

SEIZING THE OPPORTUNITY IN ESPORTS AND VIRTUAL SPORT
A SUMMARY FOR SPORT'S RIGHTS HOLDERS

Whilst esports and virtual sports events have been increasingly prevalent in the UK over recent years, the current disruption to traditional live sport has emphasised the importance and value for traditional sports in adopting and embracing a digital strategy to engage with its fanbase, sponsors – and potentially an entirely new audience – through such virtual activity.

However, esports and virtual sports should not be viewed simply as a short-term fix to plug gaps in sponsorship rights and for sport to remain relevant to fans. As sport, media and technology increasingly converge – a trend only being accelerated by COVID-19 – it is esports and virtual sport that sits at this natural intersection. Even when live sport returns and fans can fill stadia once more, esports and virtual sports are here to stay and many stakeholders in traditional sports are starting to realise the important and complementary role that they will play in the sport and entertainment landscape in the future.

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esports

The term "esports" is often used in different ways by different people but, in short, it encompasses competitive video gaming, where players and teams compete against each other both professionally and on an amateur basis. Whilst "esports" is often used as a homogenous term to cover all competitive videogaming, it is more accurate to think of each videogame title as its own esports, each with its own rules, regulations and stakeholders in much the same way that traditional sports do.

Some traditional sports naturally lend themselves to esports, especially those that have popular games based on their real-life counterparts such as Formula 1 (F1 2019) and football (FIFA 20). Indeed, where games publishers are reliant on officially licensed team names, players, stadia and other intellectual property rights from leagues and teams in order to make their game realistic and credible, sport's rights owners have meaningful leverage to shape the regulatory framework for "their" esports in a way that has often been overlooked in the past and which simply does not exist for tournaments and franchises in non-sport game titles.

Where no such "obvious" game title exists for a sport – which may include where a game does not have appropriate functionality or where the game publisher is not willing or able to grant rights to use the game, sports may need to consider what type of video game they might adopt to engage with their existing and potential fanbase.

It is important to be aware that a large proportion of the "endemic" esports market is comprised of non-sports video games such as League of Legends (a multiplayer online battle arena game) and Counter-Strike (first person shooter game). The landscape for these titles is already relatively sophisticated: tournaments, teams and individual players have huge followings, live events fill arenas, the prize money on offer is substantial and betting on game outcomes is available. While, on the face of it, these traditional esports titles are very different from traditional sports, they engender the exact type of loyal and community-centric fanbases that have historically underpinned traditional sports. The fact that they do so with a digitally-native, younger demographic creates additional opportunities for collaborative and complementary offerings for traditional sports.

Virtual Sport

On the other hand, there is "virtual sport", which falls into two categories: (i) firstly, where a participant competes in an event online in a virtual reality setting in which individuals test themselves against a global community of professional and amateur athletes (e.g. virtual running or cycling); and (ii) secondly, where an event is run virtually based on historical data and computer algorithms to establish whether an athlete, horse or say, boxer, would win the race or fight.

Recent Examples

- **F1 Virtual Grand Prix (delivered by Gfinity)** – a new series of virtual F1 races running in place of every postponed Grand Prix featuring current F1 drivers, professional esports drivers and other sports celebrities competing in the F1 game with the inaugural event attracting over 3 million online viewers (across YouTube, Twitch and Facebook) and over 1 million viewers on TV (Sky Sports).
- **ePremier League Invitational (delivered by Gfinity)** – each of the 20 Premier League clubs are competing in this competition, which sees professional footballers representing their teams playing FIFA20 from home. It has attracted more than a reported "150 million viewers online" (BBC iPlayer, YouTube, Twitch) and on TV (Sky Sports and Premier League's international broadcast partners) in aggregate across the event.
- **Madrid Open Virtual Pro** – a tennis virtual replica of Madrid's tennis competition featuring professional tennis players competing at the Tennis World Tour video game, which saw Andy Murray and Kiki Bertens crowned as champions with an online audience of just under 4 million per day.
- **Rugby Club Esports Club (as part of the You Are Not Alone Cup)** – a competition featuring Premiership Rugby clubs which involved professional rugby players, esports professionals and rugby fans going head-to-head in a Fortnite Squads Tournament.
- **Ironman VR and Ironman VR Pro Challenge** – individuals can test themselves against a global community of athletes, as well as watching the pros compete on a weekly basis.
- **Virtual Grand National** – a computer-simulated version of Aintree's steeplechase designed by Inspired Entertainment. Computer-generated imagery was used to recreate the horserace classic, as real-life as possible. Peak viewing figures were 4.8 million in 2020.

Experience of the Onside Law Esports Team

- Advising esports solution providers, such as Gfinity, on the production of large-scale esports events (Elite Series) and competitions (including franchise formats).
- Advising Gfinity on the rulebooks and terms of participation for the F1 Esports Series since its launch in 2017.
- The proposed launch and governance of a virtual cycling league comprising of racing on a software platform for members of the public through to elite professional cyclists.

- Licence deals with game publishers such as EA Sports, Valve, Capcom, Codemasters and Psyonix.
- Advising sport's federations (ECB and FIFA) in relation to their agreements with games publishers and the licensing of intellectual property to be incorporated into video games.
- Deals for traditional sports athletes, celebrities and influencers playing in esports tournaments
- The broadcasting of esports and virtual content, via both linear and non-linear transmission, including on Facebook, Twitch and BT Sport including advising on rights to subscriber data.
- Establishment and operation of esports teams for Red Bull and West Ham and the signing of esports athletes.
- Sponsorship of esports tournaments & properties (e.g. lead partnership of Excel esports team with BT).
- Advising on the sale of virtual advertising inventory within games and esports events.
- Advising on the regulatory landscape for gaming and audiovisual media platforms.

For further information, please contact any of the following members of the Onside Law esports team:

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