the area. The University of Alabama is not named in the lawsuit, and its athletics department has not issued a public comment on the matter.

#### **Expert Analysis**

Gil Fried, a professor and Associate Dean of Academics and Accreditation at the Lewis Bear Jr. College of Business at the University of West Florida, weighed in on the legal and safety complexities surrounding the lawsuit. With extensive experience in sports law and risk management, Fried offered insights into the responsibilities of institutions and individuals in situations like this. He highlighted how the case raises significant questions about player conduct, fan safety, and institutional accountability in collegiate sports. One of the key points Fried emphasized was the potential liability of the University of Alabama, despite not being named in the lawsuit. "Alabama's potential liability could include negligent training and negligent supervision," Fried stated. He explained that the athletic department or coaching staff could be held responsible for failing to prepare players for foreseeable scenarios like a field storming. Fried argued that such training could mitigate overreactions, particularly if a player has a history of aggressive behavior. While this legal claim is more common in employment cases, Fried noted that courts increasingly view student-athletes as employees, opening the door to such arguments.

Fried also addressed the legal implications of Moxley's status as a trespasser during the field storming. "A ticket provides a limited license to the venue and can be revoked at any time," Fried said. He explained that courts are likely to view field access as restricted, citing the importance of protecting players and staff from potential harm. Fried added that the broader risks associated with fan behavior, including injuries from stampedes or falling goalposts, underscore the need for stricter enforcement of field access policies. Reflecting on incidents from previous years, he suggested that universities and conferences might need to implement harsher penalties for field storming to ensure safety and accountability on both sides.

#### Fan Safety and Player Accountability

The outcome of this lawsuit could have significant implications for how universities, athletic departments, and players approach field storming and crowd management. If the court rules in favor of Holden Moxley, universities may face pressure to implement stricter security measures to protect both fans and athletes. Enhanced training for players on how to respond during chaotic post-game events might also become a priority, especially as courts increasingly recognize student-athletes' responsibilities in such scenarios. Additionally, schools could explore harsher penalties for field storming, such as lifetime stadium bans or heightened fines, to discourage behavior that creates unsafe environments.

On the other hand, the case also places a spotlight on player accountability. While chaotic situations can elicit unpredictable responses, players are expected to maintain a level of restraint, even under stress. A ruling against Dre Kirkpatrick Jr. could set a precedent for holding athletes legally responsible for their conduct during such incidents. This case serves as a reminder that collegiate sports exist within a framework of rules and responsibilities that extend beyond the field. Whether through stricter policies, increased training, or legal repercussions, the need for a balanced approach to fan safety and player conduct will likely shape how universities handle similar situations in the future.

Joseph M. Ricco IV is a junior sport management and government double major at the University of Texas at Austin. Joseph is actively involved as a Texas Longhorns football recruiting operations intern and currently works with Pro Football Focus as a data collector. He also has experience as a training camp operations intern with the Kansas City Chiefs. Joseph aims to leverage his sports management and legal knowledge to pursue a career in football administration.

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# Fatal Amateur MMA Fight Leads to Call for Reform

## By John T. Wendt, Professor Emeritus of University of St. Thomas

While different forms of boxing and combat sports have gone on for centuries, regulations of those contests have varied.<sup>32</sup> This also includes the rise of Mixed Martial Arts (MMA) and it has been reported that many participants, especially on the amateur level, have little understanding of the possible short and long term consequences of injury including traumatic brain injury.<sup>33</sup> Additionally, in many cases there is a patchwork of

<sup>32</sup> Nicholas Watanabe et al., *The Emergence of Mixed Martial-Arts and the Future of Boxing: An Analysis of Consumer Interest and Compensation*, 0 0:0 J. SPORTS ECON. (2023), https://doi-org.ezproxy. stthomas.edu/10.1177/15270025231156058 (last visited Dec 3, 2023).

<sup>33</sup> Joanne Merino, Brooke-Mai Whelan & Emma Finch, Examining

governing regulations including medical staff and assistance.<sup>34</sup>

On November 23, 2024, Edmonton MMA fighter Trokon Dousuah died after a three-round match. The event was held in the community center in Enoch, a First Nation community located just outside of Edmonton, Alberta. The event was billed as an opportunity for beginners to MMA a chance to compete and it featured more than 30 novice fighters. Dousuah's death is under review by the province and by the Alberta RCMP. Joseph Schow, Alberta Tourism and Sport Minister said, "The loss of any life in sports is one too many. We take this very seriously... If we're going to compete in sports in Alberta, it has to be done safely."35 Just last month in the wake of an investigation of the death of fighter Tim Hague, Justice Carrie Sharpe issued a report with 14 recommendations and urging Alberta to create a single body to oversee competition rather than the current patchwork of municipal sanctioning commissions.<sup>36</sup> Alberta is the only province that places combative sports commissions under municipal jurisdiction. Additionally, Schow pointed out that the province had no jurisdiction over this particular event as it was held at a First Nation community.<sup>37</sup> Reportedly the Enoch Cree Nation said Ultra MMA privately rented the facility and hired their own staffing team.38

The organizer for the event Ultra MMA is based out of Derby, UK. Their website says, "Welcome to Ultra MMA. MMA is the fastest growing sport in the world. Experience it in a safe and enjoyable environment with

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- 34 Alex Channon, Christopher Matthews & Mathew Hillier, 'This Must Be Done Right, So We Don't Lose the Income': Medical Care and Commercial Imperatives in Mixed Martial Arts, in THE PALGRAVE HANDBOOK OF SPORT, POLITICS AND HARM 429 (2022), https://doi. org/10.1007/978-3-030-72826-7\_21 (last visited Dec 3, 2024).
- 35 Wallis Snowdon, Death of Edmonton Fighter Following MMA Match to Be Reviewed by Alberta Government, CBC NEWS, Nov. 26, 2024, https://www.cbc.ca/news/canada/edmonton/edmonton-mmafighter-death-1.7394030 (last visited Dec 1, 2024).
- 36 Id.
- 37 CBC, Death of Edmonton Fighter Following MMA Match to Be Reviewed by Alberta Government, YAHOO NEWS (2024), https:// ca.news.yahoo.com/fighter-dies-following-mma-match-230151427. html (last visited Dec 1, 2024).
- 38 Karen Bartko, *Death of Amateur Fighter after MMA Event in Alberta Raises Questions*, GLOBAL NEWS (2024), https://globalnews.ca/news/10888045/enoch-ultra-mma-fighter-death/ (last visited Dec 1, 2024).

