

LEGAL ASPECTS OF E-SPORTS AND NEW AGE SPORTS

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ABSTRACT

The rapid rise of eSports and new-age sports—such as fantasy leagues, VR tournaments, and drone racing—has transformed the global sports ecosystem. These digitally driven formats are gaining recognition as professional sports but raise complex legal issues, including jurisdiction, intellectual property, player contracts, doping, betting, data privacy, and developer control. Unlike traditional sports governed by centralised bodies, eSports are often regulated by private game developers, raising concerns about fairness, transparency, and due process. Legal classification as “sports” affects taxation, visas, government support, and investor confidence, while the absence of labour norms and player unions threatens contract enforcement and player rights. Intellectual property rights, including licensing, streaming, and user-generated content, create additional legal friction between developers, teams, and broadcasters. A hybrid regulatory approach combining **public oversight and industry self-regulation** is recommended, alongside flexible frameworks that protect players, ensure market fairness, and promote consumer interests. International cooperation is also critical for standardising anti-doping, arbitration, and digital IP laws.

Keywords: *eSports Law, Intellectual Property, Player Rights, Data Protection, Digital Sports Regulation.*

Introduction:

Sports, both traditional and modern forms such as e-sports and fantasy leagues, are overseen by a complex web of legal frameworks that manage contract difficulties, intellectual property, doping restrictions, broadcasting rights, and player safety. The advent of digital platforms, virtual competitions, and worldwide tournaments has created new issues in cyber laws, data

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protection, gambling legislation, and dispute settlement. Understanding these legal issues is critical for assuring fairness, protecting stakeholders, and upholding integrity in the ever-changing sports ecosystem.

Scope:

The legal aspects of sports and new-age sports encompass a broad range of rules and regulations that assure ethical behaviour, fairness, and the protection of rights in both traditional physical sports and burgeoning digital formats such as e-sports and fantasy sports. The scope can be explained according to the following areas:

Regulatory Framework:

Sports at the national and international levels are subject to various rules and policies. For example, organisations such as the International Olympic Committee (IOC), FIFA, and national sports federations develop binding regulations that must adhere to the legal systems of their respective nations. Gaming agencies and cyber law frameworks oversee activity in newer sports such as e-sports.

Contracts and Player Rights:

Players, coaches, and teams sign legal agreements outlining employment terms, transfers, sponsorship arrangements, and endorsement agreements. Breach of these contracts can result in a legal dispute. Contracts for new-age sports frequently include stipulations relating to streaming rights, intellectual property, and online content creation.

Intellectual Property (IP) Rights:

Broadcasting rights, trademarks, team logos, and merchandising are all significant revenue sources in sports. Protecting these IP rights is critical for preventing piracy and unauthorised use, particularly in online competitions and fantasy leagues.

Anti-Doping and Fair Play:

To ensure fairness, laws such as the World Anti-Doping Code limit the use of illegal substances. These restrictions apply to traditional athletes and, in some situations, e-sports participants who use performance-enhancing drugs.

Dispute Resolution:

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As e-sports and online fantasy leagues grow in popularity, there is a greater demand for cyber security, data protection, and virtual transaction regulation. Laws cover hacking, cheating software, and privacy issues on these sites.

Betting and Gambling Regulations:

Many countries have strong rules governing sports betting and gambling. Online fantasy sports frequently operate in legal grey areas, necessitating the establishment of explicit regulations to prevent fraud and match-fixing.²

Cyber Laws in New-Age Sports:

As e-sports and online fantasy leagues grow in popularity, there is a greater demand for cyber security, data protection, and virtual transaction regulation. Laws cover hacking, cheating software, and privacy issues on these sites.

Player Safety and Liability:

Physical sports pose a danger of injury, hence legal frameworks address safety standards, liability, and insurance. Concerns such as mental health, gaming addiction, and harassment are receiving legal attention in the realm of digital sports.

