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Esports and the Law

News, case summaries, articles, and strategies concerning esports and the law

Building Trust Through Process: How New Arbitration Models May Signal Legal Maturation in Esports

By Jeffrey Levine, JD, PhD – Associate Clinical Professor, Department of Sport Business Esport Business Program Lead, Drexel University

As the esports ecosystem continues to scale its business ambitions and global reach, its legal systems are beginning to catch up. Two recent developments, (1) the launch of the International Games and Esports Tribunal (IGET) by WIPO and ESIC (Maas, 2025); and (2) Riot Games' rollout of a formal dispute resolution mechanism (DRM) for its EMEA leagues (Riot Games, 2024),

signal a meaningful evolution in how the industry handles conflict. Together, they reflect a shift away from ad hoc, opaque, and jurisdictionally fragmented processes, and toward formalized, transparent, and industry-specific legal infrastructure. Esports legal structures, in short, may be growing up.

Riot's DRM: A Publisher-Led Arbitration Model

Riot Games unveiled a new Dispute Resolution Mechanism (DRM) for

See **ARBITRATION** on Page 9

WIPO's Oscar Suarez Discusses new International Gaming and Esports Tribunal

By Darius C. Gambino

We recently had the chance to speak with Oscar Suarez from the World Intellectual Property Organization (WIPO) to talk about the new International Gaming and Esports Tribunal (IGET). IGET is a dispute resolution body set up to cater to the esports and video game industries. IGET is the brainchild of WIPO and The Esports Integrity Commission (ESIC), and aims to make dispute resolution accessible and professional. Oscar has been at the forefront of emerging dispute resolu-

tion issues for sometime, and is one of the leaders of the WIPO Arbitration and Mediation Center. We are very lucky to have been able to sit down with Oscar for this exclusive interview!

Q: How did you get your start in the sports industry and in Esports, in particular?

A: It all began back in 2019, when we conducted a global survey that was related to digital copyright and content disputes. We were trying to map the types of disputes that were happening in this environment around that time, and in particular the reason

INSIDE THIS ISSUE	
Bringing Dispute Resolution To Esports	2
Saul Ewing's Zev Shechtman Discusses His Practice and How Business Restructurings Intersect with Esports	3
Epic Games Faces Lawsuit Alleging Deceptive Countdown Timers in Fortnite's Item Shop	4
Hero Esports CEO Discusses the Keys for Industry Growth	6
Long Beach City College Opens Largest E-sports Lab In Southern California	6
The Emergence of Esports and How Current Antitrust Principles Can Impact the Industry	7
Esports Legend Prevails In Defamation Lawsuit Against Youtuber In Australian Court	12

why we were starting to get more of such disputes referred to the WIPO Arbitration and Mediation Center (WIPO AMC) (for example, relating to online platforms and social media). From there, we started mapping out everything that had to do with digital content and digital copyright, including what was happening in the video games industry.

The survey attracted over 1,000

See **TRIBUNAL** on Page 11

Esports and the Law

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Bringing Dispute Resolution To Esports

By Darius C. Gambino, Editor-In
Chief

There has been a good deal of litigation surrounding video games and esports in the past 10 years. So, what better time than now to introduce an entirely new system and architecture for resolving legal disputes? The World Intellectual Property Organization (WIPO) and The Esports Integrity Commission (ESIC) just launched the International Gaming and Esports Tribunal (IGET). The IGET plans to revolutionize the way in which esports disputes are resolved, making the process simple and accessible. If you don't know anything about IGET, you're in luck, because we have an exclusive interview with Oscar Suarez from WIPO in this issue. In addition, my colleague Jeffrey Levine from Drexel University examines IGET and takes a look at Riot Games' new dispute resolution policy, which is aimed at resolving financial and contractual disputes for games like Valorant and League of Legends.

And speaking of dispute resolution, we also take a look at some recent litigation, including a case involving retro gaming legend Billy Mitchell, who famously took on Steve Wiebe for the mantle of Donkey Kong champion, as detailed in the brilliant 2007 documentary, *The King of Kong: A Fistful of Quarters*. We also review the recent court filings in a case against Epic Games relating to alleged deceptive practices within the Fortnite item shop.

We talk with Hero Esports CEO Danny Tang about industry growth, take a look at Long Beach City College's new esports facility, and sit down with my colleague Zev Shechtman to discuss how recent bankruptcy trends might impact the esports industry. Finally, we take a look at how U.S. antitrust law might change the industry in the coming years.

Welcome to the summer, and as always, Excelsior!.

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Saul Ewing's Zev Shechtman Discusses His Practice and How Business Restructurings Intersect with Esports

Saul Ewing Partner Zev Shechtman represents clients in complex business bankruptcy, restructuring and insolvency matters in and out of court. His expansive experience includes representing debtors in chapter 11, including subchapter V, bankruptcy reorganization cases, assisting debtors in settlement negotiations and counseling regarding insolvency concerns. Shechtman also represents creditors, trustees, buyers of distressed assets, equity holders and contract parties in bankruptcy.

