

Dated 12 January 2020

## Q&A - CSPPA Group Licensing

### Background

In most well-established professional American and European sports leagues (e.g. NFL, NBA, NHL, MLB, Premier League etc.), player associations operate a group licensing program. Under such group licensing programs, athletes grant a license to their players' association to use, monetize and manage their intellectual property rights (e.g. images, names, voice) on a collective basis (e.g. as a group).

In Schedule 1 below, we have included a list of references to further reading on group licensing in sports.

The CSPPA players collaborate on a similar group licensing program. The key motivations for such program are that the CSPPA players wish to:

- 1) Use, promote and protect their intellectual property on a collective basis (e.g. as a group), including, with respect to policing misuses of their intellectual property or in connection with negotiation of collective bargaining agreements.

*For example, in case a non-licensed third party makes commercial use of players' collective intellectual property, the group licensing program enable the players to police misappropriations as a collective. In managing their collective intellectual property, it is, amongst others, a key priority for the players to ensure that player intellectual property is never used in the context of illegal betting, drugs, alcohol or political content etc.*

- 2) Grant licenses on a robust legal basis for commercial and non-commercial partners for such partners to use their collective intellectual property on fair and reasonable terms and conditions.

*For example, the CSPPA players have granted a commercial group license to leading organizers of CS:GO tournaments and leagues (such as DreamHack, ESL and Flashpoint) which allow such tournament organizers to use, amongst others, images and audio of CSPPA players to broadcast and market tournaments. Commercial licenses are granted for a fixed period on the basis of customary license agreements in sports negotiated by the parties and including certain terms and conditions with respect to the use of player intellectual property and protections with respect to misappropriations. In consideration for granting such licenses, the CSPPA receives a license fee which the CSPPA can only use to further and protect the interests of professional CS:GO players and in accordance with the articles of association of the CSPPA (see Q4 below). No tournament organizer or other partner are granted any influence with respect to how the CSPPA conducts its operations under such partner agreements (see Q3 below).*

*CSPPA intends to grant non-commercial licenses to, amongst others, certain leading universities aiding the CSPPA players in respect of a research project on the mental health of esport athletes and the stressors associated with competitive esports (see bullet no. 2 of Q4 below).*

- 3) Promote the growth of professional CS:GO worldwide by contributing to the establishment of efficient industry structures in professional CS:GO and adopting best practices of the most successful traditional sports (e.g. NFL, NBA, NHL, MLB, Premier League etc.).

*For example, competition laws in some jurisdictions may prevent teams and tournament organizers from establishing leagues unless an agreement with a players' association (representing the athletes participating in such league) is in place. Group licensing programs enable players' associations to enter into such agreements.*

**Q1: What does use of player intellectual property on a 'collective basis' mean?**

Use on a 'collective basis' means use of the intellectual property of 6 (six) or more players and in a manner, which does not imply any team or individual sponsorship.

*For example, when a tournament organizer broadcasts a CS:GO match, the broadcast will usually include images of multiple players across different teams.*

**Q2: How may collective player intellectual property be used by CSPPA?**

CSPPA may only use player intellectual property for commercial purposes after having obtained approval by the CSPPA board of directors following consultation with relevant CSPPA players.

**Q3: Do licensee partners have any influence over CSPPA?**

No. In line similar group licensing program in traditional sports, licenses provided by CSPPA to partners confer no rights or influences on the partner with respect to how CSPPA conducts its business. Licenses provided are commercial agreements between CSPPA and the relevant partner whereby CSPPA provides a license to the partner and the partner pays a fee in consideration for such license over the term of the license.

**Q4: How are proceeds from licenses used by CSPPA?**

Any proceeds from licenses may only be used to protect the interests of professional CS:GO players and in accordance with the articles of association of the CSPPA. CSPPA projects funded by proceeds from partner licenses include, amongst others:

- Establishment of education and career ending programs for professional CS:GO players.
- CSPPA's mental health project for CS:GO players facing mental challenges.
- Operating an emergency hotline for CSPPA Players and other professional CS:GO players.
- Collaboration and work on integrity matters relating to competitive play of CS:GO.
- CSPPA's development of arbitration procedures enabling professional CS:GO players to resolve issues in respect of player contracts and/or tournament participation with reasonable costs in a competent forum.
- Negotiation and ongoing management of framework agreements regarding players' working conditions entered into with tournament and league organizers and participating teams.
- Ongoing player advice and services.
- Ongoing management of the CSPPA group licensing program.
- CSPPA's collaboration with tournament organizers and other key stakeholders in the esports community on establishing a balanced regulatory framework for CS:GO and esports comparable to other sports.

This Q&A has prepared for and on behalf of the CSPPA board of directors and information purposes only by Jakob Rydahl of Kromann Reumert's esports and gaming practice.

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*Please direct any queries in respect of this Q&A to:*

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## Schedule 1

*Below we have included references to literature and collective bargaining agreements on existing group licensing programs in sports:*

### Literature

- 'International Sports law and Business'; A. Wise and S. Meyer; Kluwer Law International, p. 1942.
- 'European Sports Law'; 2nd edition; L. Halgren, p. 378.

### Collective bargaining agreements

- **NFL:** Article 4, Section 7 (*NFLPA Group Licensing Program*), Article 47, Section 4 (*NFLPA Group Licensing Program*) and Clause 4 (*Publicity and NFLPA Group Licensing Program*) of Appendix A (*NFL Player Contract*) of the collective bargaining agreement originally dated 4 August 2011 between the National Football League Players Association and the National Football League. See also <https://nflpa.com/partners/licensing>.
- **NFLPA and NCPA:** Joint press release by the NFL Players Association (NFLPA) and the National College Players Association (NCPA) on a collaborative effort to explore how college athletes from all sports can finally receive fair compensation for use of their name, image and likeness can be found here:  
<https://www.ncpanow.org/news/releases-advisories/national-college-players-association-and-nfl-players-association-to-explore-marketing-and-licensing-of-college-athletes>
- **NHL:** Article 5 (*Endorsements, sponsorships and licensing*) of the collective bargaining agreement dated 16 December 2012 between the National Hockey League and the National Hockey League Players' Association.
- **MLS:** Article 28 (*Group Licensing*) of the collective bargaining agreement originally dated 1 February 2015 between Major League Soccer and the Major League Soccer Players Union.
- **NBA:** Article XXVIII (*Media Rights*) of the collective bargaining agreement originally dated 19 January 2017 between the National Basketball League and the National Basketball Players Association.