Importance of Legal Frameworks:

Why Law is Crucial

Law serves as the foundation for the sports business, assuring organisation, justice, and accountability. Its importance grows even more with the advent of new-age sports like e-sports and fantasy leagues. The reasons why law is important include:³

Maintaining Fairness and Ethics.

Without legal control, sports would be prone to corruption, doping, match-fixing, and unfair practices. Laws regulate principles of fairness and integrity, ensuring that all participants have equal opportunity.

Protecting stakeholder rights

²<https://legalvidhiya.com>

³<https://www.mondaq.com>

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Players, teams, sponsors, and fans all have legal rights that must be protected. Laws prohibit exploitation, unjust contract terms, and financial fraud, fostering trust in the sports ecosystem.

Managing Commercialization and Revenue:

Sports earn enormous revenue through TV rights, sponsorships, and merchandising. Legal frameworks control intellectual property (logos, streaming rights, brand names) and prevent piracy or unauthorised use while preserving all parties' economic interests.

Managing Disputes Effectively

Legal structures include systems such as arbitration (e.g., CAS) to rapidly and equitably resolve disputes over player transfers, contracts, and disciplinary measures.

Health and Safety Regulations:

AWS ensures that athletes receive enough medical care, insurance, and safe playing conditions. In e-sports, legal frameworks are evolving to handle issues such as gaming addiction, cyberbullying, and mental health protection.

Regulating Cyber Activities in Digital Sports:

New-age sports rely on technology, which makes them vulnerable to hackers, cheating, and data breaches. Cyber laws and digital compliance regulations protect privacy and financial transactions in e-sports and fantasy gambling.⁴

Controlling Betting and Gambling Risks:

Online sports betting and fantasy leagues can result in fraud and illicit gambling. Legal frameworks govern these activities to prevent match-fixing, money laundering, and criminal influence.

Promoting Global Standards:

Sports take place across boundaries, necessitating the use of standardised legal systems to assure international fairness. Organisations such as WADA (World Anti-Doping Agency) and CAS establish global norms that are enforced through legal means.

Regulatory Recognition and Governance:

⁴<https://irshedjournals.com>

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Sports, including new-age sports, require formal regulatory recognition to ensure integrity and standardised regulations. Traditional sports are administered by national federations and international organisations such as the IOC, FIFA, and WADA, which establish eligibility standards, anti-doping protocols, and dispute resolution systems. Similarly, new-age sports such as e-sports and fantasy games are rapidly being regulated by cyber laws, gaming authorities, and self-regulatory groups to address issues such as data security, betting restrictions, and fair competition. Effective governance provides openness, accountability, and legal compliance across all sports.

Global Recognition:

Country	Traditional Sports Recognition	New-Age Sports (E-sports/Fantasy) Recognition	Governing Bodies / Legal Framework
India	Recognized under National Sports Development Code	E-sports officially recognized (2022); Fantasy sports regulated under IT Rules, 2021	Sports Authority of India (SAI), Esports Federation of India
USA	Professional leagues (NFL, NBA), USOPC	E-sports recognized; P-1 athlete visas for players	USOPC, Professional leagues, Esports organizations
South Korea	Recognized under Ministry of Culture, Sports, Tourism	Full legal recognition for e-sports	Korean e-Sports Association (KeSPA)
China	National federations	E-sports officially recognized (2019); strict gaming license & anti-addiction laws	Chinese e-Sports Association, Government regulations
United Kingdom	National federations, UK Sport	Industry recognition; regulated under UK Gambling Commission for betting	UK Sport, National Federations, UKGC

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Legal Landscape of Sports in India:

Traditional Sports:

The 2011 National Sports Development Code governs sports federations, ensuring standardisation, ethical governance, and openness.

The Sports Authority of India (SAI) oversees athlete development, coaching, infrastructure, and national level competitions.

Anti-doping policies are implemented by the National Anti-Doping Agency (NADA), in accordance with WADA standards.

