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CHAMBERS GLOBAL PRACTICE GUIDES

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# Sports Law 2026

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**USA: Law and Practice**

Irwin A. Kishner, Daniel A. Etna, Joel Wagman and Barry Werbin  
Herrick, Feinstein LLP





## Law and Practice

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**Herrick, Feinstein LLP** provides a full range of legal services to clients worldwide from its offices in New York City, Newark, New Jersey and Pittsburgh, Pennsylvania. Herrick's sports law group works with the complementary practice groups on corporate, real estate, tax, IP, restructuring, employment, government relations and litigation aspects of sports law. The firm's attorneys have guided stakeholders in professional sports as they have made strategic investments in professional sports teams, as well as mixed-use developments and media rights, naming

rights, sponsorship, concession services, stadium financing and leasing, and other strategic operational and financing agreements. Herrick has represented major athletic teams and affiliated entities in transactions totalling over USD150 billion. In addition to the authors referenced, the firm thanks partner and chair of the insurance and reinsurance group, Alan R Lyons, partner Justin Blass and attorneys Daniel A Field, Tara Guarneri-Ferrara, Joshua J Schoch, Meaghan Roe, Jessie Root, Jermaine A. Brookshire, Jr and Adam Unger for valuable contributions.

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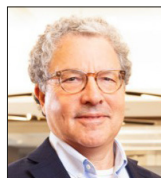
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# HERRICK

## 1. Athlete Conduct, Integrity and Enforcement

### 1.1 Anti-Doping Regimes

Doping is a criminal offence in the USA. The Rodchenkov Act enables US authorities to pursue criminal penalties against those involved in doping conspiracies at international events involving American athletes, sponsors or broadcasters. The Rodchenkov Act gives prosecutors the power to seek fines of up to USD1 million and prison time of up to ten years, as well as restitution to victims.

#### WADA

Since 2004, the World Anti-Doping Agency (WADA) has published an annual list of prohibited substances and methods (the Prohibited List), which is updated at least annually, with the new list taking effect on January 1st of each year. The list identifies the substances and methods prohibited in and out of competition, and for particular sports. The list is divided into two sets of substances and methods.

- Those that are prohibited at all times (including but not limited to):
  - (a) substances such as hormones, anabolics, erythropoietin (EPO), beta-2 agonists, masking agents and diuretics, and any pharmacological substance not currently approved for human therapeutic use; and
  - (b) methods such as blood transfusion or manipulation, gene editing or intravenous injections in some situations.
- Those that are prohibited only in competition, including but not limited to stimulants, marijuana, narcotics, glucocorticosteroids and, in particular sports, beta-blockers.

A substance or method can be added to the Prohibited List if it is deemed to meet two of the following three criteria:

- it has the potential to enhance or enhances sporting performance;
- use of the substance or method represents an actual or potential health risk to the athlete; and
- use of the substance or method violates the spirit of sport.

Athletes are responsible for knowing what substances and methods are considered banned by the Prohibited List. Under World Athletics Rules, the presence of a prohibited substance in an athlete's sample, or the use of a prohibited substance or prohibited method, constitutes a doping offence.

WADA's Code provides a global framework for the anti-doping policies, rules and regulations within sports organisations and among public authorities. The United States Anti-Doping Agency (USADA), the national anti-doping organisation in the USA for Olympic, Paralympic, Pan American and Parapan American sports, is a signatory to the Code. USADA is charged with managing the anti-doping programme, including testing both in and out of competition.

#### US Professional Sports Leagues

With respect to individual sports leagues in the USA, doping matters are generally handled internally by the leagues. Each league, through collective bargaining with players' associations, implements procedures and guidelines for the administration of drug testing and the determination of banned substances. These procedures usually consist of collecting random blood or urine samples that are tested by an independent laboratory. Punishments for taking banned substances often include fines and suspensions, but they can also include lifetime bans from the sport in some extreme cases. Pursuant to its recent collective bargaining agreement (CBA), the National Basketball Association (NBA) has removed marijuana from its drug testing programme.

### 1.2 Misconduct and Match-Fixing

In May 2018, the US Supreme Court struck down the federal Professional and Amateur Sports Protection Act (PASPA), which had effectively prohibited individual states from legalising sports betting, with a few exemptions. The ruling provided a pathway for individual states to legalise sports gambling. Currently, 39 states, as well as the District of Columbia and Puerto Rico, have legalised sports betting in some form, and several others have introduced proposed legislation. With the legalisation of sports betting, there is an increased risk of match-fixing and in-play manipulation.

The Sports Bribery Act is the federal criminal law that targets the manipulation of athletic competition. This act does not cover other non-bribery concerns such as extortion, blackmail, tipping of inside information or betting on games by someone who can affect the outcome.

### 1.3 Betting-Related Offences

Across the USA, sports betting is part of popular sports culture, and many states have passed, and are continuing to pass, legislation to legalise sports betting in varying forms. Such forms include mobile sports betting with multiple sportsbooks options, one mobile betting option, in-person online betting (ie, proximity to brick-and-mortar sportsbooks) and only physical sportsbooks. Some states restrict sports betting to only in-person betting, while others allow both in-person and mobile betting options. Of these states, more than half have authorised mobile betting, reflecting a significant shift in the accessibility and convenience of sports wagering nationwide.

Although the legalisation of sports betting continues to expand, it is now widely regarded as a new norm in the USA. This shift is evident in the dramatic increase in the volume of bets placed, with the annual amount wagered consistently setting new growth records year after year. The trend remained strong throughout 2025, with the total amount wagered in the USA projected to surpass USD160 billion (up from a noteworthy almost USD150 billion wagered in 2024), underscoring the rapid and ongoing boom in the sports betting industry.

Also noteworthy are prediction markets, which most straightforwardly involve betting on the outcome of specific real-world events. Prediction markets are not new; real-money versions have existed since the Iowa Electronic Markets launched in 1988 (albeit with a more academic focus and small investment limits), but the 2025 boom (analysts estimate tens of billions in global trading volume) pushed them into the mainstream and made them feel like sports betting wrapped in a stock-market interface. Prediction markets let people trade binary “Yes” or “No” contracts priced between a few cents and near USD1 that settle at USD1 if the outcome happens and USD0 if not, with the trading price functioning as an implied probability, on everything from game props to which brands

run Super Bowl ads. As popular platforms such as Kalshi and Polymarket grow, these markets offer useful real-time sentiment signals while also attracting regulatory and insider-trading scrutiny.

### Sports Governing Bodies Sharing Information With Betting Operators

US sports leagues license their data to sports betting operators via exclusive or co-exclusive distributors to provide accurate, real-time data for an agreed-upon fee. Sportsbooks operate outside of the sports, but often license from the sports organisations, as opposed to a third-party organisation. Sports organisations benefit from the win-win of earning fees for the data collection already underway and protecting the integrity of the sports wagers by ensuring accurate results. Additionally, certain states such as Illinois, Massachusetts, and Virginia, for example, have implemented specific requirements under which operators are mandated to use official league data for certain types of bets. Most notably, these requirements apply to prop bets and in-play betting, further supporting the desire to preserve the integrity of betting activities in those jurisdictions.