8 weeks of FREE training, that will lead up to your big night fighting in a cage in front of a huge crowd at one of our glamorous events. Raise Money for charity and get in great shape!"<sup>39</sup> It also states, "Training will be approximately 2 sessions a week and will be weekday evenings or weekends. You must attend at least 50% of the training sessions to take part."<sup>40</sup> The company requires fighters to "Pledge to raise a minimum \$100 for a charity of your choice...(and) Sell tickets to friends and family (this can be standard, VIP or a combination).<sup>41</sup> The website also points out that "The event will be well run and organised, with the medical provision the same as a professional event. It will be a glamorous event, and will make you feel like a superstar on the night."<sup>42</sup>

Charles Proulx, one of the other combatants that was supposed to fight in Enoch, trained and sparred with Dousuah thought that even though Dousuah had won the match was in trouble: "I thought he was gassing out normally like any big guy would but at the third round, it really went bad. He was not answering many of the punches. His energy level was dropping rapidly but he didn't tap out...In the end, he asked to sit down and was carried out of the ring. Not too long after that, the commissioner told us there will be no other fights tonight..."<sup>43</sup> Proulx also noted that fighters had a pre-fight medical a month before the event, had to get a medical exam done with their own doctor that included blood tests and an eye exam, and "then just before the fight, we had another medical that we had to pass.."<sup>44</sup>

Natalija Rajkovic, another combatant said that the training they received was insufficient and "Everything seemed fine at the beginning for training...We were just doing a charity event, so no one expects it to be super crazy. But then when you get to the event, things just started to not make sense...I knew what I was getting into when I signed up. I knew that it could be dangerous as well. But with that being said, there should never be a result like this."<sup>45</sup> Regarding Dousuah, Rajkovic said, "In the video,

- 44 Bartko, supra note 7.
- 45 Snowdon, supra note 4.

<sup>39</sup> Ultra MMA, *Welcome to Ultra MMA*, ULTRA MMA CANADA (2024), https://ultramma.com/ca/ (last visited Dec 4, 2024).

<sup>40</sup> Ultra MMA, *Frequently Asked Questions*, ULTRA MMA CANADA (2024), https://ultramma.com/ca/faq/ (last visited Dec 4, 2024).

<sup>41</sup> Id.

<sup>42</sup> Id.

<sup>43</sup> Snowdon, supra note 4.

you can see his body looks normal but towards the end of the fight you could see his stomach was inflated, you could tell something was seriously wrong...The more I think about it, the more red flags come up about how everything was run and handled."<sup>46</sup> Finally, Rajkovic wondered why Dousuah was allowed to fight at all because he suffered from asthma.

Former MMA fighter and now trainer Shara Vigeant criticized the event: "Someone lost their life. It enrages me because this was so preventable...This is what happens when there is not one commission and there's no continuity in regulations. MMA has a higher risk and with a higher risk there has to be better policing and better standards and there isn't right now..."<sup>47</sup>

Ryan Ford, former MMA Champion and professional boxer talked about the necessity for adequate training and the lack thereof in these events stating that fighters should train for a minimum of six months and with 50-60 sparring sessions before considering stepping into a cage to fight.48 "Combat sports already has a bad rep because people think that it's very brutal. But these people, these individuals that were on this fight card, they're not fighters. It's very stupid for an organization to host an event where you get normal people with no experience to train for two sessions a week ... and then to throw them in a cage to fight. It's just ridiculous. It takes a lot more than that to get into a ring or cage."49 Ford emphasized that there was a lack of protective gear such as headgear, oversized gloves and shin guards that leave inexperienced combatants vulnerable.<sup>50</sup> Ford noted that safety is the key, "Make sure that you're prepared to fight and to make sure that you get home safe. Like, yes, we want to win, but if you're taking too much damage, there's times when that needs to stop. You'd rather go home to your

family than die and win a fight, you know? I tell people, you *play* football. You *play* soccer. You *play* hockey. You don't play fighting. It's a very serious risk on your health and your life."<sup>51</sup>

Ultra Events Canada, said, "Everyone at Ultra Events Canada was devastated to hear about our participant's tragic death and our deepest sympathies go out to his family. Ultra Events Canada will, of course, offer his family and friends any support we can at this very sad time. The event at the Enoch Community Centre was carried out under the auspices of the Central Combat Sports Commission. With investigations now underway into the cause of our participant's death it would be inappropriate to comment further at this stage."<sup>52</sup>

Some of Justice Sharp's recommendations include more oversight and tracking of a fighter's health; the creation of a single database to track fighters' medical and match histories; fighters must provide an MRI or CT scan that proves that they are fight to fight if they lost a previous fight due to knockout from blows to the head; a CT scan every six months, regardless of injuries they suffered in the ring; the creation of "concussion spotters" who are medically trained to recognize the symptoms of a concussion with the authority to stop a fight; and mandatory yearly training for referees on how to spot signs of head trauma.53 In 2023 an inexperienced fighter Zhenhuan Lei allegedly suffered a brain injury at a "kick light" tournament, the 2023 Western Canadian Martial Arts Championships that was not sanctioned.54 Within 6 months British Columbia overhauled regulation of combat sports in their province.55 It is time for Alberta to protect all combatants and implement Justice Sharpe's recommendations.

<sup>46</sup> Jason Hills, "No Idea Why He Was Cleared to Fight": Edmonton's Fight Community Speaks out after Death of Amateur Fighter, EDMONTONJOURNAL (2024), https://edmontonjournal.com/news/localnews/edmonton-mma-death-enoch (last visited Dec 1, 2024).

<sup>47</sup> Wallis Snowdon, Fatal MMA Fight near Edmonton Prompts Calls for Tougher Combat Rules in Alberta, CBC NEWS, Nov. 29, 2024, https://www.cbc.ca/news/canada/edmonton/fatalfight-near-edmonton-prompts-calls-for-tougher-combat-rules-inalberta-1.7396150 (last visited Dec 1, 2024).

