

Inquiry into UKAD's doping investigation

The UK government launched an inquiry on 3 April into UKAD's handling of an investigation into alleged doping activities by British doctor, Mark Bonar, regarding sustained doping involving UK athletes and football players, following a report by *The Sunday Times*. UKAD in a statement explained that their investigation was thwarted by the lack of jurisdiction on Dr. Bonar and the absence of evidence to refer the case to the corresponding medical board.

Dr. Gregory Ioannidis, a Senior Lecturer at Sheffield Hallam University, stresses that "[t]he authorities have a legal and moral duty to ensure that they investigate all allegations. They may not have jurisdiction to investigate independent doctors and other third parties, but they can cooperate and seek the assistance of WADA, the General Medical Council and other government departments and national law enforcement agencies." Dr. Ioannidis suggests that the problem arises mainly as a result of how doping is monitored and regulated: "in the long run, it is my view that self-regulation cannot deal adequately with such matters. External regulation, in the form of criminalisation is the answer."

IN THIS ISSUE	Discrimination US women's soccer 03
	eSports Structure and league ownership 05
	Case Law Overdue payables review 08
	Wearables Wearable data use in sport 12
	Q&A The Amnesty International report 16

Panama Papers reveal links with senior ranks of sport

On 3 April the biggest data leak in history came to the fore when the initial results of an investigation into 11.5 million confidential documents, dubbed the 'Panama Papers' were made public. The records obtained by German newspaper *Süddeutsche Zeitung* from an anonymous source and shared by the International Consortium of Investigative Journalists ('ICIJ'), reveal the dealings of Panama based law firm, Mossack Fonseca, and the myriad ways in which it helped individuals and companies organise and manage offshore tax regimes and shell companies. Only part of the information has been processed, but initial reports have identified politicians, former and current world leaders and public officials with the firm.

Sport was not an exception and the Panama Papers reveal links to members of FIFA and

UEFA, including Eugenio Figueredo, former President of CONMEBOL, and include a contract co-signed by the current President of FIFA, Gianni Infantino, during his tenure as Director of Legal Services at UEFA for the sale of UEFA Champion's League broadcasting rights to an Ecuadorian TV channel through an intermediary company currently under investigation by US authorities. Also mentioned in the documents is Lionel Messi, who is due in court on 31 May on tax fraud charges, who allegedly incorporated an offshore company to manage his image rights.

For Stephen Hornsby, Partner at Goodman Derrick LLP, it was not a shock to find sports personalities mentioned in the Panama Papers. Hornsby explains, however, that the sole reference and link to Mossack Fonseca is not an automatic

confirmation of wrongdoing, "there is a distinction between Messi type issues - using offshore jurisdictions to shield wealth - and using such jurisdictions to cover corruption."

In particular, with regard to the transaction involving UEFA and Infantino, Hornsby adds that "selling at an undervalue is a classic way of setting up a fund for bribes. So no surprises that the UEFA contract (the existence of which was previously denied) is regarded as the missing piece of the jigsaw by Swiss authorities," which raided UEFA headquarters on 6 April.

The revelations raise questions about whether sports governing bodies should be able to sell commercial rights without supervision. Hornsby suggests that "for each tournament there should be a tender for agencies and the organiser should have an independent person on the selection panel."

WADA's Meldonium excretion Notice opens possible defence

The World Anti-Doping Agency ('WADA') issued on 13 April a Notice to stakeholders on Meldonium which aims to provide clarification on the excretion time of Meldonium, a substance included in the banned substances list from 1 January and which has been reported in 172 positive anti-doping tests since the ban.

Claude Ramoni, of Libra Law, explains: "as far as I am aware, the pharmacokinetic of Meldonium is particular as this substance follows nonlinear pharmacokinetics. The

substance may remain 'stored' in the body and it is quite difficult to estimate how the substance is excreted and for how long it can be detected without proper studies. Nevertheless, it appears now quite certain that a relatively low concentration of the substance may be found in the urine for at least two months."

Ramoni notes there "was clearly a need for clarification for the whole anti-doping community, in particular for NADO's or IFs who have to issue decisions on Meldonium

cases," and adds that "the clarification published by WADA now gives anti-doping organisations information allowing them to apply the right sanctions to each case."

WADA's Notice provides hope to athletes who tested positive for a low urinary concentration of Meldonium who may now benefit from a decision recognising 'No Fault or Negligence', but adds pressure on those with a higher concentration who may find it more difficult to prove they stopped taking the substance before the ban.

editorial board

MICHELE BERNASCONI

Baer & Karrer AG

Michele A.R. Bernasconi is a partner at Baer & Karrer AG. He advises sport associations and federations with regard to litigation, transfers, and other matters. He has experience with broadcasting, media, sponsoring, match-fixing and advises clubs and athletes in connection with transfer agreements, doping and image rights. Michele is a member of the CAS and is Academic Co-director of the Master on International Sports at the University of Zurich and of the UEFA Football Law Program.

michele.bernasconi@baerkarrer.ch

MICHAEL BRADER

Wiggin LLP

Michael is head of the of the sports group at Wiggin LLP. He advises sports clients, including rights holders and sports rights management and investment companies, specifically about broadcast and new media rights. He regularly advises on joint ventures and strategic partnerships between sports-based interests. Michael was a Partner at Olswang from 1995 and before that practised as a solicitor in Hong Kong.

michael.brader@wiggin.co.uk

PROFESSOR LORNE CRERAR

Harper Macleod

Professor Crerar LLB (Hons) NP is a founding partner of Harper Macleod and is presently its Chairman. He is retained by several institutions as their principal legal advisor. Formerly a senior rugby referee, Lorne is advisor to The Scottish Rugby Union on legal issues regarding discipline and their Discipline Panel Chairman. He is an International Rugby Board 'elite judge' and was the Judicial Officer for the Rugby World Cup 2011

lorne.crerar@harpermacleod.co.uk

MAX DUTHIE

Bird & Bird, London

Max is a partner in the Sports Law Group at Bird & Bird. A former professional rugby union player, Max has advised on sports law issues in the UK and Australia. Max has acted for governing bodies, event organisers, rightsholders, sponsors, clubs and athletes.

max.duthie@twobirds.com

JON ELLIS

Charles Russell Speechlys

Jon is a commercial litigator who specialises in sports law. He advises the Football Association ('FA'), and also has experience in cricket, horseracing and Formula One. He acted for the FA in its case against Paul Stretford and in implementing the current Player Agents Regulations; acted for the Indian Premier League ('IPL') in prosecuting its first ever doping case; and advised Yorkshire Cricket Club on disciplinary matters.

jon.ellis@crsblaw.com

LUCA FERRARI

Withers LLP

Luca joined Withers LLP in 2014. His practice focuses on contracts, regulatory and disciplinary issues, labour and commercial arbitration, disciplinary proceedings, corporate and international commercial transactions, personal insurance, antitrust, copyright, media licensing and production contracts.

luca.ferrari@withersworldwide.com

PAUL J. GREENE

Global Sports Advocates LLC, Portland

Paul J. Greene, the founder of Global Sports Advocates LLC, is recognised by Chambers USA and Super Lawyers as a leading US sports lawyer. Paul has handled sports law matters around the world, including numerous hearings before the Court of Arbitration for Sport.

pgreene@globalsportsadvocates.com

OWE HJELMQVIST

Setterwalls, Sweden

Owe is a partner and head of Setterwalls Law Firms Sports, Media and Entertainment Law Department. He has acted as counsel for the media and entertainment industry in Sweden including organisers of events, TV channels and newspaper magazines. He has also acted as counsel for the Swedish Football Association.

owe.hjelmqvist@setterwalls.se

GREGORY IOANNIDIS

Sheffield Hallam University and Kings Chambers

Gregory is a sports lawyer recognised for his expertise in anti-doping litigation and other sports regulatory matters. One of his most notable cases was the Greek Sprinters case, where he acted as Counsel for Mr Kenteris and Ms Thanou before the CAS and negotiated a multi-million pound out-of-court settlement with the IAAF. He is a senior lecturer at Sheffield Hallam University.