### 1.4 Disciplinary Framework

The steps taken by the different governing bodies of sports with respect to doping, integrity and betting offences vary by sport and violation. For example, pursuant to the Joint Drug Prevention and Treatment Program (the “JDPT Program”) of Major League Baseball (MLB), a player who tests positive for a performance-enhancing substance is subject to an 80-game suspension for a first violation, a 162-game suspension with 183 days of pay suspension for a second violation and potential permanent suspension from major and minor league baseball for a third violation. This contrasts with other sporting bodies such as the National Football League (NFL), which, although having a shorter season, has slightly different punishments for similar violations. For example, a player who violates the NFL’s policy on performance-enhancing substances can be penalised, depending on the consumed substance, from anywhere between two and eight regular and/or postseason games for a first violation, between five and 17 regular and/or postseason games for a second violation and with a multiple-season suspension for a third violation.

With respect to gambling and integrity violations, MLB has – in effect – clear guidance, through MLB Rule 21, which can provide, depending on the offence, for up to permanent ineligibility based on a single offence. MLB’s clear guidance on the penalties’ specific offences contrasts with other leagues’ guidelines, such as the NFL’s, where the league or the Commissioner may analyse violations on a case-by-case basis, with the resulting disciplinary actions including severe penalties up to and including a fine, termination of employment and/or banishment from the NFL for life.

## 2. Commercial Rights

### 2.1 Sports-Related Rights

Aside from sponsorship and broadcasting rights (discussed elsewhere in **2.2 Sponsorship** and **2.3 Broadcasting**), key sports-related rights include merchandising, hospitality, events and ticketing. While these rights all involve sports teams’ licensing, they primarily relate to the use of a team’s stadium or third-party facilities.

Commercial rights to merchandising most commonly relate to retail sales of a wide variety of products, including team logos and player references. To make use of these rights, teams or leagues will typically enter into agreements with retail goods companies for the design and production of gear. Those contracts often include intellectual property (IP) licences of team trade marks and copyrights, in exchange for a fee or percentage of sales. Teams and players may also engage in more specialised merchandising, including sales of memorabilia used in-game at pivotal or record-setting moments, often by way of auction or private sales to collectors.

Use of stadiums and sports facilities can be a significant commercial right that sports organisations monetise, which includes the provision of hospitality services and concessions. To provide concessions at their facilities, sports organisations contract with suppliers. Alternatively, some teams form their own hospitality organisations to control both the quality of the concessions available at their events and the profits to be made therefrom.

Teams also monetise unique offerings in their stadiums and facilities, including specialty seating for games or higher-end restaurants. Sports organisations may even use their facilities for special events such as concerts, either charging a fee for use of the space or including some split of ticketing profits in agreements with event organisers.

Increasingly, sports organisations are facilitating secondary ticket sales and combatting illegal sales through e-ticketing and apps dedicated to purchasing, storing and producing tickets for safer access to games.

### 2.2 Sponsorship Terms

Sponsors use sport to enhance and promote their brand primarily through advertising and title rights. Sports organisations attract sponsors through the creation of advertising space and marketing title rights. The primary contract terms typically revolve around payments and IP rights.

Sports organisations provide sponsors with a wide variety of opportunities for advertising, including on billboards, on the field or court, or even on the players’ uniforms. Broadcast of events provides an advertising opportunity by promoting different brands through commercial segments between periods of play. Additionally, sports organisations can provide sponsors with title rights as the “official” service provider of the team in the sponsor’s industry, complete with in-game announcements or broadcasting tie-ins. Title rights may even extend all the way up to the large-scale sponsorship right over naming a stadium. For food and drink sponsors, stadium advertisement can be tied to exclusive sales of sponsors’ products in concessions at the team’s stadium or facility.

Moreover, a standard sponsorship agreement between a sponsor and a sports rights-holder in the USA would typically grant the sports organisation the right to review and approve any advertising materials proposed by the sponsor, often including a veto or control to ensure alignment with the organisation’s brand and values. The contract may also likely contain clear provisions reserving and protecting the sponsor’s IP rights to ensure that trade marks, logos and other proprietary materials remain under the sponsor’s

ownership and are used only as permitted. Additionally, among other things, these agreements usually set out how the success of the sponsorship will be measured, such as by establishing key performance indicators, specifying the data to be collected, and detailing the frequency and format of performance reporting.

## 2.3 Broadcasting Rights

Sports rights-holders structure and package broadcasting rights to maximise investment from broadcasters. These packages are specifically tailored to appeal to both regional and national broadcasters, with agreements often distinguishing between local coverage and broader, nationwide exposure. Strategies such as traditional advertising during live events, subscription services for premium content and licensing agreements that allow content to be distributed across interactive media platforms enable sports rights-holders to reach diverse audiences while optimising the value of their broadcast inventory.

Traditionally, sports rights-holders package broadcast rights by the season. Different broadcasters bid to secure the right to broadcast a specific number of games within each season. Often, these packages are split between regional and national broadcasters, with regional broadcasters acquiring more games while national broadcasters purchase only select high-profile games. This split not only maximises revenue but also ensures a team's wider access to larger audiences. Sports rights-holders are increasingly retaining digital broadcasting rights to enhance audience reach and potential profits. Teams have a longstanding practice of using league-specific broadcast services such as NFL Game Pass or NBA League Pass to distribute their content to fans. Building upon this, teams have extended broadcasting rights to major streaming platforms such as Hulu, Apple TV+, Amazon Prime and Netflix. Recent developments include exclusive rights deals, such as Apple TV acquiring specific MLB games as well as Amazon Prime and Paramount Plus broadcasting NFL games, and NBA games being broadcast on certain premium Hulu packages. The trend of broadcasting live sports on streaming platforms continues to accelerate, marking significant milestones in audience engagement and reach.

Broadcasting arrangements provide not only for fees, but also for certain access rights and IP concerns. Broadcasters need to bargain for the rights to access venues where sports occur, to ensure that their cameras and media equipment are present, alongside their announcers and commentators in commentary booths and on the field or court. IP rights are crucial, as broadcasters retain rights over their final broadcasts while using them to showcase trade marks and other IP of the sports rights-holders.

## 3. Sports Events

### 3.1 Proprietary Rights and Event Management

In the United States, sports events are primarily organised and governed by private entities, including national governing bodies (NGBs) for Olympic and amateur sports, professional leagues and collegiate associations. These organisations establish rules for participation, eligibility and event management. The United States Olympic & Paralympic Committee (USOPC), empowered under federal law (36 USC §§ 220501–220529), oversees the NGBs for Olympic sports, while professional and collegiate athletics operate under their own independent governance structures. Event organisers are required to follow rules established by the relevant governing bodies, and athletes and teams must meet the eligibility and conduct standards set by such organisations.

Proprietary rights – including IP, broadcasting, media and commercial rights – are generally protected, enforced and controlled by event organisers, leagues or governing bodies. For example, professional football, baseball and basketball team trade mark-protected team names and logos are owned by the teams, but those trade marks are registered, enforced and licensed by the respective leagues under complex revenue-sharing models.