<sup>48</sup> Hills, supra note 15.

<sup>49</sup> Snowdon, supra note 16.

<sup>50</sup> CBC, Fatal Fight near Edmonton Prompts Calls for Tougher Combat Rules in Alberta, YAHOO SPORTS (2024), https://ca.sports. yahoo.com/news/fatal-fight-near-edmonton-prompts-130000686. html (last visited Dec 1, 2024).

<sup>51</sup> Bartko, supra note 7.

<sup>52</sup> Id.

<sup>53</sup> Erik Magraken, *Judge Recommends Alberta Scrap City Athletic Commissions and Move to Province Wide Model*, (2024), https://combatsportslaw.com/2024/11/07/judge-recommends-alberta-scrap-city-athletic-commissions-and-move-to-province-wide-model/ (last visited Dec 6, 2024).

<sup>54</sup> Liam Britten, B.C.'s Athletic Commissioner Granted Expanded Sanctioning Powers, CBC NEWS, Jun. 6, 2024, https://www.cbc.ca/ news/canada/british-columbia/bc-athletic-commissioner-expandedsanctioning-power-1.7226158 (last visited Dec 6, 2024).

<sup>55</sup> Erik Magraken, BC Overhauls Combat Sports Regulation, COMBAT SPORTS LAW (Apr. 8, 2024), https://combatsportslaw.com/2024/04/08/ bc-overhauls-combat-sports-regulation/ (last visited Dec 6, 2024).

### Steve Ma of Saul Ewing Discusses His Practice and How It Intersects with Esports

#### **By Holt Hackney**

As a litigator with nearly 30 years of experience representing public and private companies and their officers, directors, members and investors, attorney Steve Ma has become known industry wide for his work in those areas.

However, his skills in the sports and entertainment sector, and increasingly esports, may be what led him to join Saul Ewing in 2024.

There, his experience defending music publishers in licensing and copyright disputes as well as his emerging work in esports, caught the attention of the firm and it nationally known esports practice group.

To learn more about his work, we reached out to him for the following interview.

Question: How did you get your start in sports law?

**Answer:** I was lucky to have early opportunities as a young lawyer. I remember that one of my first assignments as a first-year associate at a law firm was to ensure that the finance department of an NFL football team was correctly complying with various court orders, including some court orders garnishing player's wages for unpaid taxes or other reasons. Needless to say, some of my phone calls with the athletes and their agents were rather difficult because I needed to explain to them why the athlete's paychecks were being withheld.

**Q:** In what ways does your current practice intersect with sports law?

A: As a business litigator, I help clients resolve disputes that arise in a wide array of sports and entertainment matters. Many times, I am able to assist clients resolve these matters even before a lawsuit has been filed with a court or an arbitrator. Oftentimes, these litigation matters have nothing to do with the athletes competing or the game itself – instead, these matters focus on the many issues that take place behind-thescenes, including, for example, the sale and operations of a sports arena, the licensing of the music played on platforms and broadcasts, and the broadcast and distribution of sporting events.

Although these matters involve clients that are involved in sports and entertainment, they are still fundamentally rooted in contractual and/or tortious disputes. For example, I work with a client that was approached to invest in a new sports league employing a unique distribution system through web-based programming as opposed to network television broadcasts. The key issues involved in investing in a sports league are similar to issues raised in other investment opportunities - Did the sports league make material misrepresentations or omissions in its disclosure documents? Do officers and directors of the sports league owe fiduciary duties to its investors to disclose potential problems with the business? Does the "business judgment rule" protect the owners and operators from liability for a failed sports league?

Q: What are some examples of your typical clients?

A: As a member of Saul Ewing's Sports & Entertainment Practice Group, our clients include a wide range of companies involved in the NFL, NBA, WNBA, NHL, NASCAR, and college sports. In the esports industry, our clients include various video game publishers and esports teams.

**Q:** What trends are you tracking over the next few years in the Esports space?

A: We are currently seeing a good deal of litigation over video game 'addiction' – I think it will be interesting to see how some of those cases play out in the courts over the coming years. I also believe there will be an increased focus on gambling and daily fantasy related to the esports industry. Right now, many states are simply not set up to deal with esports wagering.

**Q:** What do you like most about being a lawyer in the sports and entertainment industry?

A: Constant change is what makes the sports and entertainment industry challenging and rewarding. The notion of "sports" itself is changing right now. Less than 50 years ago, professional sports in the United States was focused primarily on baseball, basketball, football, and hockey. Now new leagues such as the WNBA are getting a stronger foothold in the market. The sports industry is also adding entirely new competitions like the NBA Cup Tournament, and new esports ventures like the recently announced retooling of the NBA 2K League as a global entertainment brand. There are also entirely new competitions such as the Drone Racing League, which had events broadcasted on NBC, ESPN, and Twitter. As new technology and new media platforms continue to develop, the way we play sports, watch sports, and enjoy sports will continue to change.

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## Five-Star High School Football Player Sues North Carolina State Board of Education Over NIL Prohibitions

#### By Tatiana M. Terry, of Ogletree Deakins

R olanda Brandon—the mother of sixteen-year-old star quarterback Faizon Brandon, the Greensboro, North Carolina, Grimsley High School football player who has committed to play for the University of Tennessee Volunteers in 2026—recently filed a lawsuit on behalf of her son in Wake County Superior Court, challenging the North Carolina State Board of Education's and North Carolina Department of Public Instruction's name, image, and likeness (NIL) prohibitions that ban current public high school athletes from earning NIL money during high school.

#### **Quick Hits**

The mother of a top-rated high school football prospect has sued the North Carolina State Board of Education and North Carolina Department of Public Instruction on his behalf over the state's name, image, and likeness (NIL) prohibitions for high school athletes.

The lawsuit's outcome will affect public school athletes' ability to monetize their NIL value until July 2025 when the North Carolina State Board of Education revisits this prohibition at its annual meeting.

Former collegiate athletes have begun to file similar NIL suits.