Increasingly, his expertise brings him into the Esports industry, where clients call upon his restructuring counsel. Shechtman collaborates with those clients, who need specifically guidance on bankruptcy and insolvency laws in the course of their work on corporate transactions or litigation.

Given the legal work he does in the Esports arena, we sought him out for the following interview.

Question: How did you get into bankruptcy law?

Answer: After my first year of law school, I interned for a wonderful mentor who happened to be a bankruptcy judge. The next year, I got a job as a summer associate at a boutique bankruptcy law firm. It was the Great Recession and bankruptcy was busy, so I stayed on as an associate and later became a partner at that firm.

Q: And the sports area?

A: After a few years working through the aftermath of the 2008 financial crises, I began to focus on business development. Being in Los Angeles, I wanted to be relevant to



Changes in technology have impacted sports. Cord cutting meant that traditional businesses, like local television broadcasters, lost important revenue streams.

the local market. I began to engage in sports and entertainment related bar functions and researching and writing about sports and entertainment bankruptcy law issues. Initially, I found the issues surrounding executory contracts with respect to intellectual property challenging, so I read the treatises, articles and old and new case law on those issues. Eventually, I understood the issues well enough to write articles and lecture and help clients navigate this special terrain.

Q: What are some of the scenarios that might lead a sports-related entity to a restructuring?

A: Changes in technology have impacted sports. Cord cutting

meant that traditional businesses, like local television broadcasters, lost important revenue streams. Highly leveraged businesses are likely to become distressed when they experience losses of revenue. Thus, for example Diamond Sports Group, the former owner of the Bally Sports regional sports networks, had entered expensive deals that no longer made sense when cord cutters were moving away from cable and local television channels and toward streaming options. It was saddled with legacy debt that it was unable to adequately service. It used bankruptcy to restructure its debts and terminate unprofitable contracts with certain professional sports teams.

Q: What do you enjoy most about being a lawyer?

A: I enjoy developing strategies to save companies along with the jobs and productivity that come along with them.

Q: What trends are you following in bankruptcy law and can they apply to sports industry entities as well?

A: Businesses are being buffeted by tariffs, high interest, and uncertainty in the markets. The trucking, shipping and logistics sectors are taking a particular hit. Unlike those businesses, the interest in sports remains relatively constant. The disposable income of consumers available for sports events and products might be impacted by macroeconomic fluctuations. Nevertheless, it is plausible that consumer interest in sports and related products will remain a bastion of stability in an otherwise unpredictable economic environment.

Epic Games Faces Lawsuit Alleging Deceptive Countdown Timers in Fortnite's Item Shop

By Jeffrey Levine, JD, PhD – Associate Clinical Professor, Department of Sport Business Esport Business Program Lead, Drexel University

A recent class action lawsuit filed in the U.S. District Court for the Northern District of California brings renewed legal scrutiny to a widely used monetization strategy in esports and gaming. On March 5, 2025, two minors and their guardians filed a complaint against Epic Games, the developer and publisher of Fortnite, Valorant, and Rocket League. The suit centers on Fortnite and alleges that Epic engaged in unfair and deceptive trade practices aimed at minors by using misleading countdown timers in the game's Item Shop to drive in-game purchases. This article offers a brief explainer of the Fortnite Item Shop and a summary of the lawsuit's key claims, viewed through the lens of youth-focused consumer protection law.

Background: Fortnite and the Item Shop

Fortnite is among the esports ecosystem's most successful game titles, as there are reportedly over 650 million registered users globally (Kumar, 2025). It operates under a free-to-play model, meaning users do not pay to access the base game. Instead, Epic generates substantial revenue, as the complaint alleges the amount to be over \$5 billion annually, through the sale of in-game cosmetic items such as character "skins," emotes, weapons, and other virtual accessories (*J.J. et al. v. Epic Games, Inc.*, 2025). These are primarily sold through the game's "Item Shop," a digital storefront accessible from within the game client.

The Item Shop is updated daily and frequently features rotating collections of cosmetic items. While these items do not confer competitive advantages, they are deeply embedded in the cultural and social fabric of the game. Players, especially younger users, frequently treat skins and other digital accessories as markers of identity, status, and participation in limited-time

The suit centers on Fortnite and alleges that Epic engaged in unfair and deceptive trade practices aimed at minors by using misleading countdown timers in the game's Item Shop to drive in-game purchases.

events. The rarer or more exclusive the item appears, the greater its perceived value. Given its cultural saliency, item shops can become a significant revenue driver for game developers.