G.ioannidis@shu.ac.uk

AMRUT JOSHI

Gamechanger Law Advisors

Amrut is the Founder of Gamechanger Law Advisors, a sports consulting firm with a presence in Bangalore, India and Singapore. Amrut advised athletes, management companies, league promoters in a previous role as a lawyer.

amrut@gamechangerlaw.com

GREGOR LENTZE

Lentze Stopper Rechtsanwälte, Germany

Gregor is Managing Director of Lentze Stopper Rechtsanwälte. He was previously Managing Director of FIFA Marketing & TV Germany and Head of Legal Affairs at FIFA Marketing AG. He advises international sports federations and clubs on commercial sports rights.

g.lentze@mm-sports.eu

PROFESSOR RICHARD MCLAREN

Western University Canada

Member of the Faculty of Law at Western University Canada. Chairman of the Advisory Board Marquette University Sports Law Institute. Founding Co-Chief Arbitrator of the Sports Dispute Resolution Centre of Canada. Arbitrator for National Hockey League salary arbitrations & NHL Players' Association agent disputes. President of FIBA's Basketball Arbitral Tribunal.

mclaren@mckenzielake.com

DR. LAILA MINTAS

Consultant

Laila is a Lawyer and Consultant. Previously, Laila served as Director of Sports Integrity at CONCACAF and Head of Legal and International Development for FIFA's Early Warning System. She is a professor for Sports

Law at the ISDE program at Columbia University and St. Johns University.

MIKE MORGAN

Morgan Sports Law LLP

Mike Morgan founded Morgan Sports Law LLP after spending over eight years working within the Sports Law Group at an international law firm. He advises on regulatory and disciplinary issues, with particular experience advising on doping, corruption and selection disputes.

mike.morgan@morgansl.com

WARREN PHELOPS

K&L Gates

Warren is Head of the Global Sports Practice. He specialises in business issues relating to sport: in particular rights ownership and exploitation; corporate structuring and strategy; joint ventures; commercial; betting and gaming and media. He is co-author of Butterworths: Sports Law & Practice, and is also a Director of the European Sponsorship Association.

warren.phelops@klgates.com

ANTONIO RIGOZZI

Lévy Kaufmann-Kohler, Switzerland

Antonio is a founding partner and heads the sports law and arbitration practice at Lévy Kaufmann-Kohler. As an advisor to international federations, clubs, teams, athletes and others, he specialises in acting as counsel before the CAS, the BAT and other tribunals, as well as in related court proceedings.

antonio.rigozzi@k-k.com

MICHAEL STIRLING

Global Sponsors

Michael Stirling is retained as an advisor by Champions League football clubs and across sport. He provides analysis for BSkyB, CNN, BBC, Bloomberg TV and ITV. He has been published in the Wall Street Journal, the FT, Forbes, Newsweek and BusinessWeek.

michael@globalsponsors.com

RICHARD VEROW

Sky Sports

Richard is Commercial Director - Sky Sports. Previously a commercial lawyer for the International Cricket Council; has worked in entertainment, media and sport and was senior counsel for UEFA.

rverow@gmail.com

TREVOR WATKINS

Pinsent Masons

Trevor is Head of Sport at Pinsent Masons. He led the rescue and restructuring of AFC Bournemouth before becoming Chairman. He advises clients in the fields of horse racing, rugby and motor sport. He represents sponsors, rights holders, governing bodies and investors.

trevor.watkins@pinsentmasons.com

DAVID ZEFFMAN

Olswang, London

David is a partner and head of the sports practice at Olswang. His clients include Attheraces, the British Horseracing Authority, Eurosport, FIFA and the RFU. He has previously advised the Government on the future funding of British horseracing.

david.zeffman@olswang.com

CECILE PARK PUBLISHING

Editor Sophie Cameron

sophie.cameron@e-comlaw.com

Associate Editor Percy Wilman

percy.wilman@e-comlaw.com

Subscriptions Alastair Turnbull

alastair.turnbull@e-comlaw.com

telephone +44 (0)20 7012 1387

Design Madeln Earnest

www.madeinearnest.com

World Sports Law Report is published by Cecile Park Publishing Limited, 17 The Timber Yard, Drysdale Street, London N1 6ND
Telephone +44 (0)20 7012 1380
www.e-comlaw.com
© Cecile Park Publishing Limited.

All rights reserved. Publication in whole or in part in any medium, electronic or otherwise, without written permission is strictly prohibited.
ISSN 1742-0040

CECILE PARK PUBLICATIONS

Cyber Security Law & Practice

Monthly: launched April 2015
Cyber Security Law & Practice provides a multi-disciplinary view on cyber security challenges and real-world insight into how businesses at the forefront of cyber security are operationalising change.
PRICE £510 (£530 overseas / £345 Govt).

E-Commerce Law & Policy

Monthly: launched February 1999
E-Commerce Law & Policy is a unique source of analysis and commentary on global developments in e-business legislation.
PRICE: £525 (£545 overseas).

E-Commerce Law Reports

Six issues a year: launched May 2001
The reports are authoritative, topical and relevant, the definitive practitioners guide to e-commerce cases.
PRICE: £525 (£545 overseas).

E-Finance & Payments Law & Policy

Monthly: launched October 2006
E-Finance & Payments Law & Policy provides all those involved in this evolving sector with practical information on legal, regulatory and policy developments.
PRICE £649 (£669 overseas).

eHealth Law & Policy

Monthly: launched November 2013
eHealth Law & Policy delivers analysis on the legal and regulatory developments in eHealth and on the evolving technological solutions that are transforming healthcare.
PRICE £649 (£669 overseas / £345 Govt).

Data Protection Law & Policy

Monthly: launched February 2004
Data Protection Law & Policy is dedicated to making sure that businesses and public services alike can find their way through the regulatory maze to win the rewards of effective, well-regulated use of data.
PRICE £510 (£530 overseas / £345 Govt).

World Online Gambling Law Report

Monthly: launched April 2002
World Online Gambling Law Report provides up-to-date information and opinion on the key issues confronting the industry.
PRICE £649 (£669 overseas).

World Sports Law Report

Monthly: launched September 2003
World Sports Law Report is designed to address the key legal and business issues that face those involved in the sports industry.
PRICE £649 (£669 overseas).

DataGuidance

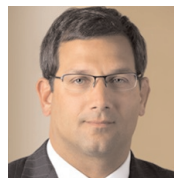
Launched December 2007
The global platform for data protection and privacy compliance.
www.dataguidance.com

US women's soccer dispute could jeopardise Rio entry

The United States Women's National Soccer Team, arguably the most successful women's side in the sport, has recently rallied against the US Soccer Federation's policies on player compensation that results in lower pay for female players. The discussion could have overarching implications for soccer not only in the United States but around the world. Frank Ryan, Harriet Lipkin, Kevin Harlow and Matthew Ganas of DLA Piper explain the origin of this confrontation, the proceedings initiated by each party and the potential consequences for the National Team's participation in the upcoming Rio Olympic Games.

In a dispute that may affect the future of women's soccer and the Summer Olympics, on 3 February 2016 the United States Soccer Federation ('USSF') filed an action for declaratory relief against the United States Women's National Soccer Team Players Association ('USWNT') requesting that the Illinois Federal District Court declare that a binding Collective Bargaining Agreement ('CBA') is in effect between the parties, preventing the USWNT from striking in order to gain bargaining leverage during negotiations in advance of the 2016 Summer Olympics.

On 30 March 2016, the USWNT countered by filing an administrative claim with the United States Equal Opportunity Employment Commission ('EEOC'), alleging that USSF discriminates against female soccer players by paying them significantly less than their male counterparts without any valid legal justification. The outcome of



Frank Ryan



Harriet Lipkin

the competing claims could have significant implications for the immediate future of US women's soccer and the upcoming Olympics.

The 2005 CBA

The USSF and USWNT were parties to a CBA entered into in December 2005 (the '2005 CBA') which contained a no-strike/no-lockout provision, providing that '[n]either the [USWNT] nor any player shall authorize, encourage, or engage in any strike, work stoppage, slowdown or other concerted interference with the activities of the [USSF] during the term of this [CBA].' The CBA expired on 31 December 2012.

