



# INTERNATIONAL JOURNAL FOR CORPORATE & COMPETITION LAW

ISSN. XXXX-XXXX

VOLUME 1 ISSUE 1  
2024

## **COMPETITION LAW AND APPLICABILITY TO SPORTS**

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### **ABSTRACT**

In order to ensure fair and competitive markets across diverse industries, competition law is essential. Its use expands beyond conventional commercial sectors to include industries like sports where competitions and events have significant economic impact. This study examines the relevance of competition law to the sports business and offers a thorough analysis of the subject. It looks at possible anti-competitive behaviour in sports, difficulties implementing the law in this situation, and the necessity for a fair strategy to maintain fair competition while upholding the autonomy of sports organisations

### **RESEARCH QUESTION**

1. Are sports important to a country's economy? Why was Competition Law introduced?
2. What does India's Competition Act 2002 state?

### **FINDINGS**

#### **Sports and the Application of Competition Law**

Aspects of the sports sector that are subject to competition law include player transfers, licencing contracts, broadcasting rights, sponsorship deals, and the planning of sporting events. Every one of these fields has the potential to breed anti-competitive practises that could skew the playing field and hurt the interests of players, fans, and other stakeholders. This section examines how competition law is used in these particular fields by looking at pertinent case studies and examples. Such issues have remedies provided by economists.

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### Anti-Competitive Sports Practices

Anti-competitive behaviour can occur in any industry, including sports. The various anti-competitive actions that can take place in sports are the main topic of this section. It talks about how teams collude to rig games or restrict player movement, how sports regulatory bodies misuse their power to exclude competing events or impose unfair regulations, and how licencing agreements that make sports events more difficult to enter or give them monopolistic control are all discussed. To demonstrate these practises, case studies and examples are given.

### Fair competition and sports autonomy must be balanced

A fine line must be drawn between upholding fair competition in sports and honouring the autonomy of sports organisations. This section examines the conflicts that exist between the goals of competition law and the distinctive features of sports, such as the requirement for rules and regulations in order to preserve the integrity and preserve the spirit of the game. It emphasises how crucial it is to take a sophisticated strategy that takes into account the unique characteristics of the sports business while upholding the fundamentals of fair competition. This equilibrium is demonstrated with the use of case studies and examples.

It is impossible to overstate how important sports are to a country's economic growth. According to a 2018 European Commission estimate, sports contribute € 79.7 billion, or 2.12%<sup>2</sup>, to the EU's GDP. Additionally, the sports sector employs nearly 5,666,195 individuals, or 2.72% of all employment. In 2019, the Indian Premier League (IPL) contributed \$182 million to the country's GDP. Sports are becoming more and more important on both an economic and social level. As a result, questions about labour law, contract law, and even intellectual property rights are currently at the forefront of sports regulation. In recent years, courts in numerous jurisdictions have also started to consider competition law related issues in sports seriously. Along with more developed competition law countries like the European Union and the United States of America, India has seen the convergence between competition law and sports. While antitrust investigations into sports in the USA date back to the early 20th century, the Competition Commission of India has determined numerous landmark cases in India in

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<sup>2</sup> Role of Competition Law in Sports” Saksham Malik Rajiv Gandhi National University of Law, Punjab.

the short time that it has been in operation. In the next years, more instances involving competition law are anticipated as sports regulating bodies' authority becomes more comprehensive.

In comparison to the European Union and the United States of America, India's system of competition law is still very young. The Competition Act, 2002 replaced the earlier Monopolies and Restrictive Trade Practices Act<sup>3</sup>, which went into effect in 1969 and was solely focused on prohibiting anti-competitive practices, especially the establishment of monopolies, rather than fostering competition. The 2002 Act seeks to "prevent practices having an adverse effect on competition, to promote and sustain competition in markets, to protect interests of consumers, and to ensure freedom of trade" in order to address a number of goals<sup>3</sup>. India's Competition Commission is in charge of upholding the nation's competition laws. Sections 3 and 4 of the 2002 Act are widely used in India for the examination of competition law. Anti-competitive agreements that "regard production, supply, distribution, storage, acquisition or control of goods or provision of services, which causes or is likely to cause an appreciable adverse effect on competition within India" are prohibited by Section 3.<sup>4</sup>In the latter, it is forbidden to "abuse the country's dominant position, through unfair purchase conditions, discriminatory pricing, conduct amounting to denial of market access, tying agreements, etc."<sup>5</sup>

## CONCLUSION

In order to ensure fair competition, prevent anti-competitive behaviour, and safeguard the interests of consumers and stakeholders across a range of industries, competition legislation is essential. Since sporting events and competitions generate significant economic value and call for fair play, the sports business is not an exception to the rule that competition law applies to all industries. This study has offered a thorough examination of competition law and how it relates to the sports sector. The potential for anti-competitive behaviours that might hurt stakeholders and distort competition has been highlighted by the analysis of a number of sports-related issues, including player transfers, licencing contracts, broadcasting rights, sponsorship deals, and the planning

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<sup>3</sup> The Competition Act, 2002 [hereinafter Competition Act].

<sup>4</sup> Competition Act, s.3.

<sup>5</sup> Competition Act, s.4.

of sporting events. Possible causes for worry include team collusion, the misuse of power by sports regulatory organisations, and licencing agreements that erect hurdles to entry.

Due to the intricate nature of sports governance systems, contractual agreements, and sporting events themselves, enforcing competition law in the sports industry creates special obstacles. It can be difficult to distinguish between acceptable athletic rules and anticompetitive conduct, particularly during international sporting events. To effectively enforce competition law in the sports business, however, specialised sports regulatory agencies and international collaboration are essential. Maintaining fair competition and upholding the independence of sports organisations need a careful balance. It is crucial to take into account the particularities of sports, such as the requirement for rules and regulations in order to uphold integrity and safeguard the core components of competition. It is crucial to adopt a nuanced strategy that takes into account the peculiarities of the sports business while upholding the fundamentals of fair competition.

In conclusion, ensuring fair and long-lasting competition in the sports business requires the application of competition law. In addition to promoting innovation, efficiency, and consumer welfare, it safeguards the interests of athletes, spectators, and other stakeholders. In order to meet new difficulties and strike the correct balance between fair competition and the autonomy of sports organisations, it is critical to analyse and modify competition legislation as the sports industry continues to change. Competition law can aid in the growth of a vibrant and competitive sports industry by continuing analysis, cooperation, and enforcement.