The Allegations: Countdown Timers and the Illusion of Scarcity

The plaintiffs, identified as J.J. and S.G., are minors from Texas and California, respectively. The crux of the plaintiffs' complaint is that Epic misled consumers, specifically minor-aged players, by falsely suggesting that certain Item Shop offerings were only available for a limited time. The lawsuit focuses on Epic's use of prominent 24-hour countdown timers next to select items, often in conjunction with graphics suggesting a limited-

time discount, implying that either the item itself or its discounted price would expire once the timer ran out. However, according to the plaintiffs, these items frequently remained available well after the countdown ended, often at the same price. The complaint alleges that this practice created a false sense of urgency, sometimes referred to as "fake urgency," that played on the psychological vulnerabilities of young users, particularly through FOMO, or the fear of missing out. Plaintiffs argue that this design decision was not incidental, but part of a deliberate strategy to prompt impulsive purchases from children.

The proposed class includes all U.S. residents under 18 who purchased Item Shop products that included countdown timers. The complaint also proposes state-specific subclasses for minors residing in California and Texas. Claims include alleged violations of the North Carolina Unfair and Deceptive Trade Practices Act, the California Consumers Legal Remedies Act, and related state consumer protection statutes. According to the plaintiffs, Epic's marketing and design practices were not only misleading but were aimed at a youth demographic known to be particularly susceptible to scarcity-based messaging and behavioral triggers. The complaint also references prior legal scrutiny in the U.S. and Europe over similar design practices in the Fortnite Item Shop.

Legal Basis for the Complaint: Overview of Key Statutes

The plaintiffs allege that Epic violated the following consumer protection statutes:

North Carolina Unfair and Deceptive Trade Practices Act (N.C. Gen.

Stat. § 75-1.1 et seq.): Prohibits deceptive acts in commerce and provides for treble damages and attorneys' fees if plaintiffs prevail. It is cited here because Epic is headquartered in North Carolina.

California Consumers Legal Remedies Act (Cal. Civ. Code §§ 1750 *et seq.*): Prohibits a range of deceptive practices in transactions for the sale or lease of goods or services, including misrepresenting the nature, price, or availability of products. Plaintiffs may seek damages, injunctive relief, restitution, and, in some cases, punitive damages.

California False Advertising Law (Cal. Bus. & Prof. Code §§ 17500 *et seq.*): Prohibits advertising that is untrue or misleading and that is known, or should be known, to be deceptive. The FAL allows for remedies such as restitution and injunctive relief and applies broadly to both express and implied misrepresentations.

California Unfair Competition Law (Cal. Bus. & Prof. Code § 17200 *et seq.*): Prohibits any unlawful, unfair, or fraudulent business act or practice, including those that violate other statutes like the CLRA or FAL. The UCL is often used as a "catch-all" consumer protection tool in California, offering equitable remedies such as injunctions and restitution.

Texas Deceptive Trade Practices Act (Tex. Bus. & Com. Code § 17.41 *et seq.*): Provides redress for consumers subjected to specific forms of misrepresentation or deception in trade or commerce. Plaintiffs claim Epic's use of timers falls within the statute's listed deceptive acts.

Epic's Response and Implications

Epic Games has denied the allegations, stating that the complaint contains "factual errors" and does not reflect the current operation of Fortnite's Item

Shop (Carpenter, 2025). In a public statement, the company emphasized that it removed countdown timers in 2024 and now offers a range of consumer protection features, including a "hold-to-purchase" mechanism, self-service refunds, purchase cancellations, and parental PIN controls (Litchfield, 2025). It also noted that players under the age of 13 cannot make real-money purchases without verified parental consent (Carpenter, 2025). Epic has not admitted wrongdoing and maintains that these safeguards are designed to prevent unintended purchases by minors.

This lawsuit is not the first time Epic has faced scrutiny over its monetization practices. In 2022, the company reached a \$520 million settlement with the Federal Trade Commission over allegations that it used deceptive interface design and violated children's privacy laws (Federal Trade Commission, 2022). In 2024, Dutch regulators fined Epic €1,125,000 (approximately \$1.2 million) for similarly misleading practices in the Fortnite shop, including the use of countdown timers to create a false sense of urgency (Litchfield, 2025). These prior incidents also advance ongoing questions about how behavioral design in digital games should be regulated, particularly when it intersects with child-directed marketing.

What may become the focal point of the current case is the issue of design-driven deception, particularly in the context of youth-centered digital marketplaces. The plaintiffs argue that interface elements like timers, rotating inventories, and sale graphics go beyond persuasive marketing and may amount to manipulative design when used on a platform heavily populated by children. The complaint ties in behavioral science literature, noting that minors are especially vul-

nerable to scarcity cues, particularly those involving time pressure, which can trigger impulsive or regrettable purchases (*J.J. et al. v. Epic Games, Inc.*, 2025, ¶¶ 23-24). Whether the court views these practices as unlawful may hinge on how it defines the boundary between effective advertising and deceptive trade practices. In that sense, the case highlights a broader conversation about the legal and ethical limits of monetization in video games, particularly when the most responsive consumers may also be the least equipped to fully grasp the implications of their choices.