The parties' MOU

In subsequent negotiations, the parties agreed to a Memorandum of Understanding ('MOU') with various provisions concerning compensation and other terms and conditions of employment, but without a no-strike/no-lockout clause. According to USSF, the parties contemplated that the 2005 CBA and the MOU would eventually be combined into a single document, and agreed that, until then, the new CBA would consist of the terms of the 2005 CBA (including the no-strike clause) as modified or amended by the terms of the MOU. USSF contends that the term of the new CBA was four years - expiring after the 2016 Olympics - as set forth in a provision that reads 'Term of WNT Contract - 4 years.'

In December 2015, USWNT notified USSF of its intention to terminate or modify the MOU, and to challenge the existence of a binding CBA. In a series of emails, USWNT expressed its position that no CBA was in place, that the MOU is terminable at will, and that USWNT was considering terminating the MOU. USWNT

requested bargaining prior to the commencement of March training camps.

USSF brings suit

The parties met on 3 February 2016, and during that meeting, USWNT allegedly refused USSF's request for assurance that USWNT players would not engage in a strike prior to December 2016. USWNT's position provides it with substantial bargaining leverage in negotiations for a new CBA, as a strike could jeopardise the team's participation in the 2016 Olympics. USSF has acknowledged this, stating that "[g]iven the extreme consequences [of a strike], the only alternative for US Soccer would be to accede to unreasonable negotiation demands from the [USWNT] to avoid such detriments." Thus, USSF filed suit, seeking a judicial declaration that a binding CBA is in effect (consisting of the terms of the 2005 CBA and the MOU) through to December 2016, including the no-strike clause.

USWNT claims that USSF has known of USWNT's position since July 2015; that if the parties' intent was to incorporate the terms of the 2005 CBA, they would have done so; and that USWNT has not threatened to strike (it merely reserved the right to strike).

The court has granted an expedited discovery and dispositive motion schedule. If the court is able to resolve the case on summary judgment motions to be argued in May 2016, a decision may follow shortly thereafter. But if a trial is necessary, the matter may not be resolved before the 2016 Olympics.

USWNT counters with pay discrimination claim

On 30 March 2016, in the midst of the federal lawsuit, five prominent female players on behalf of the

USWNT filed an administrative claim with the Equal Employment Opportunity Commission ('EEOC'), alleging that female players are paid significantly less than their male counterparts without any valid legal justification. The claim alleges that the women's team has enjoyed much more on-field success, that the women's team members perform substantially the same duties as the men's team, and that the women's team is more profitable for the USSF than the men's team, yet the women are paid substantially less than the men. In response, the USSF emphasised its efforts to advance the women's game, including its campaign to introduce women's soccer into the Olympics, the inclusion of prize money for the women's World Cup, and its founding of the National Women's Soccer League. It also criticised the accuracy of the figures cited by the female players, claiming that the men's team produced revenue and attendance figures about double that of the women's team, and that men's team's television ratings were higher.

If the parties are unable to resolve this dispute through a mediated settlement, the next step will be for the EEOC to investigate the charge. Given the magnitude and scope of the charge, that investigation is unlikely to close before the 2016 Olympics. If the EEOC finds probable cause of pay discrimination, it may then prosecute a federal court action on the female players' behalf, or the players can pursue the case through private counsel. Even if the EEOC finds no probable cause, the players can still pursue their claim in federal court.

Practical implications of the actions

Whether or not the USWNT's

By reserving its right to strike, the USWNT can potentially jeopardise the United States' participation in the 2016 Olympics and, to some extent, the immediate future of women's soccer in the United States



Kevin Harlow

position is ultimately successful, it has certainly increased the USWNT's bargaining leverage and position in renewed CBA negotiations. Although US women's soccer has been steadily increasing in popularity, public attention is most focused around the World Cup and Olympic Games. By reserving its right to strike, the USWNT can potentially jeopardise the United States' participation in the 2016 Olympics and, to some extent, the immediate future of women's soccer in the United States. According to the USSF, should the USWNT strike after the time passes for the USSF and the United States Olympic Committee to submit an alternate player roster, the USSF may be unable to name a replacement Olympic team and could be forced to withdraw from the Olympics 'to the substantial embarrassment, and financial detriment, of US Soccer, the USOC and the United States.'

While the pay discrimination charge is unlikely to immediately impact the USWNT's participation in the Olympics, it has increased the pressure on the USSF by drawing significant public attention to the pay disparity at a time when the USWNT's popularity is peaking. The timing is also opportune from a legal and political standpoint, as there is currently substantial debate over the interpretation and application of equal pay laws and a renewed push for strengthened protections.

As to the merits of the competing claims, the outcomes remain uncertain. In the federal court action, from the filings to date, it appears that the written terms of the MOU do not expressly provide that the terms of the 2005 CBA will continue in effect, and that the parties anticipated completing a full successor CBA at a later time. The case will depend largely upon testimony of those involved in

negotiations, the parties' bargaining history, and their informal correspondence. If such evidence is disputed, the case may not be conducive to resolution on a pre-trial summary judgment motion, which means that, unless the parties settle out of court, there is a considerable chance that the lawsuit will not be resolved before the 2016 Olympics. If, however, the USSF were to prevail on summary judgment, the USWNT will lose the current ace in its pocket - threatening to strike before the 2016 Summer Olympics.

In the EEOC charge, the USSF will likely bear the burden to prove that *bona fide* factors other than sex explain the pay disparity. In response to the players' claim of substantially less overall compensation, the USSF's press releases suggest that it will argue that revenue, profit, and popularity drive the pay differentials. Although the mere existence of a CBA is not an absolute defence to pay discrimination, the USSF's counsel has also noted that there are CBA variations more favourable to women, such as health, injury, and severance benefits, as well as maternity leave. Regardless of which side ultimately prevails, the charge and any subsequent lawsuit are unlikely to be resolved quickly, further strengthening the USWNT's bargaining leverage in continued negotiations.

Frank Ryan Partner
Harriet Lipkin Partner
Kevin Harlow Associate
Matthew Ganas Associate
 DLA Piper, New York
 frank.ryan@dlapiper.com
 harriet.lipkin@dlapiper.com



Matthew Ganas

eSports: league ownership, structures and growing pains

The growth of eSports has outpaced the development of commercial, legal and integrity structures. As often happens with technology driven business, eSports is several steps ahead of any attempt to regulate and organise the activity. Nick White and Daniel Alfreds of Couchmans LLP review the issues arising from the growth of eSports, particularly the need for an adequate league structure, and the integrity issues and conflicts of interest in this constantly changing arena.

The global phenomenon of competitive gaming that has facilitated the rise of eSports over the last few years has meant that the value of prize money, sponsorship and streaming opportunities have risen exponentially alongside the sport. This has coincided with major investment by well known names and organisations including Mark Cuban¹, the entrepreneur and owner of the National Basketball Association's ('NBA') Dallas Mavericks, and Amazon, which of course purchased Twitch² in the summer of 2014 for around \$1 billion.

The revenue increase for those involved has grown at a startling pace compared with traditional sports. Whilst the increase in funding at all levels is a boon for eSports, there is a much greater risk of quick growth leading to problems like conflicts of interest and competition law issues.

Conflicts of interest, competition law and integrity

At the moment, unlike most traditional sports, eSports has no centralised governing body to apply and enforce a standardised set of rules across the industry to prevent competitive conflicts. This has meant that the ownership and running of leagues and tournaments has been left to the market. Within the last year, two of the biggest operators, Major League Gaming ('MLG') and the Electronic Sports League ('ESL'), have been acquired by very different kinds of entity. MLG is owned and operated by Activision Blizzard which produces many popular eSports games like Call of Duty and Starcraft whilst the ESL, the self proclaimed 'world's largest eSports company,' had the majority of shares in its holding company, Turtle Entertainment, bought by the Modern Times Group³ (a

digital entertainment company) in the summer of 2015.