### 3.2 Duty of Care and Liability

Sports events organisers generally owe a duty of care to both participants and spectators to ensure that the stadium and playing field are reasonably safe, and to avoid creating dangerous conditions. If a person is injured at a sporting event, whether that person has a

valid cause of action against the organiser will depend on whether they can prove all of the following three elements:

- the person was owed a duty of care by the organiser;
- the organiser breached this duty of care; and
- the injury resulted from that breach.

To determine whether the event organiser breached its duty of care, a court will apply a test of “reasonableness”. A court may consider whether the organiser implemented risk management policies and procedures to minimise risks and/or maintained its facility at reasonably expected standards.

### How Can Liability Be Limited?

Courts have repeatedly emphasised that event organisers are not required to guarantee the total safety of guests. The most common argument used in defending negligence claims involving injuries at sporting events is the “assumption of risk” doctrine. This doctrine can preclude recovery for injuries resulting from an activity in which the plaintiff realised the risks and nevertheless voluntarily participated in and accepted those risks. Assumption of risk can be expressed (eg, a waiver signed by the plaintiff), or it can be implied from the voluntary participation in the activity.

To prevail on the assumption of risk defence in a spectator’s personal injury action, the defendant is required to demonstrate that the injury-causing events were known, apparent or reasonably foreseeable consequences of attending the game.

It is not uncommon for event organisers to include disclaimer language in small print on the reverse of the ticket. Whether these disclaimers are valid is an issue of state law, and states differ as to the enforceability of these waivers. Another reason why an owner’s liability may be limited is the requirement that the owner’s negligence must be the cause of the injury.

### What Liability Cannot Be Excluded?

While disclaimers and waivers are valid in many states, they do not necessarily protect facility owners from their own negligence. Despite the disclaimers on the reverse of ticket stubs, stadium owners still have

an obligation to act reasonably to minimise the risk of injury to spectators. Waivers are also not effective if the sports organiser is found to be grossly negligent or to have intentionally harmed the claimant.

### How Can Athletes Be Liable to Spectators?

Athletes who engage in typical activities associated with a sport will not usually face liability for any resulting injuries that occur during the game. However, in limited cases, an athlete may bear liability for a spectator’s injury where, for example, an athlete behaves aggressively or fails to act according to the rules of the game.

### How Are Sporting Events Kept Safe From Violence and Disorder?

Sports organisers have a duty to keep the sporting stadium/facility reasonably safe, which may include a duty to take precautions if it is foreseeable that a third party will commit a criminal or violent act causing injury to a player or spectator. There are certain steps that can be taken to reduce that risk and potential liability:

- adopt and enforce internal disciplinary policies for players and coaches setting forth standards of conduct, and impose penalties for violations that are applied consistently;
- review and strengthen, if necessary, policies and local laws on the serving and consumption of alcoholic beverages;
- work closely with police and security to identify and deter the potential for violence and other unruly behaviour, and to implement a plan to discourage and respond to spectator violence if it occurs, including a strong, visible police presence;
- install video equipment in the seating area to help deter misconduct and identify spectators in the event of fan violence;
- have a designated area in the stadium for visiting teams’ spectators; and
- make public announcements before and during the game emphasising standards of spectator behaviour.

## 4. Corporate Structures

### 4.1 Legal Forms of Sporting Bodies

Entity selection is an important concern that should be addressed early in connection with the formation of any professional and non-professional sports clubs (amateur athletics) and sports governing bodies. In all instances, limiting liability against legal claims will be of paramount importance, and in the USA will be provided for by resorting, basically, to the use of any of the following entities:

- limited liability company;
- limited partnership; and
- corporation (publicly or privately owned).

Each of these types of entities is presently represented in all areas of professional and non-professional sports.

In the absence of ownership by persons or entities that are non-resident in the USA, the limited liability company form is likely the prevailing form of ownership and operation. These are frequently referred to as “pass-through entities” for purposes of taxation, providing for a single level of income taxation while affording their owners the ability to construct creative and sometimes unusual distribution “waterfalls”, directing how various revenue streams are distributed.

Generally, they derive from negotiations with investors. The limited liability company is governed by a limited liability company operating agreement and the state laws where that entity has been formed. Essentially, the operating agreement is a contract that provides for nearly unlimited variations of rights and remedies among its owners, which may consist of traditional common equity investors, those with preferred equity investments and those holding hybrid securities (which may be combinations of debt and equity securities). The applicable state law statutes are structured to defer to contractual rights of ownership and operation negotiated by the owners.

Typically, foreign investment will be made in limited partnerships, which are also formed under state law and are also pass-through entities, with the investment made by a special purpose corporate entity formed

for this purpose by the foreign person or entity. This avoids the foreign investor from creating a tax presence in the United States and being taxed directly.

### 4.2 Corporate Governance Codes

Governance in sports spans many participants, including players, clubs, local, national and international organisations, spectators, the media, commercial (sponsors), non-commercial interests, and educational and training bodies. Enhancing governance in sports has undoubtedly been a priority in response to the public scandals at the highest levels and bears similarities to the evolved corporate governance standards and expectations applicable to business corporations in the public capital markets. However, in the USA there is no “one size fits all” approach recommending or prescribing governing principles, and, as a result, codes of conduct abound at all levels (professional, collegiate and youth). This stands in contrast to, for example, the UK’s Code for Sports Governance, with broad application to all that seek government and lottery funding.

In the USA, sports leagues are most often governed according to rules and internal regulatory procedures set forth in league organising documents. Most typically, these consist of league constitutions and by-laws and agreements between the sports league and member teams. The acquisition of and transfers of ownership interests in teams, with or without changes in control, are often scrutinised, requiring prior approval involving extensive due diligence regarding indirect ownership interests of prospective investors and business and litigation background and history. This process will often involve the examination of affiliate relations. In many cases, these documents establish a board of governors comprising team owners or their representatives. These documents provide for establishing and managing league governance and regulatory policies and typically also provide for appointing a league commissioner. The league commissioner serves as a chief executive officer and is typically responsible for overseeing the day-to-day league operations. League organisational documents and CBAs set forth player and coach codes of conduct.

## 4.3 Sport Funding

Federal agencies and state and local governments often turn to public-private partnerships to structure and execute the development of stadiums and other sports-related facilities. This is often done in conjunction with the redevelopment of real estate located in areas qualifying for tax status as a Qualified Opportunity Business Zone with special tax-advantaged attributes.

Federal legislation in 2025 extended and enhanced tax incentives for investments in qualified opportunity zones creating opportunities for the sports and entertainment industries, where projects often require large tracts of land and involve significant public-private partnerships.

## 5. Intellectual Property, Data and Data Protection

### 5.1 Trade Marks

Trade mark rights in the USA are based on the use of a mark in US commerce for specific goods/services. Registration is therefore not necessary to protect and enforce trade mark rights, although registration provides certain meaningful benefits (discussed in the following) and enhanced litigation remedies. Unregistered but otherwise protectable marks (ie, common law use) may be enforced against junior users of the same or confusingly similar marks for the same or closely related goods/services; however, a junior user who registers its mark first may, over time, establish priority in geographic regions in which the senior use had not been operating at the time of such junior user's registration.

