

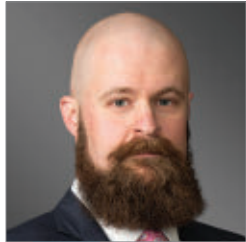


Overwatch League hosts an annual international esports tournament.

Game Plan

Bill Stark covers all the legal bases for his interactive-entertainment clients

BY CARLOS HARRISON



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When it comes to video games and esports, Bill Stark isn't playing around.

The Dallas-based Greenberg Traurig shareholder is co-chair—and co-founder—of the firm's international video game and esports group, an innovative practice team that combines practice areas ranging from intellectual property and sports law to real estate and immigration. It involves 25 associates and shareholders in a dozen locations, including Los Angeles, New York and Tokyo. Stark and co-chair Steven Walkowiak came up with the idea three years or so ago, over lunch.

"We had a number of clients who were coming to us looking for advice who were in the video games and esports space," Stark says. "Video games were pretty well-established in the United States, but esports was relatively new—at least in terms of mainstream awareness."

But it was growing exponentially. Estimated revenues have more than tripled since 2015 and are expected to top \$1 billion this year. The global audience is fast approaching a half-billion.

Television networks have noticed. Last year's Overwatch League Grand Finals aired on ABC, and on networks in Canada, China, Russia, Germany and France. Amazon caught on early, paying \$970 million in 2014 for the phenomenally popular livestreaming platform Twitch.

Law firms, however, remained largely on the sidelines.

"We looked around and realized that there were some smaller firms who were involved," Stark says, "but none of the other large firms had moved into that space with a dedicated presence, and it was ripe for us to do so."

They soon recognized "what a different animal esports really is," he says. "It's a little bit like where the internet was in the mid- to late-'90s—still very much the Wild West. People are feeling out the rules of the road. There are tons of open questions about what the role of government will be, whether government's going to

get involved, who's going to do what, what the standards and norms are.

"And in those sorts of situations, there are tons of risks, because there's so much uncertainty."

Management gave the duo the go-ahead to pull together a team to cover the gamut of issues that clients—mainly companies and teams—might face: sponsorships and endorsements, merchandising and e-commerce, labor and employment, patents, gambling, regulatory, media rights, contracts.

There are legal issues associated with sports, with tech, and with business. Plus, there are the special needs of a business on the cutting edge of a still-evolving landscape.

"As it becomes more robust and, given that so many of the participants are minors, I do think you're going to see a lot more specifically crafted legislation," says Stark.

The e-entertainment industry straddles the virtual and real worlds, facing issues of both data protection and property rights. Sometimes they arise at the same time, as when dedicated playing venues—esports cafes, gaming centers, and stadiums such as the \$10 million, 100,000-square-foot Esports Stadium Arlington—spring up.

That hybrid existence took on a new dimension after the COVID-19 pandemic began.

In March, NASCAR launched an eNASCAR iRacing Pro Invitational Series, with top racers including Dale Earnhardt Jr. and Kyle Busch driving digital cars around a virtual Homestead-Miami Speedway, at a safe distance from each other. Top teams in soccer's La Liga held an online FIFA tournament with a chosen real-life player controlling his club's electronic team. And the NBA soon followed suit, with the Phoenix Suns turning to virtual versions of their games, streamed for fans on Twitch.

"There's something new and exciting and different every day, which is part of the reason I enjoy it so much. It's a time of dramatic growth, dramatic opportunity. And, you know, it's the people who can figure out how to navigate those waters best who are going to come through on the other side and do well financially." **SL**

The Suns and the Clippers take the virtual court, streamed by the NBA on Twitch.



Esports Explosion

WORLDWIDE REVENUE

2018 – \$776.4 million
2019 – \$957.5 million
2020 – \$1.1 billion (projected)
2023 – \$1.6 billion (projected)
Source: Statista.com

AUDIENCE GROWTH

2017 – 335 million
2019 – 454 million
2023 – 646 million (projected)

Source: Business Insider