New-Age Sports (E-sports and Fantasy Sports):

E-sports are becoming more accepted as official contests, with federations such as the Esports Federation of India (ESFI) encouraging tournaments and talent development.

To prevent illicit gambling and fraud, fantasy sports platforms are governed by the IT Rules, 2021, and must adhere to betting legislation.

Cybersecurity, online payment compliance, and intellectual property protection are all important legal considerations for digital sports.⁵

Key Legal Considerations:

Contracts and Sponsorships: Players and teams must follow legally binding agreements regarding transfers, endorsements, and prize money.

Dispute Resolution: Conflicts are settled by arbitration, national sports tribunals, and courts.

Player Safety and Welfare: Insurance, medical treatment, and safe infrastructure are all required by law.

The Sports Authority of India Act, 1984 (SAI Act)

The Sports Authority of India (SAI) is established to promote sports infrastructure, training programs, and athlete development across the country.

Ensures government oversight of sports management and talent development.

⁵<https://blog.iplayers.in>

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National Sports Development Code, 2011:

Provides rules for the management of national sports federations.

Ensures openness, accountability, ethical management, and appropriate player selection for contests.

Legislative Framework in India**Promotion & Regulation of Online Gaming Act, 2025:**

The Promotion and Regulation of Online Gaming Act of 2025 grants legal recognition to e-sports and new-age sports, considering them as legitimate sporting activities. It requires platform and tournament licensing and regulation, ensures fair play, data security, and consumer protections, and promotes skill-based and instructional gaming. However, it prohibits all real-money games, erasing the previous divide between skill and chance. Organisers must follow age verification, anti-addiction measures, and transparency standards, and infractions result in substantial penalties and imprisonment. This provides chances for e-sports expansion while also posing constitutional and industry problems.

National Sports Governance Act, 2025:

The National Sports Governance Act of 2025 incorporates e-sports and new-age sports (such as AR/VR and metaverse-based games) into the formal sports governance framework, giving them legal standing as recognised sports. It enforces standardised regulations, anti-doping compliance, fair-play norms, and dispute resolution methods comparable to traditional sports. The Act requires e-sports federations, event organisers, and players to register with the national sports authority and establishes rules of conduct, sponsorship transparency, and athlete protection measures. This legal inclusion seeks to mainstream digital sports while addressing integrity, regulation, and athlete well-being.

Constitutional & Fiscal Ambiguities:

The legal regulation of e-sports and new-age sports is fraught with constitutional and budgetary issues because gaming has generally been classified as a state activity, but recent central regulations such as the Promotion and Regulation of Online Gaming Act, 2025, provide overlapping authority, generating federalism concerns. Furthermore, the loss of the skill vs chance difference has an impact on court precedents and may be challenged under

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Article 19(1)(g) for impeding commerce. On the fiscal side, confusion around GST applicability, prize pool taxation, and cross-border revenues in AR/VR and e-sports complicates matters, as there is no unified tax structure or clear revenue-sharing mechanism between the Centre and the States.

Legal Challenges & Case Law:

- a. Contractual and Labour Law Challenges
- b. E-sports and new-age sports players are frequently hired on short-term, freelance, or team contracts, raising questions regarding whether they are workers (entitled to pay, social security, and labour protections) or independent contractors (with restricted rights). Key contract difficulties include:
- c. Prize money and revenue-sharing disputes
- d. Non-compete or exclusive restrictions restrict player movement.
- e. Arbitrary dismissal without notice or compensation
- f. Intellectual property rights for gameplay content, branding, and streaming.
- g. These difficulties are exacerbated by the absence of conventional contracts and deregulated employment conditions, such as working hours, mental health protections, and social security.

Recent Case Law & Legal Precedents:

Percept D'Mark (India) Pvt. Ltd. vs. Zaheer Khan (2006)

Under Section 27 of the Indian Contract Act, the Supreme Court declared long-term non-compete agreements to be a hindrance on trade.