Registration is available at the federal level through the US Patent & Trademark Office (USPTO) for marks that are used in US interstate commerce. "Intent to use" applications can be filed without use to obtain early priority filing dates, but even if such applications are approved, registration cannot be obtained until evidence of use has been filed with the USPTO within statutory time periods. All 50 states also have state trade mark registrations for marks that are used locally only within their states. Word marks that are generic can never be registered.

Marks that are merely descriptive also cannot be registered on the Principal Register or enforced until, and if, they obtain secondary meaning (also known as "acquired distinctiveness"). Marks cannot be registered if they are confusingly similar to any prior filed application or issued registration for related goods/services.

While registration is not necessary to enforce valid trade mark rights, under the US Trademark Act (also known as the Lanham Act), the advantages of federal registration include:

- legal presumption of validity of the mark and its ownership;
- constructive nationwide notice of registration;
- potential for enhanced damages in infringement cases, especially for counterfeit merchandise; and
- potential senior rights in certain geographic areas as against a senior common law user of the same or confusingly similar unregistered mark in the absence of prior knowledge of the senior user's use.

### 5.2 Copyright/Database Rights

US copyright law is exclusively governed by the 1976 Copyright Act, which is a complex statute with additional enabling regulations. The USA is a member of the Berne Convention, which has been in force in the USA since 1 March 1989. Registration is not required to protect copyright, which exists from the moment of creation of an original work of authorship that is otherwise protectable by copyright. While copyright protection extends to a very broad category of original works, some features like common geographic designs and short phrases are generally not protectable. Similarly, under current US law, content created by generative AI is not protectable because copyright only protects works of human authorship.

However, except for non-US Berne Convention works, registration is still required as a prerequisite to sue for copyright infringement in the USA. In addition, if a registration is issued within three months of a work's first publication, in a subsequent infringement action the copyright owner may seek both statutory damages (in lieu of a need to prove actual damages or an infringer's profits) and legal fees if successful. Although non-

US Berne Convention country copyright owners are exempt from the registration requirement as a precondition of suing for infringement, they cannot seek statutory damages or legal fees unless a US registration is effective before an act of infringement begins.

Common defences include lack of personal jurisdiction, statute of limitations, non-infringement due to lack of substantial similarity of copyright-protectible elements, public domain, *scènes à faire* and idea-expression merger doctrines, and statutory fair use.

### Databases

Databases can be protected by copyright and/or trade secret laws under both state and federal laws. Trade secrets are typically protected by confidentiality and non-disclosure agreements. Copyright does not protect facts, such that factual data within a database cannot be protected; however, the original structure, sequence and organisation of a database (ie, the schema) can be protected if it is original. Data plays a huge role in sports, including measuring the performance of teams and their athletes and analysing the performances of competitors. These databases are highly proprietary, and their content can be protected as trade secrets even where the factual data itself cannot be protected by copyright.

### 5.3 Recognising Personality/Image Rights

There is legal recognition for NIL rights for individual athletes, but generally only at the state level under statutory and common law rights of publicity. As this is governed by the laws of 50 individual states, it is a complex area of US law. Some states do not recognise a right of publicity, while many others recognise such right by statute and/or common law. Some states also recognise a post-mortem right of publicity, which extends beyond specified persons' deaths and can be enforced by the heirs of deceased individuals.

The rights of college athletes to be able to financially exploit their own NIL experienced a ground-breaking moment in 2021, when new state laws and National Collegiate Athletic Association (NCAA) rule changes provided such athletes, for the first time, with the right to profit by licensing their NIL rights. In the past, NCAA rules prohibited college athletes from accepting any such compensation as a condition of being able

to compete as an “amateur”. Student athletes now have the opportunity to enter into endorsement and sponsorship deals, and to earn revenue from social media posts. However, universities are prohibited from compensating student athletes directly or offering NIL deals as recruiting incentives.

A massive antitrust class action was previously brought by current and former Division I college athletes against the NCAA and five major college sports conferences. The plaintiffs challenged NCAA rules that limited or prohibited NIL compensation from third parties, compensation from schools derived from NIL rights and scholarship caps. The action settled in June 2025 for USD2.576 billion in damages, which will be distributed over ten years to compensate athletes harmed by past NCAA restrictions. The settlement also provides for future revenue-share payments to athletes, with schools permitted to share up to 22% of their athletic revenue, and allows college athletes to retain broad NIL rights with only limited restrictions on the sources of NIL payments from certain boosters or other entities.

In addition to publicity rights, well-known and famous athletes (both professional and college) may develop trade mark rights in their names and persona, providing additional IP protection under federal and state law. The concept of “passing off” is a form of trade mark infringement and unfair competition under the federal Trademark (Lanham) Act and state laws, regardless of whether an athlete's rights are registered. However, athletes would only have enforceable trade mark rights in their names or other aspects of their persona if such persona were in fact used as a brand to market and sell goods/services in the USA. Under new 2024 NCAA rules, universities may offer educational workshops to student athletes on protecting their IP rights and provide guidance on managing and exploiting those rights.

### 5.4 Protecting Personality/Image Rights

See 5.3 **Recognising Personality/Image Rights**. Athletes who develop unregistered common law trade mark rights in their names and other slogans that are used to market goods or services can protect themselves from unauthorised uses through state common law and unfair competition laws, as well as the federal

Lanham Act, which also provides remedies for common law trade mark infringement (often referred to as unfair competition) and false advertising. Typically, court cases alleging violations of the federal Lanham Act include additional state law claims for unfair competition, passing off and similar state law remedies.

## 5.5 Licensing

Licensing is a primary generator of team and league revenues and extends to a large variety of merchandise, TV and streaming rights, film and video rights, and the hospitality sector. In the USA, the professional major sports leagues generally control and administer all member team trade mark rights and the licensing thereof (see 3.1 Proprietary Rights). Licensing revenues are shared with teams based on contractual formulas. The leagues also enforce team trade marks against infringers and counterfeit products.

Professional athletes are generally free to enter into direct sponsorship and licensing agreements, typically through their agents, provided such acts do not otherwise violate their team and league policies and any player contract provisions.

## 5.6 Assignment of IP Rights

There are no legal restrictions on assigning IP rights to third parties, with the only statutory exception being that an “intent to use” federal trade mark application can only be assigned to a successor of the underlying business. Restrictions on the assignment of IP rights to third parties are generally a matter of contract. In the absence of any such restriction, contractual rights may generally be assigned except for personal service contracts; however, this is a matter of state law and is therefore subject to specific applicable laws of the 50 states.

## 5.7 Data in Sport

Sports in the USA are heavily reliant on massive amounts of data and statistics regarding players’ performance and health, training, coaching, competitive team positions, scouting reports and fan engagement. Major sports leagues and their teams employ sophisticated technology to capture real-time game data, such as MLB’s StatCast system, an artificial intelligence (AI) tool that uses radar and high-speed cam-

eras to record all movements made by players and tracks the flight and velocity of baseballs.