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Hero Esports CEO Discusses the Keys for Industry Growth

Hero Esports, the largest esports company in Asia, participated this winter in the LEAP Conference in Riyadh, Saudi Arabia, with Danny Tang, Co-Founder and CEO of Hero Esports, joined fellow panelists including HRH Prince Faisal bin Bandar bin Sultan, Chairman of the Saudi Esports Federation, to discuss the transformative power of gaming and esports globally.

Tang also explored how esports aligns with the Saudi Vision 2030, which is further supported by the recently announced 2027 Olympic Esports Games in Riyadh.

Hero Esports has previously organized large-scale tournaments in the Middle East including, but not limited to, the first Dubai Esports Festival in 2022 and the 2022 PUBG Global Championship. The company was also a core partner to the inaugural Esports World Cup last year. Elsewhere, Hero Esports has kicked off the inaugural Asian Champions League, Asia's premier multi-title esports tournament, this month which will have a total prize pool of US\$2 million and provide teams from across Asia with the chance to qualify for this year's Esports World Cup in Riyadh.

On the importance of gaming and esports as key social and economic

drivers globally, Tang said:

"The gaming industry has become one of the pillar markets in the internet industry and, in doing so, has become

"With what we've seen in Asia, and what we're seeing here with Saudi Arabia--its young population, its high percentage of gamers, and notably, the high percentage of female gamers--we recognise a strong foundation for gaming and esports to become part of mainstream pop culture."

quite lucrative. The business model is also one of the best when it comes to monetization".

"Free-to-play models with in-game purchases drive long-term engagement, pushing developers to create compelling stories and experiences that retain their communities. This, in turn, fosters an environment where young talent is eager to enter the industry, making gaming and esports a key sector for future employment and innovation."

On the potential for esports to become a mainstream cultural force in Saudi Arabia, he added:

"With what we've seen in Asia, and what we're seeing here with Saudi Arabia--its young population, its high percentage of gamers, and notably, the high percentage of female gamers--we recognise a strong foundation for gaming and esports to become part of mainstream pop culture".

"Esports is no longer a niche--it is a global phenomenon with a vibrant and diverse ecosystem, including game developers, tournament organisers, content creators, and professional teams. We've witnessed firsthand how investment and support from various city-level governments can accelerate this transformation, opening up new career paths and opportunities".

"Saudi Arabia's commitment to gaming and esports through Vision 2030 is an example of how the industry can unite the world, both physically and through shared virtual experiences".

"At Hero Esports, we look forward to supporting Saudi Arabia's esports journey and creating even more meaningful, connected experiences for gamers and fans worldwide."

Long Beach City College Opens Largest E-sports Lab In Southern California

Long Beach City College (LBCC) Board of Trustees, students, and employees officially celebrated the opening of the largest e-sports lab in Southern California with a ribbon-cutting ceremony over the winter. The \$2.3 million state-of-the-art classroom features cutting-edge technology to support students

interested in the rapidly growing e-sports industry.

"Long Beach City College is proud to lead the way in providing students with access to this rapidly growing multi-billion-dollar e-sports industry with well-paying jobs," said Uduak-Joe Ntuk, LBCC Board of Trustees President. "This

cutting-edge facility is more than just a gaming lab—it's a gateway to future careers in technology, broadcasting, and game development. Our investment in this state-of-the-art space reflects our commitment to innovation, workforce development, and student success in the digital era."

“As technology evolves, so do the opportunities for our students,” said Dr. Mike Muñoz, LBCC President. “The new LBCC E-Sports Lab not only provides state-of-the-art equipment but also ensures our students gain hands-on experience in an emerging industry. By expanding our programs and staying ahead of industry trends, LBCC is empowering students with the skills they need to launch careers in gaming, digital media, and other technology-driven fields.”

By 2030, the e-sports industry will be worth \$6 billion and careers in gaming technology are steadily increasing. Long Beach City College is proud to be at the forefront of providing students with access to this innovative field of study by

building the brand-new e-sports lab. The project renovated an existing room and computer lab in Building M at LBCC’s Liberal Arts Campus. The new e-sports lab includes:

- 47 Alienware gaming stations, with a teaching station for an instructor or coach to interact with students
- Optimized lighting system to enhance player comfort and reduce visual fatigue during extended gaming sessions
- An independent operational infrastructure that ensures uninterrupted network and power capabilities for seamless gaming experiences
- Fully equipped casting booth that supports live professional-grade broadcasting of gaming

competitions over the internet

Construction began in March 2024, completed in July 2024, and opened to students during the 2024 Fall semester. The renovations were funded by Measure LB and LBCC’s capital outlay fund. Cordoba Corporation was the construction manager, and the architect was HPI Architecture.

LBCC currently offers a certificate of achievement in Digital Media: Multimedia Interaction & Game Design which “provides students with the foundational skills to work in the gaming industry. LBCC also offers a variety of programs for students looking to pursue careers in robotics, computer office studies, cloud computing, cybersecurity, and more.”