The potential for conflict of interests and competition law concerns are clear in both MLG and ESL's ownership structures. MLG controls access to some of the major games that are used in eSports and could in theory create anti-competitive rules such as only licensing Call of Duty to the tournaments and leagues operated by Activision Blizzard. On the other hand, a large media conglomerate like the Modern Times Group, which has also acquired the biggest Scandinavian eSports event organiser DreamHack⁴ and presumably may be looking to acquire others, could make it harder for smaller leagues and competitions to compete and survive potentially causing competition law complaints.

Another area of concern is the possibility of a single owner controlling more than one team. If teams sharing a controlling owner are able to compete in the same tournaments or leagues, this may lead to integrity concerns as the teams could meet each other, and the owner could theoretically arrange matters in favour of one or other team. In some traditional sports regulation is in place to address this possibility. For example, Rule I.5 of the Rules of the English Premier League ('EPL'), prohibits the holding of more than 10% of the shares in any EPL club by anyone who has shares in any other club.

Possible model ownership structures

Unsurprisingly perhaps in this increasingly digital and connected world, eSports is at present developing and consolidating considerably quicker than traditional sports ever did. It is not unreasonable to imagine the organisation and ownership

structure of the major leagues converging with those found in traditional sports. In the absence of a unified worldwide governing body to administer eSports, we look below at three ownership models and structures currently found in traditional sports that we could find eSports leagues, tournaments, publishers and teams developing:

1. the single owner model;
2. the team ownership model;
- and
3. the franchise model.

1. Single ownership of the teams

Major League Soccer ('MLS') is probably the biggest league to date that has successfully applied a single owner model.

Under this structure the MLS owns outright each team that participates in the league and therefore has the sole power to recruit players, negotiate their salaries, pay the players from league funds and to a large extent decide which team the players play for.

The league itself is owned by two distinct groups, owner investors and non-owner investors. These groups form the MLS Management Committee which is in charge of running and organising the league.

The owner investors have signed operating agreements with the MLS allowing them to operate teams, for example AEG with the LA Galaxy and Stan Kroenke with the Colorado Rapids. Whilst both AEG and Kroenke might be referred to as 'owners' of the teams they only in fact have stakes in the MLS itself.

The MLS Management Committee pays a management fee to each team operator which is usually based on a share of all sponsorship and local broadcast revenues and approximately 50% of any match day revenue received.



Nick White

The owner investors of successful teams are rewarded in the first place by an increase in the management fee rather than through an increase in the value of the club they operate. If the league as a whole does well, the owner investors - and the non-owner investors - will all benefit from an increase in the value of their investment.

The integrity of the structure in terms of sporting competition is seldom questioned. All teams are essentially in the same position in that they have a common owner. This structure was challenged in the US courts in *Fraser v. Major League Soccer*⁵, however, in which eight MLS players claimed that the MLS and its investors acted as a single entity and unlawfully lessened the value of its players' services and conspired to monopolise the first division of soccer. The District Court (and later the Court of Appeals) dismissed the claim based on the fact that the MLS was both competing with other soccer leagues in the US and soccer leagues around the world. A single ownership model has not to our knowledge been tested in Europe.

2. Team ownership of the league

Variations on this model are fairly common. Perhaps the most famous example is the EPL.

Under this structure the EPL is a private limited company that has 21 shareholders. Each of the 20 clubs that are playing in the competition at any given time is granted a share (together with the English Football Association's 'Golden Share').

Each member club is independent from the others and is run in accordance with the rules of football. Whilst the EPL is responsible for the day to day running of the competition (as well as various other administrative

tasks like UEFA licensing) the shareholders are the ultimate decision making body.

Both the clubs and the EPL propose rules with each club being entitled to a single vote. All rule changes and major commercial agreements require the votes of two thirds of the clubs (14 in total) to be agreed. All commercial revenues are then divided equally between the members with additional funds being granted based on TV appearances and finishing league positions with individual club revenues being retained.

The integrity of the league is kept in check by each team having an equal weight of vote and internal rules like Rule I.5 mentioned above.

3. Franchise

The MLS aside, the major professional sports in the US tend to be based on a version of this model. The NBA for example is an unincorporated body, run as a joint venture between the teams.

Each team is licensed by the NBA to associate itself with the league and operate in accordance with the NBA Constitution and Bylaws (the 'Rules'), usually in an exclusive territorial zone. Team owners together own a corporate entity called NBA Properties that has exclusive control over the licensing of the league itself and the teams.

The Rules set out what the league together with each team can do. The NBA has a Board of Governors which is made up of a representative from each team. Whilst in general the league itself sets its own rules the Board of Governors can vote on certain issues such as new franchises and the removal of a franchise owner⁶.

The financial model has varied over time but usually means that all of the franchises place a certain amount of their individual revenue

into the league, perhaps 50%, which then uses a formula to distribute this pot amongst all of the teams based on various elements. The result is that more commercially successful teams may in fact be net contributors to the league (as the amount they put in is greater than what they receive) whilst others will be net recipients. This more 'egalitarian' approach is highly characteristic of American sport and contrasts with the more 'free market' approach of, for example, the EPL.

Conclusion

There are currently hundreds of teams worldwide competing in a variety of eSport tournaments. Even though some teams have started to establish themselves as permanent fixtures on the eSports scene this is the exception rather than the rule. A striking example of this is shown by Valve's 'The International' Dota 2 tournament in which 72% of the teams that competed in 2013 no longer existed a year later⁷.

Part of the longer term solution to this problem may lie in the structures adopted by the tournaments, leagues and teams. At present, the identity of participating teams in most tournaments or leagues involve invitation, qualification or a combination of the two. In terms of stability and a sense of permanence for the tournaments, leagues and teams, such a model is probably less effective than any of the structures looked at above.

The team ownership model whereby the teams own the league (like the EPL) seems to be a long way off, especially with such unpredictability concerning which teams will still be around in a year's time. A model of this kind may become a more realistic possibility if leading teams continue to consolidate and

If eSports is to continue to grow and flourish, some of the competition law concerns and integrity issues referred to earlier in this piece will need to be tackled



Daniel Alfreds

become more robust and powerful but the sport seems to have a way to go yet. There is another challenge as well: any such structure would need to take into account and recognise the concerns and demands of the publisher as an eSport league or tournament is nothing without the game itself.

If eSports is to continue to grow and flourish, some of the competition law concerns and integrity issues referred to earlier in this piece will need to be tackled. Governance structures and regulatory frameworks will be needed to develop and mature. At the same time, eSports will need to find ways of increasing the level of certainty and stability around its leagues and teams. One intriguing possibility is that a publisher or tournament organiser will seek either to establish or acquire its own teams thereby potentially constituting a single ownership model. Stability would be achieved with all of the power and control over an eSport being consolidated in one place. However, such a structure will also place all of the commercial risk on the organisation running it.

Mitigating this issue, and creating a system whereby some commercial risk is spread to the teams, may be achieved in part in the short and medium term through evolution from the current 'invitation/qualification' model to a version of the more robust - if more rigid - franchise model. Developers, tournament organisers and perhaps in due course governing bodies will be able to set clear rules on ownership and potential conflicts of interest whilst ensuring all eSports stakeholders have greater certainty over which teams will be participating in which events next year, the year after, and so on. This stability should in turn help to

draw in more sponsors and investors, and may also increase competition for the rights amongst broadcasters and/or streaming platforms.

Speculation of this nature is of course a recipe to be proven wrong and given the central role played in eSports by rapidly evolving digital technologies and networks, we are only too aware that making predictions is an uncertain game to play. Right or wrong, the future of eSports is fascinating and we look forward to following and participating in its continuing evolution.

Nick White Partner
Daniel Alfreds Associate
Couchmans LLP, London
nick.white@couchmansllp.com
daniel.alfreds@couchmansllp.com

Disclaimer: this article was finished and submitted before FACEIT and Twitch launched the eSports Championship Series under a co-ownership model on 6 April 2016.