What is the significance of the lawsuit? Long term: The lawsuit's outcome will affect North Carolina public school athletes' ability to monetize their NIL value for years to come. Short term: Current public school athletes like Faizon Brandon are potentially losing out on thousands of dollars every day.

#### The Lawsuit

On August 23, 2024, Rolanda Brandon, as parent and guardian of her son, Faizon Brandon, filed a complaint alleging that the state board of education had exceeded its authority by preventing her son and other North Carolina public school athletes from generating income based on their NIL rights.

Notably, more than three years ago, on July 1, 2021, the National Collegiate Athletic Association (NCAA) adopted groundbreaking policies permitting athletes at its member schools to utilize their NIL rights for commercial purposes, following in the footsteps of several state laws. NIL activities include signing autographs, making public appearances, taking photographs, and selling or endorsing merchandise, among other things. Overall, NIL policies give athletes the right to publicize themselves and gain monetary benefit from the publicity. Naturally, NIL activities then began to emerge at the high school level.

In North Carolina, the public schools and private schools took diverging positions on NIL policies. The North Carolina High School Athletic Association (NCHSAA), which governs public schools, prohibited NIL activities for its members, but the North Carolina Independent Schools Athletic Association (NCISAA), which governs private schools, permitted their members to earn compensation with NIL deals. Simply put, since 2021, North Carolina private school athletes have been allowed to earn money with NIL deals while their public school counterparts have not.

The NCHSAA soon reversed course. In May 2023, the NCHSAA changed its rules to address this issue and allowed public school athletes to earn compensation with NIL deals. However, on October 3, 2023, the North Carolina General Assembly's Senate Bill 452, authorizing the state board of education to regulate public high school athletes' use of their NIL for commercial purposes, became law.

On April 30, 2024, Brandon received the NIL offer that is at the center of the lawsuit. According to the complaint, "a prominent national trading card company" offered Brandon a deal to sign memorabilia before he graduated from high school—an agreement that would provide Brandon and his family with "financial security for years to come." The deal would allow Brandon to monetize his NIL until his projected high school graduation date in December 2025.

The state board of education approved a temporary rule on June 6, 2024, preventing North Carolina public school athletes from earning compensation under NIL deals, effective July 1, 2024.

The complaint alleges that Brandon attempted to resolve this dispute with the state board of education approximately a week before the rule became effective, but he did not receive a response until July 3, 2024 two days after the ban became effective.

The complaint further alleges that the trading card company has already hinted at rescinding the deal if an agreement cannot be reached. As the state board of education's rule stands right now, Brandon may not sign the offered NIL deal, if he wants to maintain eligibility, and he could lose the deal—causing him to miss out on substantial earnings.

On the same day that she filed the complaint, Rolanda Brandon, on behalf of her son, filed a motion for preliminary injunction set to be heard on September 30, 2024, in Raleigh, North Carolina, in conjunction with the underlying lawsuit.

A motion for preliminary injunction requests that the court prevent a party from taking action while a case is pending. Brandon's motion seeks to prohibit the state board of education from enforcing its July 1, 2024, NIL ban until the resolution of the lawsuit. To prevail, Rolanda Brandon must show (1) a likelihood of success on the merits of the claim, and (2) her son will suffer irreparable harm unless the injunction is issued.

## NIL in North Carolina: Public Schools vs. Private Schools

North Carolina is one of only twelve states that do not permit public high school athletes to benefit from NIL deals before the collegiate level. As noted above, this restriction does not apply to private schools. Athletes enrolled in private schools competing in the NCISAA are permitted to make commercial use of their NIL rights. For example, David Sanders, the No. 4 overall prospect for 2025, who plays for Charlotte's Providence Day School (and who also committed to the University of Tennessee), has a website devoted to selling merchandise with his image.

The outcome of Brandon v. North Carolina State Board of Education holds potential consequences for North Carolina high school athletics. Why would any star athlete in the state of North Carolina choose to play in public school, uncompensated, when opportunity exists up the road to receive a scholarship or paid tuition, play for a local private school, and earn NIL income? Or this: Star athletes born and raised in North Carolina could choose to move to one of the thirty-eight states permitting NIL deals for high school athletes. Losing homegrown talent would likely have significant consequences for the Tar Heel State's members of top-tier collegiate athletic associations.

In addition, North Carolina has a long history of producing homegrown elite athletes who often choose to attend college in their home state. The state's NIL restrictions could significantly affect North Carolina public school sports teams, ticket sales, collegiate recruiting, collateral income generated by local sports, and the long-standing tradition of North Carolina public high schools developing elite athletes. It is a tradition most North Carolinians are proud of, and do not want to lose.

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### Strength and Conditioning Coach Sues Los Angeles Clippers for Wrongful Termination

A former strength and conditioning coach for the Los Angeles Clippers has sued the team and president of basketball operations Lawrence Frank, alleging wrongful termination citing in part that he was fired for raising concerns about the management of Kawhi Leonard's health and injuries.

Plaintiff Randy Shelton, who joined the franchise on July 1, 2019 as a strength and conditioning coach after serving in a similar role at San Diego State University, filed the suit in Los Angeles County Superior Court.

Shelton, who was at SDSU when Leonard played college basketball there, claimed in the lawsuit that he was part of a multiyear effort to recruit Leonard, which "leapt well beyond the bounds of the NBA constitution" with respect to potential tampering violations.

Shelton alleged in his lawsuit that the Clippers first contacted him in 2017 after Leonard, who was then under contract to the San Antonio Spurs, suffered a major ankle injury in Game 1 of the 2017 Western Conference Finals. Shelton maintained that while Leonard was under contract with the Spurs that a Clippers executive contacted him to seek "private health information" about Leonard and expressed the need for "discretion."

After the 2017 season, while Leonard remained under contract with the Spurs, Shelton said a Clippers executive contacted him to seek "private health information" about Leonard and expressed the need for "discretion." The two men spoke more than a dozen times on the phone and had at least seven meetings, according to the lawsuit, as the Clippers allegedly sought to learn more about Leonard's contractual obligations with the Spurs as well as his medical situation.

When Leonard left the Spurs In 2018, the Clippers, along with the Toronto Raptors, were one of the teams that sought his services. Leonard was eventually traded to the Raptors. He became an unrestricted free agent after the 2019 season.