Implication: E-sports contracts cannot place broad restrictions on players' careers.

Central Inland Water Transport Corp. Ltd. v. Brojo Nath Ganguly (1986).

The Supreme Court struck down unconscionable employment clauses.

Implication: One-sided clauses in e-sports contracts could be legally challenged.

Dream11 Case (2017–2021)

High courts recognised fantasy sports as skill-based competitions, thereby preserving them.

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Implication: Despite being superseded by the Online Gaming Act of 2025, it establishes a precedent for skill-based digital sports disputes.

A23 versus Union of India (2025)

Challenge to the ban on money-based internet gaming, using Article 19(1)(g) (freedom of trade).

Implications: The legality of prize-based e-sports tournaments may be determined, as well as the enforceability of contracts.⁶

Intellectual Property Rights (IP):

1. The scope of intellectual property in esports

E-sports and new-age sports involve numerous intellectual property elements, including:

Game developers own the software and in-game assets, which are protected by copyright and software license rules.

Team logos, branding, and products are protected under trademark law.

Player-generated material and streams - Calls into doubt the ownership of broadcasted gameplay.

Tournament forms and rules – Copyright and trade secrets may be protected.

Key IP Challenges

Ownership of streaming content

Players frequently stream gaming on networks such as YouTube and Twitch.

Disputes arise about who controls the monetisation rights: the player or the team/platform.

Trademark Infringement

Unauthorised usage of team logos, event branding, or player pseudonyms might result in disputes.

Enforcement is difficult when infringers operate online or overseas.

⁶<https://indiankanoon.org>

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Copyright and Game Assets

Using copyrighted in-game elements in tournaments or broadcasts without developer approval may be a violation of intellectual property laws.

Sponsorship & Brand Rights

Ambiguity on whether sponsors' logos can be utilised in streams or tournaments, especially in digital-only events.⁷

Piracy and Unauthorised Tournaments

Third-party platforms may organise competitions including copyrighted games without proper license arrangements, harming developer revenue and IP protection.

3. Recent and Relevant Case Law.

Valve Corporation v. Apex (2021, US setting; India analogy applies)

Apex hosted unauthorised CS:GO events, and Valve successfully alleged copyright infringement.

Implication: Indian e-sports organisers must obtain licenses from game developers.

Percept D'Mark and Zaheer Khan (2006)

Though primarily concerned with contract law, the Supreme Court emphasised the enforcement of branding and endorsement rights, which are relevant to player/team intellectual property conflicts.

Dream11 Fantasy Sports Cases (2017–2021)

Courts have recognised intellectual rights in fantasy sports platforms, demonstrating that digital game formats and data can be protected under IP rules.

Recent e-sports IP disputes (2023–2025)

Several Indian firms received legal letters for illegally streaming tournaments and exploiting copyrighted in-game content, underscoring enforcement issues.

Indian Legal Cases

⁷<https://techiiia.com>

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Dream11 and Fantasy Sports Cases (2017-2021)

Fantasy sports have been recognised as games of skill rather than gambling by both high courts and the Supreme Court.

This decision enabled platforms such as Dream11 to operate legally with monetary awards.

Impact on e-sports: Skill-based digital competitions were legally acceptable.

Promotion and Regulation of Online Gaming Act, 2025 - A23 Challenge

A23 challenged the restriction on money-based online games, alleging Article 19(1)(g) (free trade).

The case concerns whether monetary prize tournaments in e-sports can be legitimately held.

Contractual Disputes among Indian E-Sports Teams

Courts in Delhi and Mumbai are hearing cases concerning underpaid award money, non-compete restrictions, and revenue-sharing conflicts.

Courts have used **the Indian Contract Act of 1872** and analogies from traditional sports law to resolve disputes.

Industry Reactions

E-sports organisations

Express concern that the Online Gaming Act of 2025's total ban on real-money gaming may hinder growth and jeopardise sponsorship relationships.

To distinguish between skill and gambling, specific restrictions for prize-based tournaments should be implemented.