1. <http://www.polygon.com/2015/11/23/9782788/mark-cuban-esports-colin-cowherd-idiot-fined>
2. <http://www.bbc.co.uk/news/technology-28930781>
3. <http://www.turtle-entertainment.com/news/mtg-to-acquire-the-majority-stake-in-the-worlds-largest-esports-company/>
4. <https://www.mtg.com/press-releases/mtg-acquires-dreamhack/>
5. 284 F.3d 47 (1st Cir. 2002).
6. <http://www.cbssports.com/nba/writer/ken-berger/24657297/sale-of-clippers-to-steve-ballmer-closes-donald-sterling-out>
7. <http://www.dailydot.com/esports/dota-2-prize-distribution-players/>

A year of proceedings on overdue payables in review

Article 12bis of the Regulations on the Status and Transfer of Players ('FIFA Regulations') came into force on 1 March 2015. The aim was to establish an efficient and effective mechanism with respect to overdue payables. Sébastien Ledure, Managing Partner of Koan Lorenz, and Wouter Janssens, Associate of Koan Lorenz and Assistant Professor of the University of Leuven, provide a breakdown of the published case law on overdue payables under Article 12bis.

Which kind of agreements can be enforced?

Article 12bis paragraph 1 constitutes an affirmation of the basic legal principle of *pacta sunt servanda*: clubs are required to comply with their financial obligations as per the terms stipulated in their contracts with players and in their transfer agreements with other clubs.

The contracts with players are not limited to employment agreements but also cover related settlement or termination agreements¹ as well as private agreements². The transfer agreements include both transfers³ and loans⁴.

Which kind of overdue payables can be claimed?

The financial obligations resulting from the abovementioned agreements are mainly salaries, signing fees⁵, bonuses⁶, termination indemnities⁷, transfer fees⁸ and loan fees⁹.

Moreover, Article 12bis can be invoked with respect to any financial obligation that is contractually valued: costs of transportation (flights¹⁰, trains¹¹, taxis¹²), costs of medical investigation (ultrasounds¹³), and

rent¹⁴, etc. Where a contract merely stipulated the player's entitlement to a round-trip flight ticket, the club's financial obligation was valued using the information provided by FIFA Travel¹⁵.

A transfer agreement provided for penalties at a rate of 10% for each installment of the transfer fee that would be overdue. These penalties were granted as separate principal amounts, themselves inducing interest¹⁶. Hence, it appears to be possible to successfully lodge a claim solely with respect to penalties when the corresponding principal amounts have been paid after their due date¹⁷.

At present, no cases on fast track proceedings handling overdue training compensations and/or solidarity contributions have been published.

In any event, the club's financial obligations must be fully substantiated and unconditional. Bonuses allegedly stipulated in the club's internal rules but not in the employment agreement were not granted in absence of a copy of the said internal rules¹⁸. A signing fee subject to the agreement of both the club and the player was not retained¹⁹.

What is a *prima facie* contractual basis?

Pursuant to Article 12bis paragraph 2, clubs can justify overdue payables by invoking a *prima facie* contractual basis. At present, no *prima facie* contractual basis was accepted in any of the published cases. External events like the entry of new shareholders²⁰, financial difficulties²¹, payment difficulties relating to bank authorisations²² or issues following the hosting of events by third parties in the club's stadium²³ do not exempt clubs from fulfilling their financial obligations.



Sébastien Ledure

What determines the applicability of Article 12bis in time?

The signing date of the underlying agreement nor the due date of the financial obligations determine the applicability of Article 12bis. The sole decisive element is the date of the lodging of the claim: Article 12bis applies to all claims lodged after 28 February 2015, even if the underlying agreement was signed and/or the financial obligations were due before this date²⁴.

Who can lodge a claim?

It is generally accepted that the protection of Article 12bis is limited to players and clubs.

Nevertheless, it has been asserted that coaches would also fall within the scope of Article 12bis²⁵. At present, no cases on fast track proceedings involving other individuals than players have been published.

When to lodge a claim?

Pursuant to paragraphs 2 and 3 of Article 12bis, a club is considered as having overdue payables in case it has delayed a due payment for more than 30 days and the creditor (player or other club) has put the club in default in writing, granting a deadline of at least 10 days (not business days).

It is generally accepted that the default letter can only be sent as from the 31st day after the relevant due date. Hence, clubs are granted a grace period of 41 days. However, a salary payment that was (i) included in a default letter, (ii) not delayed for more than 30 days at the moment of the sending of the default letter and (iii) delayed for more than 30 days at the moment of the decision, was added to the overdue payables²⁶. Consequently, it appears to be possible to successfully put a club in default as from the 1st day after the relevant due date and lodge a claim as from

the 31st day after the relevant due date, reducing the grace period to 31 days.

In any event, the two years statute of limitation following paragraph 5 of Article 25 of the FIFA Regulations must be respected. Hence, any claim under Article 12bis must be lodged before two years have elapsed since the due date of the relevant financial obligation.

Where to lodge a claim?

Claims under Article 12bis can be lodged with the Dispute Resolution Chamber ('DRC'), the DRC Judge, the Players' Status Committee ('PSC') or the PSC Single Judge as far as they feature a dispute with an international dimension. At present, no cases on fast track proceedings with the PSC have been published.

With respect to purely national disputes on overdue payables, each member association was obliged to integrally implement Article 12bis into its domestic regulations. At present, various member associations have not yet implemented Article 12bis or appointed the competent body to handle fast track proceedings. The position of clubs and players of such member associations facing overdue payables is being jeopardised as a complaint against such member associations filed before FIFA would not directly result in the recovery of the overdue payables.

Is interest being granted?

Interest can be applied on the principal amounts of the overdue payables as from the moment and at the rate stipulated in the contract. However, excessive or disproportionate rates can be mitigated or even rejected. Interest rates contractually stipulated at a rate of 12% per annum were accepted²⁷.

Figure 1:
Procedural
compensation

Overdue payables	Procedural compensation
Up to CHF 50,000	Up to CHF 5,000
Up to CHF 100,000	Up to CHF 10,000
Up to CHF 150,000	Up to CHF 15,000
Up to CHF 200,000	Up to CHF 20,000
As from CHF 200,001	Up to CHF 25,000

In default of contractual stipulations, interest is being applied *ex officio* at a rate of 5% per annum²⁸ as from the moment requested (at earliest as from the day after the relevant due date²⁹ but also as from the day of the lodging of the claim³⁰) or, in default of such request, as from any moment between the lodging of the claim³¹ and 30 days after the date of the notification of the decision³².

Is procedural compensation being granted?

Neither the DRC³³ nor the DRC Judge³⁴ grant procedural compensation to the prevailing party. While the PSC Single Judge, *ex officio*, grants procedural compensation to the prevailing club³⁵.

The procedural compensation is based on the following schedule (see Figure 1), irrespective of any request from the prevailing club.

The PSC Single Judge consistently grants the maximum amount in default of reply by the debtor club³⁶ and a mitigated amount in case of reply by the debtor club³⁷. The procedural compensation appears to be allocated at approximately 20-35% to the prevailing club and 65-80% to FIFA (see Figure 2). It

might be deemed paradoxical that FIFA's compensation and workload relate inversely.

Which kind of sanctions are being imposed?

Despite their discretion resulting from the term 'may' in paragraph 4 of Article 12bis, the competent bodies systematically impose sanctions to the condemned party, irrespective of any request from the prevailing party³⁸. The following cascade of sanctions can be distinguished:

- a warning if the club replied and is not a recidivist³⁹;
- a reprimand if the club replied and is a recidivist⁴⁰;
- a fine if the club did not reply and is not a recidivist⁴¹;
- a fine if the club replied and is a recidivist⁴²;
- an elevated fine if the club did not reply and is a recidivist⁴³; and
- a transfer ban if the club did not in a timely manner execute the decision and is a recidivist⁴⁴.

What fines are being imposed?