The plaintiff maintained that in conversations with the Clippers executive, they "discussed bringing (him) into the Clippers' organization as a strength and conditioning coach, given the personal relationship and trust that Leonard had in Shelton."

Further, Shelton claimed that he was "promised a bright future with the Clippers." At the time, he alleged, he "had a thriving business in San Diego" and a "respected position with San Diego State."

The plaintiff was ultimately hired by the Clippers in July 2019. But soon after joining the team, Shelton said his role was diminished, alleging that he was excluded from team meetings and that information about Leonard's health was shielded from him.

Two years later, Leonard began having well-chronicled knee issues that required various surgeries. Shelton alleged that the team had "mishandled" Leonard, citing a "return-to-play protocol (that was) mind-blowing" and a "disregard for his recovery process (which was) unacceptable."

Shelton's employment was terminated, reportedly without cause, in July 2023.

The Clippers were quick to issue a statement to the media:

"Mr. Shelton's claims were investigated and found to be without merit. We honored Mr. Shelton's employment contract and paid him in full. This lawsuit is a belated attempt to shake down the Clippers based on accusations that Mr. Shelton should know are false."

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#### **Esports Betting: State of Play**

#### By David Manjorin

## Brief History of Sports Betting in the United States

The legal landscape for gambling on sports in the United States has enjoyed a history full of ebbs and flows. Between a lack of regulation56, to wide-spread prohibition throughout most states in the Twentieth Century57, to the proliferation of casinos following the enactment of the Indian Gaming Regulatory Act in 198858, and finally to the growth of internet gambling in the Twenty-First Century.59

Sports betting grew as part of a jurisdiction-byjurisdiction legal regime60 until 1989. It was then that Major League Baseball Commissioner A. Bartlett Giamatti released a report that legendary player, Pete Rose, gambled on baseball games as a player and later as manager of the Cincinnati Reds.61 For his transgressions, Major League Baseball banned Pete Rose for life, preventing the league's all-time hits leader from joining MLB Hall of Fame.62

Following the Pete Rose scandal, National Football League and National Basketball Association Commissioners Paul Tagliabue and David Stern both came out in favor of sports betting prohibitions, stating that the practice threatened the integrity of professional sports.<sup>63</sup> In response, Congress passed the Professional and

- 58 Murphy v. NCAA, 584 U.S. 453, 459 (2018).
- 59 Barker and Britz, *supra* note 1, at 52, 57, 59, 100.
- 60 See James C.W. Goodall, Bringing Down the House: An Examination of the Law and Policy Underpinning the Professional and Amateur Sports Protection Act of 1992, 67 RUTGERS U.L. REV. 1097, 1104 (2015).

62 See Goodall, supra note 5, at 1102.

<sup>56</sup> See Thomas Barker and Marjie T. Britz, Jokers Wild: Legalized Gambling in the Twenty-First Century 19–26 (2000).

<sup>57</sup> Id. at 31-35, 45-48.

<sup>61</sup> See David Purdum, Sports Betting Legalization: How We Got Here, ESPN (May 22, 2018), https://www.espn.com/chalk/story/\_/ id/23561576/chalk-line-how-got-legalized-sports-betting.

<sup>63</sup> See *id.* at 1103; Paul David Walley, *Officially Gambling: Tim* Donaghy and the NBA's Need for an Absolute Ban on Referee Gambling, 21 Gaming Law Review and Economics 1, 36 (2017).

Amateur Sports Protection Act of 1992 (PASPA), making it unlawful for states to operate sports betting schemes.<sup>64</sup> The law did, however, exempt Oregon, Delaware, and Montana in addition to certain sport pools in Nevada, which had sports betting operations in place prior to passage.<sup>65</sup> Additionally, states with at least ten years of licensed casino gaming could pass laws to permit sports betting, if done within a year of the law's passage.<sup>66</sup> New Jersey famously failed to take advantage of this provision, lost its chance to operate legal sports betting pools under the statute, which led to the state's eventual challenge of the law.<sup>67</sup>

After unsuccessfully petitioning the Supreme Court to hear a constitutional challenge of PASPA in 2012, New Jersey successfully brought a case to the Court in 2014 (Murphy v. NCAA).68 New Jersey's argument was that PASPA was unconstitutional "because it regulates a state's exercise of its lawmaking power by prohibiting it from modifying or repealing its laws prohibiting sports gambling."69 The Court agreed, noting that "PASPA's provision prohibiting state authorization of sports gambling schemes violates the anticommandeering rule," because it "unequivocally dictates what a state legislature may and may not do."70 PASPA, according to the Court, violated the Tenth Amendment, which states that "all legislative power not conferred on Congress by the Constitution is reserved for the States," and no power enumerated in the Constitution gives Congress the right to issue direct orders to state governments.<sup>71</sup>

With the *Murphy* decision, the power to legalize or criminalize sports betting returned to the states. And since that decision, many states have decided to permit sports betting, creating a multibillion dollar industry in a few short years.<sup>72</sup>

While betting on esports is a relatively new phenomenon, it is projected to rack up \$2.5 billion in worldwide revenue in 2024.<sup>73</sup> Gambling companies continue to examine how to maximize esports betting's potential<sup>74</sup>, and the legal landscape continues to develop, often less clearly than for traditional sports betting.

#### Legal Landscape of Esports Betting Today

Throughout the United States, there are essentially three legal statuses for esports betting: 1) the state has a sports betting statute legalizing sports betting and it includes esports explicitly in its definition of a legal sports bet; 2) the state has a sports betting statute, but it does not include nor exclude esports betting as a permissible sports bet; or 3) the state explicitly disallows sports betting and/or esports betting or has not authorized it. While the first and third statuses are clear, the second status makes it unclear whether esports betting is permitted in those states. The following chart details each state's status:

State	Legal	Illegal	Unclear
Alabama		X	
Alaska		X	
Arizona <sup>75</sup>	X		
Arkansas <sup>76</sup>			X
California		X	
Colorado <sup>77</sup>	X		
Connecticut <sup>78</sup>	X		
Delaware		X	
D of Columbia <sup>79</sup>			X

*Revenue*, ESPN (Feb. 20, 2024), https://www.espn.com/espn/betting/ story/\_/id/39563784/sports-betting-industry-posts-record-11b-2023revenue.