Similar systems are installed in NFL and NBA arenas and are being implemented by the National Hockey League (NHL). The NBA uses cameras to track players’ co-ordinates on basketball courts multiple times per second, and AI algorithms process that data in real time to disclose defensive weaknesses or player spacing inefficiencies. The NFL, in collaboration with Amazon Web Services, has created the Digital Athlete, an AI tool that creates a virtual representation of an NFL player, using TV footage and sensors in football gear, to enhance player safety and better predict and prevent player injuries. Formula 1 racing is at the leading edge of data capture technology, with each car being outfitted with up to 300 sensors that produce approximately 1.1 million data points per second, and with data processing systems that are driven by AI technology. Data science is also used extensively to predict, minimise and prevent athletes’ injuries (see also 5.2 Copyright/Database Rights).

## 5.8 Data Protection

The EU General Data Protection Regulation (GDPR) does not apply to US leagues and teams that are not collecting any personal data from EU residents. Leagues, teams and promoters will be subject to the GDPR with respect to international competitions and exhibition games outside the USA.

There is no US federal data privacy law outside of the health care and financial sectors, and for children under 13 years of age. California has the most extensive set of data privacy laws that apply when personal data (as defined under state law) of California residents are collected, used, stored or processed. Multiple other states also have data privacy laws, and more are being enacted year after year that apply to residents of those states. Teams that collect data from fans and followers, which can include minors, must strictly comply with these multiple state data privacy laws. Modern stadiums and other sports venues may also collect biometric data that is subject to state privacy laws.

## 6. Dispute Resolution

### 6.1 Role of National Court Systems

#### Internal Regulation and Arbitration

US sports leagues are typically governed according to rules and internal regulatory procedures set forth in league constitutions and by-laws. In many cases, a league commissioner serves as a chief executive officer and is responsible for overseeing the day-to-day operation of the league. Although the organisational structure of each league differs, the commissioner generally has plenary authority to enforce league rules.

Jurisdiction over sports-related disputes depends on the nature of the dispute. In professional sports, an arbitration clause is often found in a CBA between a players' association and the league or team. Under most CBAs, it is common for grievance, salary and contract disputes to be resolved through binding arbitration. League constitutions and by-laws often require that disputes between the league, players, member teams, officials or shareholders be resolved through arbitration, with the league commissioner frequently serving as arbitrator.

#### Dispute Resolution Before the Courts

It is a common requirement under most governing documents that the internal arbitration process be exhausted before a dispute can be heard in court. While it is unusual for a player to appeal their suspension, this can occur.

There are cases in which disputes involving leagues or teams may be heard initially in state or federal court. This usually occurs when a litigant is not party to the league's operating agreements and is not bound by an arbitration provision contained in those governing documents.

### 6.2 ADR Mechanisms

League constitutions and by-laws typically require that disputes between the league, players, member teams, officials or other internal league stakeholders be resolved through arbitration, in many cases before the league commissioner as arbitrator.

#### MLB

One type of arbitration is "baseball arbitration", which originates from a methodology that is used to resolve baseball players' salary disputes. In this type of arbitration, each party submits to an arbitrator an amount that represents the party's last, best offer. The arbitrator then must pick one of the submitted figures. MLB CBA still requires "last, best offer" arbitration. This system usually causes good faith bargaining and results in a high percentage of settlements.

#### NBA

The NBA utilises arbitration to resolve issues pertaining to the CBA. The CBA provides for arbitration of disputes relating to player grievances and selected articles within the CBA. Issues involving income, salary cap and minimum team salary are subject to arbitration under the CBA. Some disciplinary determinations issued by the NBA commissioner are binding upon the player. If the disciplinary determination meets certain criteria, it may be appealed to a grievance arbitrator for a final determination.

#### NFL

The NFL CBA provides for arbitration of what are essentially labour disputes between the team and a player, including salaries and whether an injury that precluded a player from performing was sustained as a result of play.

### 6.3 Sanctions, Remedies and Challenges

Following a league-issued decision, there is typically an internal appeals process that is set forth in league-governing documents. This internal appeals process is typically the final adjudicatory step available at the league level.

After an arbitration award is issued, a party seeking to enforce the award should file a petition in federal court to confirm such award within one year of the date the award was issued. As noted in **6.1 National Court System**, after exhausting their appeal options at the league level, players or teams may appeal the league's determination in federal court under a narrow set of circumstances set forth in the Federal Arbitration Act (FAA) or under the Labor Management Relations Act (LMRA). An appeal sought from an arbitration award in the labour and employment context will likely result

in an appeal under the LMRA. Otherwise, the FAA's appeal procedures are likely to apply.

The standard for vacating an arbitration decision is high, and courts are generally deferential to arbitration decisions since the parties agreed to arbitration in lieu of using a court to settle the dispute. Courts will generally uphold the decision unless the arbitrator exceeded their authority under the terms of the CBA. Similarly, under the FAA, a party may seek to vacate an arbitration award where:

- the award was procured through corruption, fraud or undue means;
- there was evident partiality or corruption among the arbitrators;
- the arbitrators were guilty of misconduct, and the rights of a party were prejudiced; or
- the arbitrators exceeded their powers or so imperfectly executed them that a mutual, final and definite award upon the subject matter submitted was not made.

## 7. Employment Contracts and Rights

### 7.1 Sports-Related Employment Contracts

Relationships between athletes and sports organisations in football, basketball, baseball, hockey and soccer are typically handled by employment contracts, commonly referred to as standard player contracts or uniform player contracts (SPKs). An SPK is typically a form document that has been negotiated between the league and the players' union pursuant to a CBA. Most CBAs require that the league does not approve an individual player's SPK unless it has been negotiated with an agent registered with the player's union, or the player has negotiated the contract themselves. Generally, the Commissioner of the league has the power to reject an SPK if the agreement violates any provision of the CBA, including its salary cap and registered agent provisions.

#### Typical Terms of the SPK

The standard SPK typically requires the player to:

- participate in meetings, training camps, workouts, practice sessions, regular season games, exhibition games and postseason games;
- license the player's name(s), image, likeness and other identifying information and characteristics to the team for promotional purposes, and seek the team's consent before engaging in any media or public appearances;
- participate in reasonable activities promoting the team and league as directed;
- maintain good moral character, good citizenship, good sportsmanship and integrity, including by not betting on games, accepting anything of value to attempt to fix a game, or using or providing others with prohibited substances;
- maintain good physical condition and notify the team of injuries and illness, including notifying the team of injuries incurred as a result of the player's employment with the team;
- abstain from playing other sports or engaging in activities that may involve a substantial risk of personal injury without the consent of the team; and
- accept an assignment of the SPK in the event the team trades the player to another team, and faithfully perform the duties as required by the SPK for the new team.

While CBAs may restrict the subjects on which teams and individual players may negotiate in an SPK, the parties are generally permitted to negotiate the player's signing bonuses, contract restrictions on trading the player and compensation in the event of injury, among other provisions.

#### Salary Caps

Most major American professional sports leagues employ some mechanism to regulate player compensation to promote competitive balance and financial stability among teams via a salary cap, which limits either the total amount a team may spend on its roster or the amount it can spend on each individual player. Notably, MLB has not implemented a salary cap, but instead uses a competitive balance tax ("luxury tax") system, by which teams that exceed a pre-determined payroll threshold must pay a tax to the league/to fund player benefits.

