

PLAYER CONTRACTS IN ESPORTS AND ESPORTS LAW

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Abstract: In recent years, sports and sports law have entered a rapid phase of development, and this advancement has also manifested itself in the digital realm. Esports (electronic sports), which emerged under this concept and are generally played online either individually or as teams, have gained widespread popularity across the world, particularly among the younger population. The unifying nature of sports is even more strongly perceived in esports, as esports athletes can connect with each other via the internet regardless of their geographical location, thereby forming friendships-the core essence of sports.

This study focuses on the concepts of esports and the emerging field of esports law, providing general information and establishing a foundational understanding. It then discusses the nature of player contracts within the scope of esports law and proposes considerations regarding how such contracts should be structured. In doing so, the study aims to contribute to the legal framework of esports.

Keywords: Esports, Sports Law, Player Contracts, Esports Law, Legal Framework

Introduction

Sport is a general term used to describe activities carried out within a defined set of rules that involve various forms of physical or mental engagement. With the recognition of sport as a legal right and its continuous development, a new branch of law known as sports law has emerged. Sports law is a young and interdisciplinary field that regulates not only athletic activities but also the legal relationships among sporting entities and stakeholders.

The rapid and unstoppable progress in technology has also manifested itself in the field of sports, giving rise to a new discipline known as esports. While debates continue as to whether esports should be classified as a traditional sport, this rapidly expanding field has had a profound impact across the globe, particularly among younger generations. The emergence of esports has created a need for governance and regulatory frameworks, leading to the development of a new sub-branch of sports law: esports law [1].

This study consists of two main sections. The first section focuses on the concepts of esports and esports law. It provides definitions and general explanations to enhance the understanding and recognition of these terms. The second section examines player contracts within the framework of esports law. This part initially presents general information regarding athlete contracts and subsequently evaluates such contracts in the context of esports law [2].

I. Esports and esports law

Under this heading, the definition of esports and general information concerning esports law are presented.

II. Player contracts in the context of esports law

Before examining player contracts from the perspective of esports law, it is essential to provide a general overview of athlete contracts.

A. General overview of athlete contracts

Athlete contracts are legal agreements concluded between the athlete and the sports organization or club, in which the athlete undertakes to compete in a specific sports discipline with the aim of achieving athletic success, while the club commits to providing financial compensation in return for the athlete's services. In sports law, athletes are generally classified into two categories:

professional and amateur. Accordingly, athlete contracts can also be divided into professional athlete contracts and amateur athlete contracts.

In many countries around the world, only certain sports branches are regulated as professional under national legislation and federative structures. Therefore, discussions around professional athlete contracts predominantly revolve around sports branches that have gained formal recognition as professional disciplines under international or national sports regulations.

Under an athlete contract, the athlete commits to exercising their highest level of effort, physical capacity, and discipline to achieve success both individually and on behalf of the club. In return, the club is legally obligated to provide the agreed remuneration as specified in the contract. These contracts impose mutual obligations based on performance, discipline, loyalty, and financial compensation [3].

The legal nature of athlete contracts has been subject to various interpretations. Certain aspects of these contracts resemble employment agreements as they involve the performance of services in return for compensation. However, due to the specific regulatory and disciplinary rules governing sports activities, athlete contracts should primarily be regarded as sports law contracts. Accordingly, any disputes arising from such agreements should be resolved in accordance with the directives and arbitration rules established by the relevant sports federations and international bodies such as FIFA, CAS (Court of Arbitration for Sport), or esports regulatory authorities.

B. Evaluation of player contracts within the scope of esports law

This section examines athlete contracts in the context of esports law, beginning with general contract principles and continuing with the rights and obligations of the parties involved [4].

1. General information regarding esports player contracts

In esports, a contract is executed between the player and the organization or club the player represents in competitions. Particularly for professional esports athletes, participation under an organizational structure necessitates a formal contractual agreement. However, it must be emphasized that, unlike traditional sports, there is currently no standardized contract model specifically tailored for esports athletes at the global level. Additionally, in many jurisdictions, there is no comprehensive regulatory directive governing the fundamental principles of esports, which leads to contractual ambiguity.

The absence of a clear legal framework or standardized contract structure may result in disputes between esports athletes and the organizations they represent. Therefore, as is the case worldwide, the rapidly growing esports industry must be placed on a solid legal foundation [5].

Until specific regulations tailored to esports are introduced, it would be appropriate, to the extent applicable, to apply the legal principles and frameworks used in professional athlete contracts of traditional sports to esports player contracts. This approach is justified by the lack of dedicated esports legislation and the increasing need for legal standardization in the contractual relationships between esports athletes and clubs. Moreover, resolving disputes arising from esports contracts under the mechanisms of sports law would provide legal certainty and procedural efficiency.