- 73 Esports Betting Worldwide, Statista (2024), https://www.statista. com/outlook/amo/esports/esports-betting/worldwide.
- 74 Wayne Perry, *Esports Video Games Hold Vast Betting Potential*, Experts Say, AP (Oct. 18, 2022), https://apnews.com/article/ technology-sports-games-video-esports-6561ed220e00ca3b9a01bae 73cc1c0e0.
- 75 Ariz. Rev. Stat. § 5-1301 (2024).
- 76 006.06.21 ARK. CODE R. § 013 Casino Gaming Rule 20 (2024).
- 77 Colo. Rev. Stat. § 44-30-1501 (2024).
- 78 CONN. GEN. STAT. § 12-850-871 (2024).
- 79 D.C. Code § 36-621.01-17 (2024).

<sup>64</sup> Professional Sports and Amateur Sports Protection Act (PASPA), 28 U.S.C. §3702 (1992).

<sup>65</sup> See Goodall, supra note 5, at 1108.

<sup>66</sup> Id.

<sup>67</sup> Stephen A. Miller and Leigh Ann Benson, *NJ's Supreme Court Gamble Takes on PASPA*, THE LEGAL INTELLIGENCER (Nov. 9, 2017), https://www.law.com/thelegalintelligencer/2017/11/09/njs-supreme-court-gamble-garden-state-takes-on-paspa/?slretu rn=20241018170129.

<sup>68</sup> Id.

<sup>69</sup> Murphy, 584 U.S. at 463.

<sup>70</sup> Id. at 455.

<sup>71</sup> *Id*.

<sup>72</sup> Doug Greenberg, Sports Betting Industry Posts Record \$11B in 2023

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N Hampshire<sup>93</sup>

New Jersey94

New Mexico

New York<sup>95</sup>

North Carolina<sup>96</sup>

North Dakota

Ohio97

Oklahoma

Oregon

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Florida <sup>80</sup>			Х
Georgia		X	
Hawaii		X	
Idaho		X	
Illinois <sup>81</sup>			X
Indiana		X	
Iowa <sup>82</sup>			X
Kansas <sup>83</sup>			X
Kentucky <sup>84</sup>	X		
Louisiana <sup>85</sup>	X		
Maine <sup>86</sup>	X		
Maryland <sup>87</sup>	X		
Massachusetts <sup>88</sup>	X		
Michigan <sup>89</sup>			X
Minnesota		X	
Mississippi		X	
Missouri		X	
Montana <sup>90</sup>			X
Nebraska <sup>91</sup>	X		
Nevada <sup>92</sup>	X		

Pennsylvania98			X
Rhode Island <sup>99</sup>			Х
South Carolina		Х	
South Dakota		Х	
Tennessee <sup>100</sup>	Х		
Texas		X	
Utah		Х	
Vermont <sup>101</sup>			X
Virginia <sup>102</sup>	Х		
Washington		Х	
West Virginia <sup>103</sup>	Х		
Wisconsin		Х	
Wyoming <sup>104</sup>	Х		

80 Florida Gaming Commission.

- 81 Illinois Gaming Board.
- 82 IOWA ADMIN. CODE r. 491-13.1-13.7 (2024).
- 83 KAN. STAT. ANN. § 74-8702 (2024).
- 84 Ky. Rev. Stat. § 230.085-230.826 (2024).
- 85 La. Stat. Ann. § 27:602 (2024).
- 86 ME. STAT. tit. 8, Ch. 35 (2024).
- 87 MD. CODE ANN. State Gov't § 9-1E01 (2024).
- 88 MASS ANN. LAWS ch. 23N § 3 (West 2024).
- 89 2019 Mich. Adv. Legis. Serv. 149.
- 90 MONT. CODE ANN. § 23-7-103 (2024).
- 91 Neb. Rev. Stat. § 9-1103 (2024).
- 92 NEV. REV. STAT. § 463.830 (2024).

- 93 N.H. Rev. Stat. Ann. § 287-1:1 (2024).
- 94 N.J. STAT. ANN. § 5:12A-10 (2024).
- 95 N.Y. RAC. PARI-MUT. WAG. & BREED. LAW § 1367 (2024).
- 96 N.C. GEN. STAT. § 18C-901 (2024).
- 97 Ohio Rev. Code Ann. § 3775.01 (West 2024).
- 98 4 PA. STAT. AND CONS. ANN. § 13C01 (West 2024).
- 99 42 R.I. GEN. LAWS § 42-61.2-1 (2024).
- 100 Tenn. Code Ann. § 4-49-102 (2024).
- 101 VT. STAT. ANN. 31, § 1340 (2024).
- 102 VA. CODE ANN. § 58.1-4030 (2024).
- 103 W. VA. CODE § 29-22D-3 (2024).
- 104 WYO. STAT. ANN. § 9-24-101 (2024).

#### **How Esports Betting Works**

Esports betting shares many similarities with traditional sports betting, but given the format of the competition and the different types of games available, there are bets unique to video games. The most popular games for esports betting include *Counter-Strike 2, DOTA 2, League* of Legends, Call of Duty, Rocket League, Rainbow Six Siege, Overwatch 2, and Valorant, among several others.