## Antitrust and Anti-Competitive Concerns

Employment contracts between sports teams and players requiring loyalty to the player's team and league do not unreasonably restrain competition. Additionally, the non-statutory labour exemption to antitrust laws insulates agreements in the CBA from antitrust challenges. In particular, anti-competitive provisions in a CBA may be entitled to the non-statutory labour exemption where:

- “the restraint on trade primarily affects only the parties to the collective bargaining relationship”;
- “the agreement sought to be exempted concerns a mandatory subject of collective bargaining”; and
- “the agreement sought to be exempted is the product of bona fide arm's-length bargaining”.

Such protections may not extend to league-wide rules having an anti-competitive effect that have not been negotiated between the players' union and the sports organisation. See **7.2 Employer/Employee Rights**.

## 7.2 Employer/Employee Rights

### Anti-Discrimination Protections

Under Title VII of the Civil Rights Act of 1964 (“Title VII”), Title I of the Americans with Disabilities Act of 1990 (ADA), the Age Discrimination in Employment Act (ADEA), Title II of the Genetic Information Nondiscrimination Act of 2008 (GINA), and analogous state and local laws, sports organisations are prohibited from discriminating against or harassing their athlete-employees on the basis of race, colour, religion, national origin, sex, sexual orientation, disability, age and genetic information. Generally, player-employees are also protected against retaliation for engaging in protected activities, such as:

- complaining of unlawful discrimination;
- filing a charge of discrimination; and/or
- participating in an investigation, lawsuit or other proceeding concerning discrimination.

State and local laws may provide protections based on additional protected characteristics.

### Americans With Disabilities Act

Pursuant to Title I of the ADA, and state and local disability laws, employer sports organisations have a duty

to not discriminate against player-employees on the basis of disability, to keep player-employees' medical information confidential and to provide a reasonable accommodation to player-employees with disabilities absent an undue hardship. The extent to which player-employees may be entitled to reasonable accommodations in a profession based on physical ability and competition has not yet been outlined by the courts.

Sports organisations may also have a duty to not discriminate against players on the basis of disability if they are public accommodations (see *PGA Tour, Inc v Martin*, 532 US 661, 681 (2001)).

### Age Discrimination

The ADEA and state and local counterparts prohibit discrimination on the basis of age, with the ADEA and many states protecting individuals aged 40 and above. However, sports organisations should ensure that their practices are compliant with the requirements of an applicable state and/or local laws with a lower protected age, or which do not specify an age threshold.

### Gender Discrimination

Recently, disparities in pay and working conditions between men and women athletes have become the subject of significant public attention and litigation. *Morgan v United States Soccer Fed'n, Inc.*, granted summary judgment to the Federation on women players' pay and field surface discrimination claims but allowed their charter flight discrimination claim to proceed. Following this litigation, the Federation settled to provide equal pay for men's and women's teams. However, gender discrimination claims in sports are rare, since proving different treatment by a single employer is difficult when most teams employ players of the same sex.

Title IX of the Education Amendments of 1972 prohibits sex discrimination in any federally funded education programme, including college athletics, and requires schools to provide equitable participation opportunities, scholarships and resources for men's and women's teams. The law has become central in sports law disputes, most notably *West Virginia v B.P.J.*, which the US Supreme Court heard in early 2026 to determine whether states can bar transgen-

der girls/women from participating on girls'/women's sports teams. Additionally, a group of female student-athletes filed an appeal challenging the *House v NCAA* settlement, arguing that its distribution of NIL back-pay creates gender inequities and violates Title IX protections.

## Race, Colour and National Origin Discrimination

Under Title VII and analogous state and local laws, employer sports teams are prohibited from discriminating against players on the basis of their race, colour and national origin, among other protected characteristics. However, where a sports organisation acts on the basis of a protected characteristic with the goal of remedying its past discrimination, there is generally no violation of Title VII.

## Protection of Genetic Information

Depending on the terms of a CBA, employer sports organisations manage player-employees' health and collect their medical information. However, Title II of GINA prohibits employer sports organisations from:

- discriminating against player-employees on the basis of their genetic information;
- requesting, requiring or purchasing genetic information about player-employees;
- disclosing genetic information about player-employees, subject to limited exceptions; or
- retaliating against player-employees for protected conduct under GINA.

GINA also requires that employer sports organisations keep player-employees' genetic information confidential. Employer sports organisations' use of increasingly accessible genetic testing and advancement of wearable technologies may be limited by GINA's requirements.

## Wage and Hour Law

The Fair Labor Standards Act of 1938 (FLSA) and state and local wage and hour laws require that employer sports organisations pay all players the minimum wage, and most players overtime premiums for hours worked over 40. Although there is no explicit exemption from the FLSA's overtime provisions for athletes generally, the FLSA carves out an exemption for baseball players during the regular championship season

as long as they are paid at least the minimum wage for 40 hours weekly. Florida and California have recently enacted similar provisions in their state wage and hour laws, and lobbying efforts may continue in other states.

## Collective Bargaining

Under the National Labor Relations Act of 1935 (NLRA), player-employees are entitled to unionise, collectively bargain with their employer sports organisations and participate in protected concerted activity. Under the NLRA, a sports organisation may not take unilateral action on terms affecting "wages, hours, and other terms and conditions of employment", such as free agency, first refusal provisions, salary arbitration, the college draft, salary caps, minimum individual salaries and fringe benefits, because these are mandatory subjects of bargaining (see 29 USC § 158 (d)).

Despite the traditional view that student-athletes are not employees, recent National Labor Relations Board (NLRB) actions signalled a willingness to treat them as such, including a 2024 regional decision finding Dartmouth men's basketball players eligible to unionise and a NLRB complaint alleging that the NCAA and related entities misclassified athletes to deny them NLRA rights. However, in January 2025 those efforts were withdrawn, with the unions citing evolving legal and regulatory changes – such as expanded NIL compensation and anticipated reforms allowing direct athlete pay – as reasons to allow time for the new compensation framework to develop before litigating employee status.

## Unemployment Benefits

The Federal Unemployment Tax Act requires the Secretary of Labor to reject any state's unemployment programme if it provides unemployment benefits to professional athletes who are not playing between seasons if they are expected to play the next season (see 26 USC § 3304 (a)(13)).

## Workers' Compensation

Whether and the extent to which a professional athlete is entitled to workers' compensation for injuries sustained while working varies from state to state.

## Worker Adjustment Retraining Notification Act of 1988 (the “WARN Act”)

The WARN Act and its state analogues require employer sports organisations to provide employees, their representatives, and certain governmental officials with advance notice of closings and layoffs affecting a threshold number of employees. Under federal law, and in many states, employers including sports organisations are not required to provide WARN notices for lockouts during labour disputes.

