

World Chess Wins Landmark Case Over Live Broadcasts



In June 2020, the French Judicial Court of Paris handed down a landmark decision in the long legal battle between World Chess, the organizer of the World Chess Championship cycle events, and unauthorized chess broadcasters

In the first verdict of its kind, the court ruled that chess organizers who bear costs of the event are holders of a Property right and accordingly have exclusive monetization rights over the live broadcast of chess moves and that those constitute the principal commercial value of the chess events. According to the French Court, taking the moves for free from the internet or the organizer's website constitutes free-riding and infringes on the organizers' commercial rights.

The landmark decision by the French Court is an important milestone for chess organizers and the sport, in general, to become commercially viable. Until recently, chess organizers could not commercialize the main product of their investment — live broadcast of the games, as other sites simply took the moves without the organizers' consent and without carrying any expenses.



In 2016, World Chess was the first chess organizer which tried to establish commercial rights over the live broadcast of the games. In their legal filing, World Chess did not try to establish copyright over the chess moves but maintained that the organizers should be entitled to commercialize their investment. In 2018, World Chess organized the FIDE World Chess Championship in London and established a policy requiring 30 min delay of the live broadcast of the games for all other websites.

The decision of the court could be very significant for chess as it brings the sport on par with other professional sports whose commercial rights are protected. This could also mean potentially higher revenues for organizers who might offer pay-per-view options to viewers or require other broadcasters to acknowledge events' sponsors and increase the sponsorship value of the events.

The French Court ruled in World Chess's favor in the first case filed against 'www.artdesechecs.fr' and granted full monetary compensation and legal fees.

In its decision, the Court stated that World Chess, as the owner of a Property right over the World Chess Championship Match 2018 and of the exploitation rights connected thereto, shall be entitled to compensation for damages resulting from infringement of its right. By reproducing in real-time the moves of the pieces made by the players, the defendant unduly captured the fruit of these efforts and investments, thus trivializing the competition and devaluing the investments made by World Chess. Such actions constitute the wrongful act of parasitism and justify the condemnation to the payment of damages.

Ilya Merenzon, CEO of World Chess says: "Making chess truly professional was impossible without proper legal protection and firm commercial structure. With this decision, the sport will benefit enormously on all levers, from organizers and federations to chess players and sponsors. It's a major success for the sport."

Malvey Shekhtovtsov, World Chess COO and legal director says: "It is our strong belief that the situation where one is allowed to freely profit from the efforts and investment of another cannot be perceived as just.

The organizers of the chess tournaments often invest significant amounts of money and labor in staging them and it only seems fair that they should be the ones to control the sources of revenue associated with such events. The recent decision of the French Court confirms our point. We see it as the first step in the right direction and are sure that this will give a more comprehensive tool for protection from free-riders not just for chess sport, but for many industries that have to deal with similar problems.

I also take this opportunity to thank our lawyers - Thibault Lachacinski and Fabienne Fajgenbaum of Nataf Fajgenbaum & Partners for their valuable contribution to professional chess sport."



author



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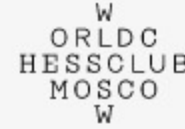


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