Traditional sports betting includes betting methods such as straight betting, parlays, futures, and proposition bets. In a straight bet, the bettor wagers on the outcome of a game or event such as picking a certain team to win a game.<sup>105</sup> Parlays are single bets that combine the outcomes of multiple selections, for example, a single bet that both the Giants and Eagles will win their respective games.<sup>106</sup> Futures take a step back and allow bettors to wager on whether a specific team or person will win an event in the future, for example, a preseason bet that the Giants will win the Superbowl (wishful thinking on my part).<sup>107</sup> And proposition bets, or prop bets, are bets that are not necessarily contingent on the outcome of the game or event, but can be a more narrow selection, for example, betting on how many yards passing Daniel Jones will have in a game for the Giants.<sup>108</sup>

Esports betting ties to these general sports betting concepts but adds twists unique to video games. Esports include straight bets where you can wager on the outcome of a match or event.<sup>109</sup> There are also futures such as betting on which gamer (or game team) will win a specific match.<sup>110</sup> There are prop bets where you can bet on which gamer will have the first kill in a game like *DOTA 2*,<sup>111</sup> or over/under bets where you can try to predict whether the total points scored will be above or below a set amount.<sup>112</sup>

To understand how a payout would work in a sports or esports bet, the following is an example bet, using betting odds provided by Thunderpick, an internationally-based esports betting site. There is an upcoming DOTA 2 match in the DreamLeague between AVULUS (+650) and PariVision (-122). The minus sign represents that the PariVision are favorites to win while the plus sign indicates that the AVULUS are the underdogs. Positive odds indicate a bettor's potential profit on a \$100 bet, while negative odds represent the bet necessary to win \$100.113 In this case, if you bet \$100 on the AVU-LUS and they win, the payout will be \$750 (the betting stake of \$100 plus a \$650 profit). The same \$100 bet on the PariVision, assuming they won instead, would yield a payout of \$181.97 (the betting stake of \$100 plus an \$81.97 profit). Knowing how the odds work is important in determining the likelihood of success of your bet and how much you are willing to wager.

#### Where and How Does One Wager

While esports betting is legal in many states, the most popular legal sportsbooks in the United States have not yet added many options for esports bets. For example, DraftKings offers only daily fantasy sports ("DFS") options when it comes to esports, and DFS is not considered to be gambling in most states.<sup>114</sup> Instead, most esports betting is done via internationally-based betting sites.

Examples of popular esports betting websites include Thunderpick, BetOnline, BetUS, Bovada, Pinnacle, and Betway. Generally, these websites allow you to deposit funds via a credit/debit card, wire transfer, and increasingly through cryptocurrency. Some websites, like Thunderpick, deal exclusively in cryptocurrency.

#### **Future Outlook**

Like sports betting, esports betting continues to see market growth with the United States projected to hit north of \$700 million in revenue in 2024.<sup>115</sup> The world-wide market volume is expected to reach \$3.5 billion by 2029.<sup>116</sup> This growth is fueled by online tournaments, events, mobile gaming, and accessibility to sports

<sup>105</sup> Hard Rock Bet: Sportsbook Betting Guide, https://www.hardrock. bet/sportsbook/football/.

<sup>106</sup> See id.

<sup>107</sup> See id.

<sup>108</sup> See id.

<sup>109</sup> Staff, *The Rise of Esports Betting: How it Differs from Traditional Sports Betting and Ways to Get Started*, New JERSEY DIGEST (Apr. 24, 2024), https://thedigestonline.com/news/the-rise-of-esports-betting-how-it-differs-from-traditional-sports-betting-and-ways-to-get-started/.

<sup>110</sup> See id.

<sup>111</sup> THP, *How to Bet on Esports*, THUNDERPICK (Oct. 4, 2024), https://thunderpick.io/blog/how-to-bet-on-esports.

<sup>112</sup> Staff, supra note 54.

<sup>113</sup> THP, supra note 56.

<sup>114</sup> https://www.draftkings.com/esports.

<sup>115</sup> Esports Betting – Worldwide, Statista (2024), https://www.statista. com/outlook/amo/esports/esports-betting/worldwide.

<sup>116</sup> Id.

betting.<sup>117</sup> Additionally, consumers are increasingly using cryptocurrency to make these esports wagers, primarily on international websites, due to both the convenience digital currency offers and the anonymity it provides.<sup>118</sup>

The legal landscape continues to develop in the United States. While many states have legalized esports betting, others are still trying to get legislation passed or clear up their sports betting laws to explicitly include esports. For example, Pennsylvania lawmakers continue to propose specifically legalizing esports betting, while New Jersey and Nevada are working towards solutions to make betting on esports more accessible.<sup>119</sup> The continued growth and success of esports betting is contingent on sustained legalization efforts in states that have not yet legalized esports betting, improvements in access to wagering on more familiar sports betting sites like FanDuel, Caesar's, and DraftKings, and increased betting options in brick and mortar casinos.

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## Shumaker Attorney Andrew L. McIntosh Named Executive VP & GC of the United Soccer League

Shumaker lawyer Andrew L. McIntosh has been named Executive Vice President and General Counsel of the United Soccer League (USL). As part of his new role, Andrew will continue to serve as Of

Counsel with Shumaker, ensuring a continued partnership between the firm and the league.

Andrew began his work with the USL while practicing as a partner at Shumaker, where he built a reputation for providing exceptional legal counsel. His appointment highlights both his individual



experience and Shumaker's strong foundation in sports and business law.

"Andrew's legal acumen has been instrumental in supporting our clients across industries, and it is no surprise that he has been chosen for this exciting new role," said Bennett Speyer, Shumaker Partner and Chair of the Hospitality, Leisure and Sports Business Sector. "His work with the USL is a testament to his skill and reflects Shumaker's commitment to excellence in sports law and beyond."

Andrew is a business and transactions lawyer with extensive experience advising clients in a wide range of industries, including energy, sustainable business initiatives, sports and leisure, and international trade and business expansion.

As a member of Shumaker's international practice group, Andrew has provided strategic counsel to clients navigating cross-border and global business opportunities. A dual member of the Ontario Bar and the Florida Bar, he co-founded a consulting firm focused on helping businesses expand internationally, as well as a company dedicated to serving the shipbuilding industry in Canada. Andrew also brings a wealth of experience in corporate governance, shareholder disputes, and trade facilitation, having served as Honorary Consul of Canada for Florida from 2005 to 2012. His work earned him the prestigious Governor General's Medallion.

In his new role with the USL, Andrew will leverage his deep experience to support the league's growth and operations while maintaining a vital connection with Shumaker as Of Counsel.

**Shumaker's Sports Law Team** serves a diverse clientele, including conferences, universities, NCAA and professional franchise coaches, athletic directors, conference commissioners and other sports industry executives, and other sports and entertainment figures. The team provides counsel on a wide range of matters, including taxation, employment agreements, deferred compensation arrangements, intellectual property and Name, Image and Likeness (NIL), Title IX disputes and compliance, workplace investigations, litigation and disputes, real estate, and contract and commercial law matters.