## 7.3 Free Movement of Athletes The IRCA

The Immigration Reform and Control Act (IRCA), codified at 8 USC § 1324b, prohibits employers with more than three employees from discriminating in hiring, recruitment, referral for a fee or discharge based on national origin or, for “protected individuals”, citizenship status. “Protected individuals” include US citizens, nationals, lawful permanent residents (with certain exceptions), temporary residents, refugees and asylees. The ICRA does not protect unauthorised aliens and does not apply to:

- employers with three or fewer employees;
- claims already under consideration by the Equal Employment Opportunity Commission under Title VII (unless dismissed as outside Title VII’s scope); or
- situations under which citizenship status is required by law, regulation, executive order or government contract.

Employers may employ equally qualified US citizens or nationals over aliens, but blanket policies excluding all non-citizens are prohibited. The ICRA also bans retaliation and discriminatory documentary practices in the employment eligibility verification process, such as requesting more or different documents than originally required or refusing to accept facially valid documents for discriminatory reasons.

## Immigration and Visas

The Immigration and Nationality Act (INA), codified at 8 USC § 1101 et seq, governs immigration options for professional athletes, including both immigrant and non-immigrant classifications.

## *EB-1 – Employment-based first preference immigration*

A professional athlete who demonstrates extraordinary ability in athletics through sustained national or international acclaim, supported by extensive documentation, may self-petition for an EB-1 immigrant visa. The athlete must demonstrate his or her intention to continue operating in their field and that their entry will substantially benefit the United States. This standard is extremely high, requiring the athlete to be among the small percentage at the very top of their field, with evidence of a major one-time achievement (such as an Olympic gold medal) or satisfaction of at least three of ten regulatory criteria (prizes, memberships, leadership roles, etc), with allowance for comparable evidence if such criteria do not readily apply.

## *B-1 – temporary business visitor*

Athletes visiting for a professional or commercial purpose (contract negotiations, participation in conventions, etc) may use a B-1 visa for limited activities. When using this visa, no productive employment in the USA is permitted; eligible entrants include only individual professionals receiving no salary other than prize money and athletes of foreign-based teams in international leagues whose salaries are principally earned abroad. Periods of stay for such athletes are generally up to six months, with a possible extension of another six months, totalling a one-year stay.

## *O-1A – individuals with extraordinary ability or achievement*

Athletes with sustained national or international acclaim may qualify for O-1A status. O-1A petitions are typically filed by a US employer; however, in 2025, United States Citizenship and Immigration Services (USCIS) began permitting companies owned by the athlete to file the petition on his or her behalf. The initial period of stay for such athletes is up to three years, with extensions permitted in one-year increments. If the athlete changes teams or employers, he or she benefits from a discretionary grace period of up to 60 days after employment ends to file a new petition. Employment authorisation does not continue automatically; the athlete must await USCIS approval of the new petition before resuming work.

## *P-1A – athlete*

A foreign athlete seeking temporary entry to the United States for the sole purpose of competing at a specific athletic competition may qualify for a P-1A visa. The athlete must be performing at an internationally recognised level or be a “professional athlete” (ie, employed by a team in an association of six or more professional sports teams with combined revenues over USD10 million annually that governs member conduct and regulates contests, or any minor league affiliate thereof). The petition must be filed by a US employer, agent or sponsor, and the athlete must meet evidentiary criteria, including a tendered contract and at least two of seven regulatory criteria if not a professional athlete. For professional P-1A athletes traded between organisations, employment authorisation automatically continues for 30 days after acquisition by the new organisation, during which the new organisation is expected to file a new P-1A petition. If no petition is filed within 30 days or if the petition is denied, employment authorisation ceases.

## 8. Women’s Sport

### 8.1 Development and Growth of Women’s Sport

The continuing evolution of the sports business landscape has created new opportunities for women athletes as well as for women’s sports generally. The ability of college athletes to monetise their NIL has provided new opportunities for women athletes. NCAA women’s basketball remains one of the top collegiate sports in generating NIL revenue.

The All Women’s Sports Network, a new streaming service that debuted in 2024, provides continuous coverage of female athletes on and off the field, along with original programming and live sporting events. The service is available in over 60 countries, making it the first global network dedicated entirely to women’s sports. Media rights for women’s sports have also increased significantly in value. In 2023 the NWSL announced a multi-year media deal with CBS Sports, ESPN and Amazon Prime Video for USD240 million, representing a 40-times multiple of the NWSL’s previous agreement. In 2024, the WNBA announced its

own new media rights deal with Disney, Amazon Prime and NBC, valued at over USD2 billion for 11 years.

Despite these new opportunities, several challenges remain for women in sports. Funding discrepancies and disparate treatment at universities continue to be a source of controversy.

In college, while some women have earned significant NIL income, the average NIL income for women student athletes is significantly lower than for male athletes. Professionally, despite the significant increase in media rights and franchise values, the salary gap between male and female athletes remains. Finally, the rapid growth of women’s sports has led to labour disputes between players and leagues, as demonstrated by the ongoing negotiations in the WNBA regarding a new CBA.

### 8.2 Organisations and Initiatives to Promote Women’s Sport

The continuing evolution of women’s sports has led to the creation and expansion of organisations and initiatives dedicated to accelerating growth and sustaining development in women’s sports, including at the local level.

In the United States, football remains the most popular sport by revenue generation and viewership. With limited exceptions, women have not been able to participate in competitive football. Recently, however, flag football leagues have proliferated at local and school levels, offering women the ability to join organised leagues and compete against other women. Further, the NCAA recently classified women’s flag football as an “emerging sport”, allowing for increased scholarships and participation opportunities at member universities.

The NFL, the premier professional league in the United States, is leading an initiative to develop a professional women’s flag football league. It is currently anticipated that women’s flag football will be an Olympic sport at the 2028 Summer Games to be held in Los Angeles.

## 9. Esports

### 9.1 Development and Growth of Esports

There has been growth in esports in 2025. The BLAST.tv Austin Major was a clear highlight, breaking global Counter-Strike viewership records and generating an estimated USD102 million in local economic impact. It was a reminder that large, well-run esports events can still draw massive audiences in the USA when the title, format and execution line up. Fortnite's revived Pro-Am format also landed, showing that hybrid events blending competition, creators, and entertainment still connect strongly with American audiences. Even mobile esports broke through in a meaningful way, with the Clash Royale World Finals pulling solid engagement and showing that US fans will show up when the product is positioned correctly.

Betting partners are still part of the picture, but teams and publishers have been clearly trying not to rely on them alone. The takeaway is not that esports has solved its revenue challenges, but that organisations are actively trying to build models around content, distribution and brand partnerships that do not depend entirely on bloated rosters or hype-driven influencer houses.

### 9.2 Key Trends and Notable Deals in Esports

A number of deals and announced transactions in 2025 reflected continued investment activity affecting the US esports and gaming market. Electronic Arts announced in September 2025 that it had entered into an agreement to be acquired in an all-cash transaction valued at approximately USD55 billion by a consortium including Saudi Arabia's Public Investment Fund, Silver Lake and Affinity Partners. The transaction, which was subject to customary regulatory approvals and closing conditions, would be the largest leveraged buyout in history if it closes. The purchase price of USD210 per share put a significant 25% premium on the market value of EA stock.