The Emergence of Esports and How Current Antitrust Principles Can Impact the Industry

By Frances Ricks

Esports are video games that range from popular team tournaments to single-player games to virtual reconstructions of actual sports.^[1] These games have been around since the 1970s, however, they became much more popular in the 2010s.^[2] The rise of Esports is so prominent that almost every single major video game has a tournament of some sort.^[3]

The emergence of these Esports raises multiple antitrust issues, given that Microsoft and Sony control most of the video game market.^[4] Antitrust law is governed by three major laws: The Sherman Antitrust Act, The Clayton Act, and the Federal Trade Commission Act.^[5] The Sherman Antitrust Act generally prohibits unreasonable

restraints on trade.^[6] The Clayton Act generally prohibits actions that lessen competition.^[7] The Federal Trade Commission Act gives the Federal Trade Commission (FTC) the power to prevent unfair methods of competition.^[8] Further, the FTC, along with the Department of Justice (DOJ), released new merger guidelines in December of 2023.^[9] The new guidelines list eleven “frameworks” the agencies will use when evaluating mergers.^[10] Generally, the new guidelines are seen to be stricter than previous guidelines.^[11]

In *Federal Trade Comm’n v. Microsoft Corp.*,^[12] the FTC, pursuant to Section Five of the Federal Trade Commission Act and Section Eleven of the Clayton Act, filed a complaint to block the merger of Microsoft and Activision.^[13] Activision

Blizzard makes games, such as Call of Duty, that are then played on Microsoft consoles.^[14] The FTC argued, based on the new framework from the guidelines, that competition would be lessened if these two companies merged.^[15] However, the court held that the FTC did not show that this merger would substantially lessen competition, even though this is regarded as the biggest merger in tech history.^[16] Conversely, the court stated that the evidence tended to show more consumer access instead of less.^[17]

While this case is a win for the game developers, it raises concerns about how certain developers could control the entire market.^[18] The core problem with this is that a single game producer or developer owns exclusive rights to the game being played.^[19] For example, Valve

Corporation, a videogame designer and publisher, owns the rights to “Dota 2,” an online battle arena video game.^[20] In 2023, Dota 2 generated over thirty million dollars in prize money, was played at 126 esports tournaments, and was played by 1015 players at these tournaments throughout the year.^[21] If Valve decided to merge with someone like Microsoft, then Microsoft could decide that Dota 2 cannot be played on anything not sponsored directly by Microsoft. This would affect a large portion of the esports market, since Microsoft only sponsors a few tournaments a year.^[22]

If large game developers can merge with large corporations that sponsor esports tournaments, create their own games, and produce gaming consoles as seen in the merger of Microsoft and Activision, then the entire market could be controlled essentially by one company. The FTC and DOJ will need to find ways to successfully show that these proposed mergers lessen competition in the industry, particularly within esports gaming, to protect the industry from being controlled by one singular entity.



Frances Ricks

Comm’n, <https://www.ftc.gov/advice-guidance/competition-guidance/guide-antitrust-laws/antitrust-laws> (last visited Jan. 22, 2025).

[6] *Id.* (describing that the Supreme Court previously decided that the Sherman Act outlaws unreasonable restraints on trade).

[7] *Id.* (“Section 7 of the Clayton Act prohibits mergers and acquisitions where the effect ‘may be substantially to lessen competition, or to tend to create a monopoly.’”).

[8] 15 U.S.C. § 45(a).

[9] U.S. Dep’t of Just. & Fed. Trade Comm’n, *Merger Guidelines* (Dec. 18, 2023), https://www.ftc.gov/system/files/ftc_gov/pdf/2023_merger_guidelines_final_12.18.2023.pdf.

[10] *Id.*

[11] See, e.g. Lisl Dunlop & Sandhya Taneja, *FTC and DOJ Final Merger Guidelines Reflect Strong Enforcement Agenda*, *Am. Health L. Ass’n* (Jan. 12, 2024), <https://www.americanhealthlaw.org/content-library/health-law-weekly/article/5d13d4fa-82dd-4070-afb2-67952f977463/ftc-and-doj-final-merger-guidelines-reflect-strong> (“[T]he Merger Guidelines signal a high bar for merging firms as they engage with the Agencies in merger investigations, and are a strong indication of the types of allegations they may face in a merger challenge.”).

[12] 681 F.Supp.3d 1069 (N.D. Cal. 2023).

[13] Complaint at 1, *In re Microsoft Corp.*, No. 9412 (F.T.C. Dec. 8, 2022) (pending).

[14] *Id.*

[15] *Microsoft Corp.*, 681 F. Supp. at 1089.

[16] *Id.* at 1097.

[17] *Id.* at 1101.

[18] See generally *Top Games of 2023*, *Esports Earnings*, <https://www.esportsearnings.com/history/2023/games> (last visited Feb. 22, 2025).