The fines, which are allocated 100% to FIFA, appear to approximate the following percentages of the principal

Date of decision	Reply	Overdue payables	Procedural compensation	Prevailing club	FIFA
7 May 2015	Yes	€1,000,000	CHF 20,000	CHF 5,000	CHF 15,000
11 June 2015	No	€95,000	CHF 10,000	CHF 2,000	CHF 8,000
29 July 2015	No	€1,070,000	CHF 25,000	CHF 5,000	CHF 20,000
11 August 2015	Yes	\$690,000	CHF 15,000	CHF 5,000	CHF 10,000

amounts of the overdue payables (see Figure 3):

- imposed by the PSC Single Judge: 5-15%;
- imposed by the DRC: 15%; and
- imposed by the DRC Judge: 10-25% and up to 40% for moderate overdue payables.

How long do proceedings take?

Proceedings last on average one-two months and exceptionally up to six months.

Pursuant to Article 12bis paragraph 9, the lodging of a claim under Article 12bis is without prejudice to the application of further measures under Article 17 to the FIFA Regulations. Considering (i) the grace period of at least 31 days under Article 12bis, (ii) the duration of proceedings under Article 12bis and (iii) the grace period of at least two or preferably three months under Article 17, under certain circumstances it might be an option for a player to counter the lack of timely execution of a decision under Article 12bis via the unilateral termination of the underlying agreement in accordance with Article 17.

Figure 2:
Procedural compensation

Sébastien Ledure Managing Partner
Wouter Janssens Associate
Koan Lorenz, Brussels
s.ledure@koanlorenz.com
w.janssens@koanlorenz.com



Wouter Janssens

1. Decisions of 8 July, 5 October and 26 November 2015 of the DRC Judge; decision of 15 October 2015 of the DRC.
2. Decision of 16 September 2015 of the DRC Judge.
3. Decisions of 7 May and 11 August 2015 of the PSC Single Judge.
4. Decisions of 11 June and 29 July 2015 of the PSC Single Judge.
5. Decisions of 12 June, 3 July and 3 November 2015 of the DRC Judge; decision of 15 October 2015 of the DRC.
6. Decisions of 2 September, 16 September, 1 October and 3 November 2015 of the DRC Judge; decisions of 15 October and 6 November 2015 of the DRC.
7. Decisions of 8 July, 5 October and 26 November 2015 of the DRC Judge; decision of 15 October 2015 of the DRC.
8. Decisions of 7 May and 11 August 2015 of the PSC Single Judge.
9. Decisions of 11 June and 29 July 2015 of the PSC Single Judge.
10. Decision of 16 September 2015 of the DRC Judge.
11. Ibid.
12. Ibid.
13. Ibid.
14. Decision of 3 November 2015 of the DRC Judge.
15. Ibid.
16. Decision of 11 August 2015 of the PSC Single Judge.

17. Ibid.
18. Decision of 2 September 2015 of the DRC Judge.
19. Decision of 3 November 2015 of the DRC Judge.
20. Decision of 13 October 2015 of the DRC Judge.
21. Decision of 6 November 2015 of the DRC.
22. Decision of 7 May 2015 of the PSC Single Judge.
23. Decision of 11 August 2015 of the PSC Single Judge.
24. Decision of 15 October 2015 of the DRC.
25. 'Article 12bis of the FIFA RSTP celebrates its first birthday: an update,' 15 February 2016, Thomas Geukes Foppen.
26. Decision of 1 October 2015 of the DRC Judge.
27. Decision of 11 August 2015 of the PSC Single Judge.
28. Decisions of 7 May 11 and August 2015 of the PSC Single Judge; decision of 3 July 2015 of the DRC Judge.
29. Decision of 29 July 2015 of the PSC Single Judge; decision of 2 September 2015 of the DRC Judge; decisions of 15 and 27 October 2015 of the DRC.
30. Decision of 8 July 2015 of the DRC Judge.
31. Decision of 7 May 2015 of the PSC Single Judge; decision of 15 October 2015 of the DRC.
32. Decision of 3 July 2015 of the DRC Judge; decision of 11 August 2015 of the PSC Single Judge.
33. Decision of 15 October 2015 of the DRC.
34. Decisions of 12 June, 8 July, 2 September, 1 October, 13 October, 2 November and 3 November 2015 of the DRC Judge.
35. Decisions of 7 May and 11 August

2015 of the PSC Single Judge.
 36. Decisions of 11 June and 29 July 2015 of the PSC Single Judge.
 37. Decisions of 7 May and 11 August 2015 of the PSC Single Judge.
 38. So far, only in one case has no sanction been imposed: decision of 11 August 2015 of the PSC Single Judge.
 39. Decisions of 13 October and 18 November 2015 of the DRC Judge; decision of 15 October 2015 of the

DRC.
 40. Decision of 26 November 2015 of the DRC Judge.
 41. Decisions of 11 June and 29 July 2015 of the PSC Single Judge; decisions of 12 June, 16 September, 1 October, 5 October, 13 October, 2 November, 3 November, 12 November and 30 November 2015 of the DRC Judge; decision of 15 October 2015 of the DRC.

42. Decision of 6 November 2015 of the DRC.
 43. Decisions of 3 July, 8 July and 2 September 2015 of the DRC Judge.
 44. Decision of 27 October 2015 of the DRC; decision of 26 November 2015 of the DRC Judge.

Figure 3: The fines being imposed

Competent body	Date of decision	Overdue payables	Fine
PSC Single Judge	11 June 2015	€95,000	CHF 10,000
FPSC Single Judge	29 July 2015	€1,070,000	CHF 60,000
DRC	15 October 2015	\$118,750	CHF 15,000
DRC	6 November 2015	\$111,400	CHF 15,000
DRC Judge	12 June 2015	€39,000	CHF 5,000
DRC Judge	3 July 2015	\$40,000	CHF 10,000
DRC Judge	8 July 2015	€4,500	CHF 2,000
DRC Judge	2 September 2015	€13,600	CHF 4,000
DRC Judge	16 September 2015	€3,080	CHF 1,000
DRC Judge	16 September 2015	€2,451	CHF 1,000
DRC Judge	1 October 2015	\$34,200	CHF 5,000
DRC Judge	1 October 2015	\$45,000	CHF 5,000
DRC Judge	5 October 2015	\$50,000	CHF 5,000
DRC Judge	13 October 2015	291,000,000 (currency redacted)	CHF 2,000
DRC Judge	2 November 2015	€5,000	CHF 1,000
DRC Judge	3 November 2015	110,000 (currency redacted)	CHF 2,000
DRC Judge	12 November 2015	€5,000	CHF 1,000
DRC Judge	30 November 2015	€8,000	CHF 1,000
DRC Judge	7 December 2015	€15,000	CHF 2,000

Wearables technology data use in professional sports

The development of wearable technology to collect live data from training and competition has opened a valuable information market in the sports industry. Leagues, teams, players, even agents and the media now demand a constant supply of intricate performance information. Brian Socolow, Partner at Loeb & Loeb in New York, discusses the recent evolution of the use of wearable technology in professional sports and raises important questions concerning the legal challenges that this new market represents.

They are virtually omnipresent and seen on the arms of everyday athletes chasing goals from walking 10,000 steps during waking hours to improving the quality of a night's sleep. Whether tracking cycling mileage in Prague or caloric intake in Pittsburgh, fans of wearable technology like Fitbit and Jawbone, and their many competitors in the wearable technology sector, are the consumer face of a global industry that is expected to be worth in excess of \$53 billion by 2019 (a more than 11-fold increase over 2014 sales), according to the International Data Corporation.

But these wrist activity trackers are just the tip of the wearable technology iceberg. Professional sports leagues, clubs, teams and athletes are heavily invested in collecting and analysing the minutest elements of athletic performance for an ever-growing list of uses, including enhancing training and performance, preventing injury, and increasing fan engagement and experience, whether it's live, broadcast or second screen.

Along with the creation of vast databases of performance measurement, however, comes a host of difficult-to-anticipate legal issues, many of which are the result of technology outpacing the law.