Within the esports organisation space, ownership-related transactions occurred at the team and asset level. DarkZero announced that it had acquired certain esports assets previously operated by NRG, with competitive operations and player rosters continuing under the new structure following the transaction.

Team Liquid completed the acquisition of Team Gullit, an organisation focused on EA Sports FC competition, expanding Team Liquid's presence in virtual football esports and related player development activities.

Partnership activity remained active around major esports events with US market relevance. The Esports World Cup Foundation announced a range of partnerships with global consumer brands, including companies in food and beverage, technology, hospitality, media and sports marketing, reflecting continued advertiser participation in large-scale esports events.

Publishers also announced forward-looking investment initiatives during 2025. Riot Games disclosed plans to invest significant capital over multiple years in support of future competitive offerings, including Valorant Mobile esports, alongside continued sponsorship activity across existing League of Legends circuits.

Finally, venture and growth-stage investment remained present in esports-adjacent platforms.

## 10. NFTs, AI and the Metaverse

### 10.1 Non-Fungible Tokens (NFTs)

Non-fungible tokens (NFTs) are unique digital assets that use blockchain technology to record ownership. Each NFT has a unique identifier that is recorded on a blockchain database, which acts as a public ledger to verify ownership and transfers. NFTs can reflect a variety of tangible and intangible objects, such as images, videos, songs and art. NFTs are distinguished from other digital assets that use blockchain technology, such as cryptocurrencies, by the "non-fungible" nature of NFTs. Each NFT represents a specific and unique item and is not valued on a one-for-one basis.

NFTs also provide teams and leagues with additional opportunities to enhance fan relationships and allow for real-world applications beyond investment. For example, holders of NFTs have been granted unique in-person experiences, personalised messages from players and discounts on merchandise. Holders of NFTs have also been able to participate in fantasy sports contests and vote on team decisions such

as player awards. As teams and leagues continue to innovate with immersive viewing experiences, NFTs and blockchain technology may provide a crucial link between fans and their favourite teams and players.

Despite these developments, the NFT market poses significant risks for both investors and creators. Little regulation currently exists, and it remains to be seen how regulatory authorities will look to assert control over the market. Class action lawsuits have been filed, including against Top Shot, alleging that the products sold on its marketplace are unregistered securities. While the Top Shot suit was ultimately settled, other NFT products may face similar claims in the future. Furthermore, investing in NFTs is speculative in nature, with limited historical information to make informed decisions. Trading volume and valuations, based heavily on demand and scarcity, have fluctuated widely. After peaking in 2021, many NFT marketplaces, including those relating to sports, have experienced significant decreases in both trading volume and value.

## 10.2 AI

As of January 2026, the United States continues to lack a comprehensive federal AI statute. Instead, the federal regulatory direction has shifted primarily through presidential executive orders while states have continued to expand their own AI laws. AI has proven to have many applications in athletics, with infinite possibilities on the horizon.

### Federal AI Guidance

In December 2025, President Trump issued an executive order entitled “Ensuring a National Policy Framework for Artificial Intelligence”, which established a national AI policy framework that priorities a less burdensome approach and seeks to discourage or override conflicting state AI requirements.

### The Blueprint for an AI Bill of Rights

In October 2022, the White House Office of Science and Technology Policy (OSTP) published a white paper titled the “Blueprint for an AI Bill of Rights: Making Automated Systems Work for the American People”. This paper notes that its principles do not constitute binding US government policy or guidance on the public or federal agencies.

### The AI Risk Management Framework

In January 2023, the US Department of Commerce’s National Institute of Standards and Technology (NIST) published the AI Risk Management Framework (“AI RMF”). In March 2023, NIST launched the Trustworthy and Responsible AI Resource Center, which aims “to offer a resource to the organizations designing, developing, deploying, or using AI systems to help manage the many risks of AI and promote trustworthy and responsible development and use of AI systems”. In 2024, NIST expanded the AI RMF with additional generative AI specific guidance, including the July 2024 Generative AI Profile, which assists organisations in applying practices to address risks that are unique to, or heightened by, the use of generative AI systems and applications.

### State AI Regulation

A number of states have begun to enact measures aimed at a better understanding and regulation of AI. Certain states continue to operate study commissions or task forces, but many states have now moved to the enactment of substantive regulatory regimes.

### Applications of AI in sports

Although regulations still vary widely from state to state, AI is being used in numerous ways across professional sports. Generative AI in particular (eg, ChatGPT) now routinely plays a role in content creation, maximising athlete performance, advertising and marketing and operational efficiency.

In content creation, AI has been used to automate the generation of highlight reels by ingesting footage and identifying portions with action or excitement that match the user’s prompts. Further opportunities exist to develop automated commentary, which could even adopt cloned voices of celebrities, athletes or existing newscasters, subject to licensing and/or data privacy restrictions.

AI has also been harnessed to maximise performance within the sports arena, where it is used (in some cases, embedded, into shoes, racquets, clubs or other equipment) to analyse athletes’ biomechanics to optimise performance, including the development of increasingly sophisticated predictive-injury models. It can also simulate game scenarios, allowing coaches

to better plan training programmes and develop play strategies. AI has also been utilised to help many MLB franchises ingest large amounts of player data to generate reports, thereby helping to automate the talent acquisition process, provide analytics for sports betting, and offer comprehensive data to players, coaches and fans. It has also found applications in game analytics; for example, umpire, referee and judge assistance to make more accurate decisions during play and competitions. AI has generated personalised fan experiences, including real time customised highlights, augmented reality overlays and interactive broadcast features.

AI also promises enhanced efficiency within stadiums. Facial recognition AI has already been introduced to streamline ticketless entry features. Other current applications are now being piloted in sports arenas to facilitate sales of merchandise, food and beverages through autonomous checkout systems.

### *Opportunities and risks*

As with any new technology, AI presents opportunities for further evaluation and has already revealed certain risks. For example, certain generative AI tools continue to “hallucinate” data, meaning that they respond to prompts with invented information. Other potential stumbling blocks include licensing and other IP concerns.

## **10.3 The Metaverse**

The metaverse continues to develop as a digital environment enabled by virtual and augmented reality technologies, allowing users to interact with content and with each other in shared virtual spaces. By 2025, its use in sport has become more focused and practical, with leagues, teams, and sponsors adopting specific applications rather than pursuing fully virtual alternatives to live sport.

### **Sports Teams**

In 2025, professional sports leagues continued to experiment with virtual fan experiences that supplement traditional broadcasts. MLB expanded its MLB Virtual Ballpark, hosting interactive watch parties that allow fans’ avatars to gather inside a shared digital stadium while viewing live games together. Similar approaches appeared internationally, with global soccer organisations using immersive gaming platforms to offer interactive experiences that sit alongside, rather than replace, live matches.

### **Sports Training**

Immersive technology is also increasingly used in athlete training. VR platforms such as STRIVR are used across the NFL, NBA, and college football to simulate game situations and allow athletes to practice decision-making and recognition skills without physical contact. In baseball, tools like WIN Reality are widely used to train pitch recognition by recreating real pitchers and game conditions in virtual environments, supplementing on-field practice.

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## CHAMBERS GLOBAL PRACTICE GUIDES

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