[19] Stephen Ellis, *Esports Is Growing Up: IP Law and Broadcasting Rights*, *ESPN* (Jan. 25, 2016, 12:19 PM), http://www.espn.com/esports/story/_/id/14644531/ip-law-broadcastingrights-esports.

[20] Jeff Grubb, *Dota 2 Makes \$18M per Month for Valve – But League of Legends Makes that Much Every 5 Days*, *VentureBeat* (Mar. 24, 2015, 3:40 PM), <https://venturebeat.com/games/dota-2-makes-18m-per-month-for-valve-but-league-of-legends-makes-that-much-every-5-days/>.

[21] See *Top Games of 2023*, *supra* note 18.

[22] Ten.gg, *Ten Big Sponsors in Esports*, *LinkedIn* (Aug. 17, 2023), <https://www.linkedin.com/pulse/ten-big-sponsors-esports-teng/>.

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Footnotes

[1] Marc Leroux-Parra, *Esports Part 1: What Are Esports?*, *Harv. Int’l Rev.* (Apr. 24, 2020), <https://hir.harvard.edu/esports-part-1-what-are-esports/>.

[2] Peter Polygalov, *The History of Video Games and Esports: From Ancient Games to a Billion-Dollar Industry*, *U.S. Acad. Esports League* (Oct. 31, 2024), <https://www.usacademicesports.com/post/history-of-esports>.

[3] See Leroux-Parra, *supra* note 1.

[4] *FTC v. Microsoft Corp.*, 681 F. Supp. 3d 1069, 1076-77, 1101 (N.D. Cal. 2023).

[5] *The Antitrust Laws*, *Fed. Trade*

ARBITRATION

Continued from page 1

its top-tier League of Legends and VALORANT leagues in Europe, the Middle East, and Africa (EMEA) in late 2024. The DRM operates as an independent arbitration system designed to resolve financial and contractual disputes, such as unpaid salaries, prize money, bonuses, and transfer disagreements, between players, coaches, and teams participating in Tier 1 and Tier 2 competitions. Riot is not a party to the proceedings, and the DRM does not accept claims filed against Riot itself. Procedurally, the system is built for speed and affordability. Disputes are decided by a sole arbitrator selected from a vetted panel, with no hearing and only one round of written submissions by default (Morris et al., 2024).

Awards are binding and final, part of a cost-efficiency strategy. The arbitration is governed by Chapter 12 of Switzerland's Federal Act on Private International Law (Morris et al., 2024). To ensure accessibility, Riot has created a Legal Aid Fund to subsidize filing and arbitrator fees for eligible individuals (Riot Games, 2024). While participation in the DRM is voluntary, Riot is encouraging stakeholders to integrate DRM clauses into standard contracts (Morris et al., 2024), signaling a broader intent to normalize arbitration as a first recourse. In essence, the DRM reflects Riot's strategy to enhance contractual stability in its ecosystem, reduce reliance on national courts, and bring a degree of legal infrastructure.

World Intellectual Property Organization + Esports Integrity Commission Collaboration

In January 2025, the Esports Integrity

Commission (ESIC) and the World Intellectual Property Organization (WIPO) jointly launched the International Games and Esports Tribunal (IGET). This not-for-profit body's objective is to resolve various disputes across the global esports and video game sectors. Positioned as an extension of ESIC's long-standing mission to uphold integrity in competitive gaming, IGET reflects a broader push to formalize how the industry addresses issues like match-fixing, doping, and contractual breakdowns (World Intellectual Property Organization, 2025). IGET was created to serve as an industry-specific arbitration and mediation platform, tailored to the unique and global nature of esports. The central premise is simple: Decision-makers who actually understand the nuances of esports and video games are more likely to produce outcomes that are not just legally sound, but also effective in a practical manner. The IGET approach fills an important role that traditional legal mechanisms often cannot: resolving disputes with the speed, flexibility, and domain-specific understanding required in esports.

The system is fully international in scope and designed to be cost-effective. IGET accepts a broad range of disputes, integrity-related, commercial, and intellectual property, and channels them into distinct procedural tracks, with support from either ESIC or WIPO depending on the subject matter. IGET now serves as the exclusive appellate body for all ESIC decisions, consolidating integrity enforcement within a more formal legal structure (Maas, 2025). Disputes may be brought only if all

parties agree to use IGET, either via pre-existing clauses in contracts or through post-dispute consent. And while the tribunal aims to grow over time, its early appeal lies in its mix of legitimacy, accessibility, and procedural clarity, traits that have long been missing from esports' loosely coordinated and often inconsistent legal responses.