Wearables are all about the chips

Early adopters, such as European football clubs began to measure the overall workload placed on players more than six years ago. In fact, a chip designed by Adidas and implanted in players' boots helped Germany take home the 2014 FIFA World Cup. Fans may have been surprised to learn that the miCoach elite team system was transmitting each athlete's acceleration, heart rate, speed, distance, power and other details in

real time to iPads used by Germany's coaches and trainers during training sessions before and during the competition. The International Football Association Board ('IFAB'), the governing body that determines the rules of international football, also approved the use of wearable electronic performance and tracking systems ('EPTS') in competition during its annual business meeting in February 2015. The use comes with two conditions - that the EPTS cannot be used during a real time match until it has been proven to have preventative medical benefits and that it does not pose any danger to players on the field, and that the data is not transmitted to coaches during play (although half-time review of data has reportedly not been ruled out by IFAB). In July 2015, FIFA followed suit, announcing its approval of the use of EPTS and wearable technology during matches. At the end of 2015, FIFA and IFAB were reviewing proposals by wearable technology manufacturers to establish the companies as FIFA EPTS providers.

Players throughout Australian Rules football and Australian professional rugby use Catapult Technologies' OptimEye S5, which utilises satellite reception (both GPS and Glonass), and ClearSky, a local positioning system (or indoor GPS). A vest fitted with a small device at the top of the back captures data in real time, allowing staff to make evaluations during training or competition. There is also the option to upload data from the device's hard drive following a session.

Once collected, raw data can be run through algorithms to translate into information that is useful to coaches and trainers. A number of cricket organisations around the world use Catapult's

products - including Cricket South Africa, Cricket Tasmania and the England and Wales Cricket Board, according to the company's website - and there is a cricket bowling algorithm that measures the speed of a ball based on a bowler's run up and release, and a goalkeeping algorithm that monitors dives and jumps. This type of analysed data has a number of uses. In 2010, the Marylebone Cricket Club ('MCC'), known for its role as the guardian of the Laws of Cricket, began funding research into wearable technology to better detect illegal throwing or 'chucking'. The MCC entered into discussions with the International Cricket Council to further explore the issue and technology as a solution.

In the United States, wearable technology is widely used throughout the National Football League ('NFL'), National Basketball Association ('NBA') and Major League Baseball ('MLB'). Pitchers from at least 27 of 30 MLB teams are benefitting from the Motus mThrow smart throwing sleeve and iOS app. In a pocket over the elbow, a small removable sensor's accelerometers and gyroscopes track arm movements with an eye toward maintaining arm health. The device wirelessly transmits the three-dimensional motion data to an app that calculates stress caused by torque on the ulnar collateral ligament. Companies including Zepp Baseball, Diamond Kinetics and Blast Motion have also developed in-bat motion sensors to track and analyse player swings. Data collected during training helps trainers, coaches and players learn how to optimise performance and reduce the risk of injury.

Professional basketball has also embraced the wearable technology revolution. More than two dozen NBA teams use Catapult's OptimEye (or similar technology) to track and analyse player

Whether and to what extent teams and leagues can impose the collection of personal data on players, and what can then be done with the player data is certainly an issue to be covered by collective bargaining agreements and player contracts

performance for using motion sensors on player jerseys. The combination of hardware and software provides biomedical data, including impact forces, turn rates and orientation, as well as tactical information, such as two-dimensional animations of the play in real time or post-practice.

As a league, the National Hockey League ('NHL') has been slower to adopt analytics, but it is coming around. Catapult is developing wearables that interpret skating load and volume, player speed, force sustained in collisions and even which of the skater's legs is working harder - all crucial training information for a sport that loses more player time due to injury than any other major sport. An average team loses 242 player games each season, according to a Toronto-based research study. It's unclear how the NHL will use the statistics generated by wearable technology in the future, but avoiding injuries will undoubtedly be the main focus as it ramps up use of analytics.

Perhaps the most exciting development in the use of data in American pro sports will occur after this season's NFL draft and free agency are completed in May. That's when NFL team general managers will get access to mountains of data known as 'Next Gen Stats', which the league gathered during the 2015 season. The lead-up to this development began when all NFL players agreed to wear sensors as part of their collective bargaining agreement in 2011. Fast forward three years and the NFL established a partnership with Zebra Technologies to outfit its stadiums with radio frequency identification signals ('RFID') technology and accumulate information collected using sensors on players' shoulder pads. The sensors capture precise location measurements to within six inches

in real time during indoor and outdoor games, as well as speed, acceleration and distance data. Zebra's MotionWorks server software processes the information and produces a variety of statistics.

The NFL teams will shortly have access to the RFID data, and each team will decide how it wants to use the metrics. Last year alone, 2,500 players were tagged with sensors, netting more than 180 billion bytes of player position data. At the NFL owners meeting in Florida in March the league announced that it will provide information to each team on its own players. Additionally, the NFL will unveil a platform to crunch the numbers into useful information for any team that wants it. The league's software will undoubtedly compete with quite a few outside vendors selling their techniques for slicing and dicing data. At the MIT Sloan Sports Analytics Conference in March, there was significant buzz about the possibility of a new landscape for the sport, as analytics become more mainstream in the NFL. While most franchises don't know precisely all the ways that the data will be used, a significant number of analytics professionals are being hired by teams that are also investing in technology systems to manage metrics. In the most profitable of American sports, wearable technology statistics are already influencing everything from strategy on the field to scouting and salary cap management. The combination of scientifically tracking players' competition and practice performance is viewed as a highly valued tool.

Wearable technology from the fan perspective

NFL fans taking in the game at the stadium or at home are experiencing a radically different

event than their grandparents - or even their parents - did in the past. The mountains of new information and statistics about the performance of their teams and players, which are made possible by the RFID, are broadcast in real time. Media partners receive data including player velocity, effort and fatigue to be used to add to the fan experience - with real time overlays and visualisations, as well as Xbox One's data enriched replays. Thanks to their \$400 million contract with the league, Microsoft has also incorporated NGS in a number of ways. Their NGS Pick 'Em competition during the 2015 season encouraged fans to use the sensor driven statistics to select the player that would post the best overall Next Gen Stats and awarded tickets to Super Bowl 50 as part of the prize package. Microsoft's Xbox One NFL app even features the ability to watch replays from multiple angles of key plays. Those that take their passion to the fantasy league level enjoy access to the same data gathered from wearables. Fantasy football coaches have the capacity to drill down into the data collected from each athlete in every play of the entire season.

The league is also using data to enhance fans' 'second screen' experience. In 2014 the NFL found that 60-70% of fans use a second screen while watching live games - either in the stadium or at home. The league noted spikes in tweet traffic that perfectly aligned with the interesting moments in games. At the same time, viewers of the live game on TV were at an all-time high. At the rollout of NFL Now, an app that collects content created 24 hours a day, seven days a week from all 32 teams, the league noted the deep, wide well of information available to fans, including historic data culled from the NFL Films Library.



Brian Socolow

Other sports are following suit. The NHL's San Jose Sharks and Columbus Blue Jackets collaborated with tech startup Guitammer to develop a fan engagement experience that could one day extend into the wearable technology arena. When players are cross-checked into the sensors around the rink, their seats in the stadium shake with the impact. A \$300-\$600 home adaptor kit is available for those fans who want to experience more of an arena feel of the crashes and slams from the comfort of their couches. ButtKicker Live's 4D Sports began with sensors placed on the boards at the San Jose and Columbus ice rinks; the sensors captured and distributed the impact of skater hits to seats in their home arenas and fans' homes. Since the NHL team collaborations, the ButtKicker Live collection of kits has grown to include kits for fans of car racing, the NFL and other live events. The potential exists to enhance the fan experience in myriad sports with wearable technology transmitted from sensors embedded in athletes' uniforms and equipment.

Warning: uncharted legal territory lies ahead

Data ownership, access and privacy

Wearable technology in pro sports raises a host of issues around who owns and has access to the data, and what constitutes acceptable use of that data. Currently, the rule appears to be 'he who collects the data owns the data' - and it appears that, at least in major league sports in the US, the leagues and teams own at least the raw data, as well as whatever aggregation and analysis they undertake.

Here's the rub: what can they acceptably do with that information?

Data collection by any employer carries significant concerns, and

overlap certainly exists with the issues that face professional sports and other types of employment, which is especially true of questions concerning privacy and confidentiality. At what point does the information become so personal to the player that the player's privacy rights may be violated? Does a player have any reasonable expectation of confidentiality in any information about him - including the data that the team or the league collects?