<sup>117</sup> Id.

<sup>118</sup> Id.

<sup>119</sup> George Stockburger, Pennsylvania Lawmaker Proposes Legalizing Esports Betting, ABC (Feb. 2, 2023), https://www.abc27.com/ pennsylvania-politics/pennsylvania-lawmaker-proposes-legalizingesports-betting/.

### **Concussions Slow Brain Activity of High School Football Players**

A new study of high school football players found that concussions affect an often-overlooked, but important brain signal. The findings were presented last month at the annual meeting of the Radiological Society of North America (RSNA).

Reports have emerged in recent years warning about the potential harms of youth contact sports on developing brains. Contact sports, including high school football, carry a risk of concussion. Symptoms of concussion commonly include cognitive disturbances, such as difficulty with balancing, memory or concentration

Many concussion studies focus on periodic brain signals. These signals appear in rhythmic patterns and contribute to brain functions such as attention, movement or sensory processing. Not much is known about how concussions affect other aspects of brain function, specifically, brain signals that are not rhythmic.

"Most previous neuroscience research has focused on rhythmic brain signaling, which is also called periodic neurophysiology," said study lead author Kevin C. Yu, B.S., a neuroscience student at Wake Forest University School of Medicine in Winston-Salem, North Carolina. "On the other hand, aperiodic neurophysiology refers to brain signals that are not rhythmic."

Aperiodic activity is typically treated as 'background noise' on brain scans, but recent studies have shown that this background noise may play a key role in how the brain functions.

"While it's often overlooked, aperiodic activity is important because it reflects brain cortical excitability," said study senior author Christopher T. Whitlow, M.D., Ph.D., M.H.A., Meschan Distinguished Professor and Enterprise Chair of Radiology at Wake Forest University School of Medicine.

Cortical excitability is a vital part of brain function. It reflects how nerve cells, or neurons, in the brain's cortex respond to stimulation and plays a key role in cognitive functions like learning and memory, information processing, decision making, motor control, wakefulness and sleep.

To gain a better understanding of brain rhythms and trauma, the researchers sought to identify the impacts of concussions on aperiodic activity. Pre- and post-season resting-state magnetoencephalography (MEG) data was collected from 91 high school football players, of whom 10 were diagnosed with a concussion. MEG is a neuroimaging technique that measures the magnetic fields that the brain's electrical currents produce.

A clinical evaluation tool for concussions called the Post-Concussive Symptom Inventory was correlated with pre- and post-season physical, cognitive and behavioral symptoms.

High school football players who sustained concussions displayed slowed aperiodic activity. Aperiodic slowing was strongly associated with worse post-concussion cognitive symptoms and test scores.

Slowed aperiodic activity was present in areas of the brain that contain chemicals linked with concussion symptoms like impaired concentration and memory.

"This study is important because it provides insight into both the mechanisms and the clinical implications of concussion in the maturing adolescent brain," said co-lead author Alex I. Wiesman, Ph.D., assistant professor at Simon Fraser University in Burnaby, British Columbia, Canada. "Reduced excitability is conceptually a very different brain activity change than altered rhythms and means that a clear next step for this work is to see whether these changes are related to effects of concussion on the brain's chemistry."

The results highlight the importance of protective measures in contact sports. The researchers cautioned that young players should always take the necessary time to fully recover from a concussion before returning to any sport.

The findings from the study may also influence tracking of post-concussion symptoms and aid in finding new treatments to improve recovery.

"Our study opens the door to new ways of understanding and diagnosing concussions, using this novel type of brain activity that is associated with concussion symptoms," Dr. Whitlow said. "It highlights the importance of monitoring kids carefully after any head injury and taking concussions seriously."

Other co-authors are Elizabeth M. Davenport, Ph.D., Laura A. Flashman, Ph.D., Jillian Urban, Ph.D., Srikantam S. Nagarajan, Ph.D., Kiran Solingapuram Sai, Ph.D., Joel Stitzel, Ph.D., and Joseph A. Maldjian, M.D.

## **News Briefs**

### Haynes Boone Sports Lawyer Promoted to Partner

Haynes Boone has announced the promotion of sports lawyer Errol Brown to partner. Brown, who works in the Denver office, focuses his practice on corporate transactions and governance for the sports industry, including professional teams, venues, broadcasting rights and emerging technologies. With experience as in-house counsel and in corporate strategy, he provides clients with strategic advice at the intersection of sports, media and technology.

### **CCHA Law Announces McGill's Admission to Indiana Bar**

ane McGill, of Church Church Hittle and Antrim, re-Cently gained admission to the Indiana Bar. Already licensed in Virginia, the additional admission will allow Jane to provide "even more value to CCHA's Sports Law and Higher Education clients, complementing her extensive experience and specialized knowledge," according to the firm. Having served as an NCAA Compliance Specialist at CCHA Law since 2019, McGill will continue to focus on a variety of sports law and higher education issues, including NCAA regulatory matters and litigation, Title IX investigations, and allegations related to hazing or misconduct. McGill previously worked as an associate director in the NCAA Eligibility Center, where she specialized in academic reviews and complex pre-enrollment eligibility matters. As part of the academic review team, she consulted

with NCAA member institutions and counsel, guiding them through the initial-eligibility waiver process from submission to appeal.

## Players Health Closes \$60 Million Series C Led by Bluestone Equity Partners

players Health, a provider of athlete safety and r sports insurance solutions, has announced the successful closing of its \$60 million Series C funding round. The round was led by Bluestone Equity Partners, the institutionally-backed global private equity firm focused on the Sports, Media & Entertainment industry. The investment brings Players Health's total funding to over \$100 million. Founded by a former professional football player, CEO Tyrre Burks, Players Health provides risk management services, reporting tools, and insurance products to sports organizations, empowering them to stay ahead of everchanging safety and compliance responsibilities on its data-driven and tech-enabled platform. Players Health will use the funding to accelerate its growth on several fronts, including advancement of its AI-powered product personalization, strategic M&A to broaden its market reach and expand capabilities, and expansion of its workforce to meet increasing consumer demand for its growing portfolio of specialized products and services.