New Structures Reflecting Maturity of Esports Management

For years, legal disputes in esports were hampered by fragmented governance, legal uncertainty, and the lack of a dedicated dispute resolution framework (Cassels et al., 2024). Players and teams with contract issues, prize-money claims, or other concerns unique to the esports and gaming space looking for a resolution had nowhere to turn except for litigation, which often takes years to resolve disputes and is quite costly, or media as a case of last resort. Even though national court systems have formal rules and processes, they are not well equipped to handle esports disputes that span multiple countries and require deep knowledge of how the gaming industry actually works (Shmatenko, 2025). The absence of a dispute resolution system capable of addressing the specific contours of the gaming and esports sectors has been a nagging problem that prevented the industry from advancing. While traditional legal systems offer procedural strength, they often fall short in terms of speed, flexibility, and subject-matter fluency.

Unlike traditional sports, esports still lack a universal governing body or a standardized dispute resolution

forum. Stakeholders, players, teams, tournament organizers, and publishers, often operate under varying legal standards across jurisdictions. When disputes arise, parties are often left with limited options: resolve issues informally, pursue a remedy through national courts, or rely on publishers who may be both regulator and party to the dispute. The creation of IGET and Riot's DRM close these gaps. They collectively offer a process that merges a robust legal process with deep understanding of the competitive gaming landscape. These developments suggest that the esports industry may be entering a more structured phase, particularly in how it addresses legal risks and operational uncertainty. Over time, these systems may help establish greater trust, reduce legal ambiguity, and be an important step toward promoting industry sustainability.

Will These Systems Gain Industry Traction?

Whether IGET and Riot's DRM become cornerstones of esports governance and dispute resolution depends on how quickly, and how widely, they are adopted by the broader industry. Players, teams, developers, publishers, and tournament organizers all face increasing legal complexity (Cassels et al., 2024). Many operate under inconsistent national laws and lack the resources or desire to litigate. These industry-specific arbitration models offer faster, cheaper, more specialized, and more effective alternatives to traditional litigation (Shmatenko, 2025).

IGET may benefit from gradual adoption through ESIC's existing network of stakeholders, leveraging its subject-specific jurisdiction over integrity, IP, and commercial disputes. Riot's DRM, while publisher-driven, signals a longer-term commitment to contractual stability by embedding

arbitration clauses and outsourcing enforcement to neutral third parties. Taken together, both IGET and Riot's DRM reflect the same underlying truth: esports is in the process of outgrowing its informal, patchwork approach to dispute resolution. As these models evolve, their adoption will likely hinge on trust: trust in the fairness of arbitrators, the enforceability of outcomes, and the value of predictability in an industry that has rarely prioritized legal infrastructure.

Conclusion

IGET and Riot's DRM represent early but meaningful steps toward professionalized legal infrastructure in esports. Each system offers a credible alternative to litigation, tailored to the pace, complexity, and global scope of competitive gaming. They also reflect a growing understanding that as esports expands commercially, its systems of governance must keep pace. More fundamentally, they mark a shift toward legal maturity, one in which stakeholders increasingly understand that stability, integrity, and trust are foundational to a thriving competitive gaming ecosystem. If these mechanisms deliver on their promises, namely accessibility, neutrality, and procedural clarity, they could reshape how disputes are handled across the ecosystem. They also set a precedent: Legal infrastructure is no longer a luxury for esports, it is a necessity.

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TRIBUNAL

Continued from page 1

respondents from more than 100 countries - including Collective Management Organizations (CMOs), publishers, companies, and legal practitioners. The volume and complexity of disputes, especially in the gaming sector, were interesting.

At the WIPO AMC, we started having conversations with major video game publishers. Eventually, we expanded our focus to the competitive gaming world – what we now call esports. Around 2021, we started discussing this idea of having a one-stop shop dispute resolution mechanism in esports - not only for integrity issues like cheating and doping, but also for commercial and intellectual property disputes. The industry had been growing, and the COVID-19 pandemic had accelerated this growth, and it was clear that a more centralized and professional approach would help.

They saw WIPO as the right partner: a neutral organization with a United Nations (UN) standing, based in Switzerland. That is how the journey started.

Q: What has been your role in creating this entity and what is your current role?

A: Me and my colleagues at the WIPO AMC have been involved from the very beginning in establishing what is now known as the International Gaming and Esports Tribunal (IGET). Since at that time the WIPO AMC had just started looking into this industry, we started seeking out partnerships with industry experts, like arbitration lawyers, and other stakeholders. This is when we were introduced by Leonid and Rodolphe to the Esports Integrity Commission (ESIC) and its CEO, Stephen Hanna. After several conversations, IGET was



Oscar Suarez

born as a joint initiative by ESIC and the WIPO AMC.

IGET is a not-for-profit organization that provides specialized ADR services for the video games and esports industries. It has tailored dispute resolution procedures to the esports industry. For example, we tried to simplify the processes – we have a big focus on mediation, and went for expedited arbitration procedures, which are more accessible. We wanted the players to understand how the procedures work and why they benefit them. The goal has always been to offer a fair, time- and cost-efficient alternative to court proceedings.

Q: Tell us a little bit more about your current role?