In a non-sports context, litigation around Dutch employee wellness programmes using wearables has halted such initiatives in their tracks. The Netherlands' Data Protection Authority investigated two companies with wearable technology programmes and ruled earlier this month that employees are financially dependent on their employers and therefore don't have the power to give consent when it comes to revealing sensitive personal data including movement and sleep patterns. Experts believe the Dutch ruling could potentially impact the development of policies around the globe with regard to wearable technology use.

There are also questions unique to pro sports.

If, for example, the NFL collects the RFID data on players from all of the teams, are teams and players entitled to see and use that data? If so, what data should teams have access to? Their own? Other teams?

Beyond teams and leagues, who in the outside world can - and does - have access to the data, and for what purposes? Whether - and to what extent - analytical data on individual players will be shared (with or without confidentiality protections) with broadcast partners, sports commentators and analysts. What about video games and fantasy sports - do the individual players have any say in what information is given to game

manufacturers or fantasy sports platforms under agreements with sports leagues?

Protecting players' privacy is certainly top of mind for their unions. Representatives from the players' unions for the major US sports leagues reportedly met last fall with the law firm that has represented them for several decades to discuss how technology is being used in their sports and the many privacy concerns faced by their players.

Beyond the sanctioned use of data by the league and teams, there is the very real risk of inadvertent data leaks and purposeful hacks. The vast amount of data that professional sports teams and leagues may eventually collect, store and use would give 'stealing the other guy's playbook' a whole new meaning. Chris Correa, a former scouting director of the St. Louis Cardinals, recently admitted he hacked the Houston Astros' player database and email system. Correa pleaded guilty to five counts of unauthorised access to a protected computer from 2013 to at least 2014. Correa's use of the stolen information cost Astros about \$1.7 million. The charges carry up to five years in prison each; Correa will be sentenced in April.

At the moment, it is still unclear what regulatory scheme, if any, would offer any protection and, in the professional sports realm, what constitutes reasonable cyber security protection for information collected from wearable technology devices. And, as the data becomes increasingly detailed, the risks increase: hacking by stalkers, improper use by management, demands by insurers, or requests for discovery in litigation.

Employment and labor concerns
Whether and to what extent teams and leagues can impose the

collection of personal data on players, and what can then be done with the player data - including who has access to it - is certainly an issue to be covered by collective bargaining agreements and player contracts. For example, the announcement by the IFAB and FIFA that approved the use of wearable electronic performance and tracking systems in matches has created an atmosphere that favours increased adoption of technology in international football, but the pace and level of adoption remains an open issue to be resolved between leagues, teams and players. For example, while Major League Soccer's most recent collective bargaining agreement reportedly calls for the league to approve the use of wearable devices in consultation with the players' union, whether teams can compel players to wear the technology at the team level during matches is an open issue.

While player performance statistics and other data have always played a role in salary and contract negotiations, until recently the categories of data available have been limited. As the availability of data grows, however, so too does the possibility that analytics may reveal information, including previously undetectable biometric data, minute changes in player ability, or indicators of long-term health and future injury tendencies - information that teams may interpret to predict future declines in performance, even for athletes currently performing at the top of their games, and use this data in salary and contract talks. And access to this data may be one-sided, if teams and leagues are collecting but not sharing data.

What's next for pro sports?

In the world of professional sports, as in the world at large, innovation

in wearable technology tends to outpace the development of rules, regulations or guidelines on its use. Pro sports leagues and teams will continue to grapple with important issues - privacy, data security and ownership, and labour concerns, as the applicable body of 'law' - rules established through collective bargaining agreements, regulations enacted by governing bodies, legislation developed in countries around the world, and the inevitable litigation - takes shape around the collection, use and distribution of information gleaned from wearable technology.

Brian Socolow Partner
Loeb & Loeb LLP, New York
bsocolow@loeb.com

Human rights violations inside the Qatar World Cup site

Audrey Gaughran speaks to *World Sports Law Report*

Amnesty International (‘AI’) has released a second report on the conditions of migrant workers participating in the construction of venues for the 2022 World Cup in Qatar: *The ugly side of the beautiful game: exploitation on a Qatar 2022 World Cup site*. AI’s Director of Global Issues and Research, Audrey Gaughran spoke to *World Sports Law Report* about the role FIFA and member associations should play in monitoring working conditions in World Cup construction sites.

Qatar issued the Workers’ Welfare Standards (‘WWS’) in 2014 which, according to the report, have not been upheld. Should Qatar request external assistance to enforce these standards?
The WWS are enforced by Qatar’s Supreme Committee for Delivery and Legacy, which has demonstrated a consistent commitment to ensuring the rights of workers on World Cup sites are protected. However, there are some fundamental problems with the Supreme Committee’s approach to monitoring and enforcing the WWS, as demonstrated by the abuses discovered at the Khalifa Stadium project.

The Supreme Committee relies too greatly on compliance audits, and in some cases self-audits by companies. In AI’s experience corporate self-reporting doesn’t work. The Supreme Committee has put in place an external auditor - announced in April. This may provide greater oversight of the WWS, but auditing alone will not identify or address all of the breaches we identified at the Khalifa Stadium.

It is not so much a question of needing external assistance as a question of changing the approach to monitoring and enforcing the WWS. The Committee should also take a more investigative approach to identifying breaches of the WWS. The Supreme Committee’s focus has been substantially on the quality of accommodation. While this is important, other serious issues including deception in the recruitment process, the practice of paying workers several months in arrears, and forced labour have not received sufficient attention.

We are calling on the Qatari authorities to end the system whereby employers have any influence over whether a person can leave Qatar and to ensure migrant workers can change jobs without seeking the permission of their sponsor. In addition, Qatar must increase its capacity to detect and address breaches of the country’s labour laws. While the WWS being better enforced would help significantly, the Standards do not address the core problem of the sponsorship system. This is something we are calling on the Qatari government to address.

We have recommended, however, that FIFA carry out its own independent inspections of labour conditions in Qatar, making all inspections, their findings and remedial actions public.

Given FIFA’s current standing (regarding allegations of corruption), is it advisable for the organisation to take an active stand on Qatar’s commitment to respect labour rights?

Absolutely. Having awarded the 2022 FIFA World Cup to Qatar, it is incumbent on FIFA to engage in a robust and ongoing process of human rights due diligence that addresses the specific risks and actual impacts on the rights of individuals. On the evidence presented, this is not happening. FIFA’s continued failure to take any meaningful action on the issue of labour exploitation means that thousands of migrant workers involved in World Cup construction sites are at risk of exploitation. Moreover, as football fans who travel to Qatar for the World Cup will stay in hotels, eat in restaurants and otherwise engage with service industries in which migrant workers are employed, FIFA must consider the wider human rights context of migrant workers in Qatar as part of its human rights due diligence.

Should member associations push the newly elected President to review Qatar’s policies and practices?

National associations have a major interest in making sure FIFA takes action. It is their national football teams who will be staying in hotels and training camps staffed by migrant workers, training on pitches grown, laid and maintained by migrant workers, and playing in stadiums built by migrant workers. Those teams are the pride of their country: nobody, not the fans, not the associations, wants to see them playing in a tournament built on abuse.

National associations should push Gianni Infantino to take the lead. Since our report came out last week, FIFA’s approach has been the same as always - pointing to vague reforms but indifferent to some shocking abuses. Infantino is nowhere to be seen on the issue, in marked contrast to Qatar’s Supreme Committee who at least agreed to take media interviews on the subject. Gianni Infantino has to publicly ask Qatar to make urgent reforms with a concrete timetable ahead of the expected peak in World Cup stadium construction in mid-2017.

Audrey Gaughran Director of Global Issues
Amnesty International
Contact via the editorial team

SIGN UP FOR FREE EMAIL ALERTS

World Sports Law Report provides a free email alert service. We send out updates on breaking news, forthcoming events and each month on the day of publication we send out the headlines and a precis of all of the articles in the issue.

To receive these free email alerts, register on www.e-comlaw.com/wslr or email alastair.turnbull@e-comlaw.com