Table 1. The importance and benefits of esports

| Dimension | Importance | Benefits |
|-----------|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| Economic | Esports has become a multi-billion-dollar global industry with rapidly growing investment and sponsorship opportunities. | Creates employment (players, coaches, analysts), generates revenue through sponsorships, broadcasting rights, and digital marketing. |
| Social | Provides a platform that connects millions of players worldwide regardless of location, language, or | Enhances social interaction, builds team spirit, promotes global communication and cultural exchange. |

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|--------------------|-------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| | culture. | |
| Educational | Recognized as a tool for cognitive development and strategic thinking in modern education systems. | Improves problem-solving skills, decision-making, attention, and analytical thinking abilities. |
| Technological | Integrates advanced technologies and accelerates innovation in digital platforms and electronic infrastructure. | Promotes technological literacy, supports digital transformation, and motivates innovation in gaming hardware and software development. |
| Psychological | Offers a competitive environment that promotes mental resilience and motivation among youth. | Develops stress management, goal-oriented focus, and the ability to perform under pressure. |
| Career Development | Esports provides long-term career opportunities beyond just playing, including roles in law, management, coaching, and media. | Enables professional growth, leadership development, and entrepreneurship in the digital economy. |
| Global Recognition | Esports is gaining recognition as an official sport in many countries and is included in international competitions. | Contributes to the international visibility of athletes and creates a new field for global sports diplomacy. |

An esports player contract should include all essential contractual elements and be formally registered with the competent esports federation or authority where such registration requirements exist. For the purpose of setting a precedent, a standardized contract template may be developed by relevant esports regulatory bodies. In the case of esports players under the age of eighteen, the consent or approval of their legal representative must be obtained.

The contract must regulate the remuneration to be paid to the player. In addition to specifying the amount, the parties should also determine the method and schedule of payment. This may be structured as monthly payments or as a lump-sum amount at the conclusion of the contract term. Furthermore, the duration of the contract should be explicitly stated. Regarding transfers, if another organization wishes to sign a player who is currently under contract, it must first obtain permission from the player's current organization. This ensures contractual stability and the protection of both parties' legitimate interests [6].

2. Rights and obligations of the parties under the contract

Within an esports player contract, both parties are obligated to fulfill the terms agreed upon in the contract. In addition to contractual provisions, there are also rights and duties derived from the general principles of sports law. To the extent applicable, principles governing professional athlete contracts in traditional sports-such as those set forth in the regulations on the status and transfer of players-can be applied to esports athlete contracts.

The rights and obligations of the parties in an esports player contract can be examined under two main categories:

- (a) the rights and obligations of the esports athlete, and
- (b) the rights and obligations of the esports organization or club.

a. Rights and Obligations of the Esports Athlete

The primary duty of the esports athlete is to participate in competitions and to achieve successful results on behalf of their organization. To attain this success, the athlete must continuously improve their skills and develop effective strategies. In addition, attendance at training sessions, courses, seminars, or conferences organized by the club or the relevant esports federation may be required. Furthermore, the athlete is responsible for following administrative procedures required

for competition participation and for providing necessary documents accurately and in a timely manner[7].

B. Rights and obligations of the esports club under the contract

The primary obligation of the esports club is to ensure that athletes are optimally prepared for competitions by providing qualified technical staff and all necessary equipment. In the context of esports, this includes supplying advanced computer hardware, establishing high-speed and state-of-the-art technological systems, and ensuring that these systems are fully operational. Furthermore, the club is responsible for providing the necessary technical training and practical instruction to enable athletes to effectively utilize these systems. Ensuring infrastructure and training support is a fundamental contractual duty of the organization.

3. Termination of the contract

Esports player contracts may be terminated in several ways. The first possibility is termination by mutual agreement between the player and the organization. If both parties agree to terminate the contract, the agreement immediately becomes null and void.

In addition to mutual termination, a contract with a fixed term naturally expires at the end of its agreed duration. Furthermore, esports player contracts may be terminated unilaterally by either the player or the club through the exercise of the right of termination. However, because many jurisdictions have yet to adopt a comprehensive regulatory framework for esports contracts, the grounds for unilateral termination are not uniformly defined. In practice, general principles of contract law and applicable rules from traditional sports regulations-such as those governing professional athletes in other sports-may be applied by analogy where appropriate [8].

A primary ground for termination by the esports athlete is the club's failure to pay the agreed remuneration. If the player does not receive payment on time or the payment is entirely withheld, the athlete has the right to terminate the contract with just cause. Similarly, if the club fails to fulfill its contractual obligations-such as failing to provide adequate training facilities, technological equipment, or competitive opportunities-the player should be entitled to exercise the right of termination.

Conversely, the esports organization also has the right to terminate the contract under certain conditions. For example, if the athlete engages in misconduct such as match-fixing or cheating and is subsequently suspended or banned from competitions, the club may have just cause to terminate the contract. Additionally, if the player breaches any contractual obligations agreed upon within the contract, the club may exercise its right to terminate.

Conclusion

Esports, which has rapidly gained global influence particularly among the younger population, has given rise to the need for a regulated structure due to its organized competitive nature. This necessity has led to the emergence of esports law as a new and evolving sub-branch of sports law. Esports player contracts constitute legal agreements concluded between esports athletes and their respective organizations.

At the current stage, many countries do not yet have a fully developed legal framework or standardized regulations specific to esports contracts. Therefore, until specialized esports legislation is established, the application of general sports law principles and existing contractual models-such as those used for professional athletes in traditional sports-may serve as a suitable temporary legal foundation.

However, this transitional approach underscores the urgency for the development of specific regulatory instruments governing esports contracts. A comprehensive set of rules should be implemented by relevant national or international esports federations, outlining the procedures and legal effects regarding the formation, performance, and termination of esports player contracts. Establishing such a framework will contribute to legal certainty, protect the rights of

both athletes and organizations, and support the professionalization and integrity of the global esports industry.

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