A: I work in the Business Development and Digital Content Disputes Section of the WIPO AMC. We have three main roles: we administer disputes that relate to commercial and IP issues, especially those tied to the digital and entertainment sectors; we support WIPO's member states to enhance their ADR and IP capabilities to help solve disputes in their jurisdictions; and, on the business

development side, we are looking for new areas where the work of the WIPO AMC could be beneficial, as was the case for video games and esports.

Q: Anything you want to add on why WIPO decided to focus on the video games and e-sports dispute areas?

A: Video games are what one would call a IP intensive industry. Everything about a game involves IP - from the software and design to the hardware and beyond. Once we started looking more into the details, we realized how much overlap there was with WIPO's mission.

It is not only about digital content anymore. Video games involve patented technology, storylines with copyright protection, trademarks used in competition, and even spin-offs like movies and merchandise. Take Minecraft, for instance - it's gone from a game to a global brand with its own blockbuster film. Video games are not isolated entertainment – they are entire ecosystems of IP.

Q: Is the tribunal set up for all kinds of IP, patent to copyright to trademark, to trade secret, or is there specific focus?

A: IGET is going broader than just IP. The idea is that we will be able to deal with commercial disputes, including IP-related disputes. That means, apart from copyright, trademarks, patents, trade secrets – any commercial dispute relating to the esports ecosystem, will be within IGET's scope.

For example, we have already handled disputes over unauthorized broadcasts of competitions in a streaming platform, and trademark issues related to the use of trademarks during a competition. What is key is that if a contract - say between a pub-

lisher and a competition organizer - includes our dispute resolution clause, we can handle any commercial- and IP-related dispute that arises from it.

IGET will, of course, be also handling classic integrity-related cases, which will be managed in collaboration with ESIC.

Q: Tell us a little bit about the fee structure, and how that works?

A: What we are trying to do is understand what the industry needs. Right now, we operate on a case-by-case basis. Our goal is to create an efficient and accessible system, not to turn a profit.

Eventually, when we start handling more disputes and gathering a more information, we will be able to provide a more standardized fee structure. But already, the WIPO AMC's fees are highly competitive. Our aim is to keep the process affordable and practical, especially for players and smaller stakeholders.

Q: How will you know if this has been a success?

A: We have already reached our first milestone with our soft launch announcement. We have some new developments, which are confidential at the time. But I can tell you that major publishers have been interested in incorporating our dispute resolution clauses into their contracts. That alone is a great sign.

The second success story is that we have had interest from major esports competitions looking to offer this service during their events.

We expect it to take some time to fully catch on, but we are prepared for that. I think that one of the advantages of our partnership with ESIC is that both organizations are stable and well-established, so we can really give ourselves the time. We can implement this system surely and steadily without any due dates in mind. We want the system to grow and mature properly, for the long run.

Q: What will be happening over the next few months?

A: After a fast development phase,

it is now all about finding our rhythm – laying the groundwork for a long-term system.

We are starting to receive our first cases, and we expect that once the industry starts catching on and understanding the benefits and the virtues of the system, interest will build naturally. It may be a little bit ahead of its time, but not by much. We are confident it will gain traction in the months ahead.

Q: What's next for you in your own career?

A: This esports initiative is just one of the many projects I am involved in, but it is one of the most exciting. I am also working on other projects that relate to digital content disputes.

I am passionate about this project. I hope that I will be able to keep looking into this area as part of my work at the WIPO AMC. It is incredible to see how far the industry has come – and, even more, to be part of it.

Esports Legend Prevails In Defamation Lawsuit Against Youtuber In Australian Court

By Holt Hackney

The District Court of Queensland has awarded esports pioneer Billy Mitchell nearly \$400,000 AUD after he filed a defamation lawsuit against YouTuber Karl Jobst, alleging that the defendant made harmful public statements.

In Case No. 136/21, the Court awarded Mitchell damages plus assessed interest and further ordered Jobst to pay Mitchell's legal costs with the final amount to be determined at a future hearing.

In delivering his judgment, Judge Barlow stated:

"The obvious pleasure that Mr.

Jobst took in attacking [Billy Mitchell] and his gleeful anticipation of litigation simply added to Mr. Mitchell's emotions. He also suffered adverse physical effects in the short term."

The case arose from public statements made by Jobst on social media, in which he dismissed the potential for legal consequences due to his Australian residency. Among the statements cited in court included the following:

- "I have restrained myself from talking about this. But I think it is now time for me to step up. F*** Billy Mitchell."

- In response to a commenter suggesting legal action: "I'm in Australia

so good luck."

Mitchell responded by retaining legal counsel in Queensland and initiating legal proceedings. Following a full trial in September 2024, the Court ruled on March 31, 2025 that Jobst had defamed Mitchell.

"I felt it was necessary to defend my name and professional reputation in the face of false and damaging allegations," said Mitchell. "I appreciate the Court's careful consideration of the facts and am thankful for the unwavering support of my family, friends, and legal team throughout this process."