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The rise of e-sports as a new American pastime

A “sock-strewn tract house” with a clubhouse/crash-pad vibe and multiple Internet connections on an ordinary side street in an island city east of San Francisco. A bungalow in Venice Beach, Calif. A rented house in Hoffman Estates.

What do these places have in common? These ordinary spaces have become the training facilities for a new type of American athlete — the e-sport athlete.

“E-sports” refers generally to video gaming set up to resemble conventional sports — they have teams and uniforms, superstars, playoffs, comebacks and upsets and rabid fans. But all the action in e-sports occurs online, and the “athletes” don’t train by lifting weights or logging miles but by “scrimming” — playing online scrimmages with friends — for eight hours a day or more, a training regimen that has been described to be “as gruelingly monotonous as any pro athlete’s.”

In addition, despite the name e-sport, the games that the players and teams play are not necessarily sports games (although they can be).

ESPN President John Skipper has declared that e-sports are decidedly “not a sport, despite the general rise of organized video game competitions,” and naysayers put down gaming for its lack of physical exertion. But even the harshest critics concede that e-sports are mentally demanding, that long gaming sessions require endurance and can be physically taxing and that many pro and amateur gamers have unique talent, skill and determination in the same way that “real” athletes do.

And in a big win for the e-sports community, the U.S. government in 2013 agreed to recognize e-sports players as professional athletes and grant visas under that identifier when gamers seek entry into the U.S. for a match.

Nick Allen, an e-sports manager, reported that extensive

explanations of e-sports tournaments and other lobbying efforts eventually led legislators to say “we have no reason to say no ... OK, this is legitimate.”

While that attitude reflects a somewhat begrudging recognition of gamer-as-athlete, the policy has been described as “groundbreaking” for e-sports.

And there are other signs that e-sports is joining the major leagues.

Superstars and sponsorships

Gaming — both e-sports and other gaming — has developed superstar teams and players, and the aim is that these teams and players will do for gaming what the repeat championship teams like the Chicago Bulls or the Miami Heat have done for the sport of basketball.

One renowned gamer is a Chicago native whose competitive career began at the age of 15. Matt “NaDeSHoT” Haag is a member of team OpTic, and he excels at the popular war games series “Call of Duty.”

Spectators pack venues around the world to watch Haag play live, and his YouTube channel ranks in the top 1 percent of the 220,000 channels tracked by OpenSlate, the platform that collects analytics on ad-supported content on YouTube.

Haag has an exclusive deal with Major League Gaming, which calls itself “the NFL of Internet athletics” and which hosts Haag’s live streams on its MLG.tv. Haag is the No. 1 player viewed on the MLG platform, and because he is paid per viewer, Haag does everything possible to keep it that way, including building a regular social media presence and engaging in marathon live-streaming sessions to maintain his celebrity.

Usually, sponsorships for gamers come from companies making controllers and head-phones, and they are modest. For Haag, Red Bull, the energy drink company which backs extreme-sports athletes and competitions, is his primary sponsor.

SPORTS MARKETING PLAYBOOK



**DOUGLAS N. MASTERS
AND SETH A. ROSE**

Douglas N. Masters is a partner at Loeb & Loeb LLP, where he litigates and counsels clients primarily in intellectual property, advertising and unfair competition. He is deputy chairman of the firm’s advanced media and technology department and co-chair of the firm’s intellectual property protection group. He can be reached at dmasters@loeb.com. Seth A. Rose is a partner at the firm, where he counsels clients on programs and initiatives in advertising, marketing, promotions, media, sponsorships, entertainment, branded and integrated marketing, and social media. He can be reached at srose@loeb.com.

Haag is actually one of six e-sports players on Red Bull’s sponsorship roster, and the company reportedly dedicates the same time, energy, money and training to him that it lavishes on athletes who compete in “real” sports.

Haag’s training includes working with a dietitian, brain mapping by computer and yoga classes where he learns how to stretch his overworked wrists. The brain mapping is reportedly aimed at helping Red Bull’s trainers and sports therapists design exercises to help Haag stay calm and shoot better during play.

Leagues, tournaments money

The rise in popularity of e-sports also has brought the establishment of organizations such as the Sports Gaming League, which hosts tournaments based on the “Madden” and “NBA2K” video games, and Major League Gaming, which presents online video game matches as well as live annual contests, which are reportedly attended by thousands of rabid fans.

Viewership for e-sports tournaments can eclipse the audience for traditional sports championships. In 2013, 32 million people worldwide watched a South Korea team win the Summoner’s Cup — a trophy

presented to League of Legends gamers and a grand prize of \$1 million — in the Staples Center in Los Angeles. For the sake of comparison, that audience was larger than the U.S. viewing audience for the last game of the NBA Finals that year.

Unlike real sports, however, ticket prices for these live events are not a major money maker for the industry. Revenue is derived from fans paying to watch online live streaming of matches, ad placements during those streams, team merchandise and charges for goodies and enhancements within the video games for recreational players. The “sports marketing” model for a typical eSport team is to monetize the hipness of players and the play with its core demographic (18 to 30-year-old men) through broadcast and merchandise exclusivity — owning team names and brands, selling ads into the teams’ live stream and YouTube videos and controlling merchandise sales. One team also produces videos for companies such as Intel, eBay and Papa John’s Pizza, promoting these products to its young and affluent fans.

Players may also be compensated with room and board at team houses and often are allowed to keep all of their championship prize winnings, which

can mean big money for star players. Haag reportedly was on track to make \$700,000 from live streaming and his YouTube channel in 2014. Add in his sponsorships and contest winnings and the gamer could gross one million dollars or more.

And while accurate figures are hard to come by in the e-sports world, top stars reportedly earn annual base salaries “well into the six figures.” Apparently, being an e-sports athlete can be a surprisingly lucrative career choice in today’s gaming climate.

Steven Arhancet, owner of Team Curse, one of the most successful U.S. e-sports teams, notes “[w]hen I negotiate a contract with one of my players

now, it’s my lawyer talking to his lawyer. It wasn’t like that two years ago.”

College clubs and teams

As professional e-sports grows, so does the community’s presence in the college space. More than 10,000 college-age students now play in the Collegiate StarLeague, the biggest college e-sports league — more than double the number that played last year and almost double the number of players who play on men’s Division I college basketball teams. The league started at Princeton in 2009 and is now active at 450 schools. Because teams are more often sanctioned clubs at colleges that receive practice spaces from their

schools, they are not governed by the same regulations such as grade-point minimums or time limits on practicing that apply to traditional college sports. And unlike college athletics, the best eSports players can make money at it: A big tournament win can sometimes earn players several years’ worth of tuition.

At least one school has started offering scholarships to its e-sports athletes. The athletic department of Robert Morris University in Chicago created an official video game team in fall 2014, offering the same kinds of scholarships given to athletes playing sports like soccer, football and ice hockey.

The e-sports players (all of

whom play League of Legends) get up to 50 percent of their tuition and room and board (which runs about \$39,000 a year), according to Kurt Melcher, the university’s associate athletic director. Melcher reportedly has been taking calls from other athletic directors interested in establishing similar programs at their schools across the country.

While, thus far, the NCAA, which governs college athletics, has had “no comment” about e-sports on college campuses — and may never get involved in the regulation of non-athletic competition — the growing trend means that some form of structure or regulation will be coming in the near future.