Startups and Game Platforms

Reported financial losses and layoffs as a result of monetary tournament limits.

Emphasise the importance of standard licensing, conflict settlement, and intellectual property protection.⁸

Players and streamers

Raise worries about work stability, opaque contracts, and limited income potential.

Advocate for standardised contracts and the recognition of digital athletes.

⁸<https://sportslawreviewindia.blog>

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Legal experts

Highlight probable constitutional problems (trade freedom, state against central jurisdiction).
Emphasise the need of aligning intellectual property, labour, and gaming regulations to promote industry growth.

Recommendations & Way Forward:**1. Standardised Regulatory Framework.**

Create explicit licensing and classification guidelines for e-sports, AR/VR, and metaverse-based tournaments.

Create consistent criteria for prize-based tournaments that differentiate skill-based competitions from gambling.

Create a national e-sports regulatory entity to ensure compliance, regulate fair play, and supervise tournaments.

2. Players' Rights and Labour Protections

Create standardised player contracts covering:

Prize money and income sharing

Intellectual property and streaming content ownership

Termination and non-compete provisions

Extend labour safeguards for digital athletes, such as minimum pay, social security, mental health care, and dispute resolution methods.⁹

3. Intellectual property and branding.

Clearly specify ownership of in-game material, streams, and player-generated media.

Trademark and copyright laws protect team logos, event branding, and sponsorship assets.

Encourage appropriate license agreements between developers, platforms, and sponsors.

4. Consumer Protection and Ethical Gaming.

Set up age verification and parental consent systems for minors.

To avoid excessive gaming, set time limits and implement anti-addiction methods.

Avoid gambling-like activities by ensuring transparency in in-game purchases, loot boxes, and virtual prizes.

⁹<https://www.lawjournal.info>

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5. Harmonisation of laws

Align central and state regulations to avoid disputes over gaming jurisdiction.

Reduce ambiguity by coordinating taxation, prize money laws, and cross-border events.

Existing regulations, like as the Indian Contract Act, Copyright Act, and labour codes, should be updated to match the realities of digital sports.

6. Promotion & Development

Encourage the government to support e-sports infrastructure, training, and tournaments.

Encourage research, innovation, and international engagement in cutting-edge digital sports.

To promote industry growth, consider providing grants or incentives to startups and gaming schools.

7. Awareness and Education.

Educate players, organisers, and parents on their legal rights, fair play, and responsible gaming.

Promote legal literacy and conflict resolution processes in the e-sports community.

Suggestions:

A robust legislative framework is required to support India's e-sports and new-age sports ecosystems. This should include a national regulating body that oversees events, ensures fair play, and certifies platforms. Standardised player contracts must clearly outline prize distribution, intellectual property rights, income sharing, and termination provisions, while also providing labour protections such as minimum wages, health insurance, and dispute resolution methods to professional players. Intellectual property rules should unambiguously allocate ownership of in-game material, branding, and streaming, backed up by appropriate licensing agreements. Consumer precautions like as age verification, parental consent, play-time limitations, and openness in in-game purchases are essential for preventing exploitation. Harmonising national and state legislation, establishing taxation for cross-border tournaments, and boosting training, infrastructure, and awareness campaigns would assure e-sports' long-term growth while safeguarding players, developers, and the sector as a whole.

Conclusion:

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In conclusion, the rapid growth of e-sports and new-age sports in India necessitates a balanced and forward-thinking legislative framework that promotes sector development while protecting players and stakeholders. Clear regulations on licensing, contracts, intellectual property, labour protection, and consumer safety are critical for reducing disputes and legal ambiguity. Harmonising national and state laws, as well as standardising contracts and tournament rules, will give stability for players, teams, and organisers. With adequate legislative recognition, protection, and marketing, e-sports may thrive as a genuine and sustainable sport, benefiting India's digital economy, global competitiveness, and the professionalisation of new-age sports.



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