

# *Research on Regulation of Broadcasting Rights Transaction of Sports Events from the Perspective of Anti-Monopoly Law*

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**Abstract:** In the new era, the state has intensified the reform of the sports industry, aiming to promote the effective development of the sports industry and promote the gradual marketization and commercialization of the trading activities of broadcast rights of top sports events. However, due to the special nature of the sports industry itself, it is prone to a variety of problems in the trading process, such as monopoly, damage to rights and interests, unfair competition and other behaviors, which seriously affect the marketization order. Relevant departments need to pay more attention to it and scientifically analyze its various behaviors in the transaction process. Based on this thesis, this paper mainly discusses the regulation of broadcast right trading of sports events from the perspective of anti-monopoly law, aimed at improving the trading rules, promoting the fairness and justice of broadcast right trading of sports events to the maximum extent, and better promoting the development of sports events in our country.

## **1. Introduction**

In 2014, China issued the Opinions on Accelerating the Development of Sports Industry and Promoting Sports Consumption, which clearly put forward the promotion of sports event broadcasting rights to ensure the fair and just circulation of resources in various educational conditions. In addition to the international Olympic Games, the Asian Games, the World Cup and other football events in other countries, different types of sports events, each TV station can be directly purchased and transferred. The introduction of this policy document has effectively promoted the market-oriented reform and development of the broadcast rights transaction of sports events, and promoted the broadcast rights of more advanced sports leagues to gradually become the most influential event resources in the current market. In addition, under the promotion of the current strategic concept of governing the country according to law, the governance of broadcasting rights transactions of sports events has also been strengthened, prompting the traditional state intervention governance model to gradually develop in the direction of rule of law and diversification. From the perspective of anti-monopoly law, the regulation of broadcasting rights trading of sports events aims to maintain fair competition in the market and protect the interests of consumers. Under the anti-monopoly law, the regulation of broadcasting rights trading of sports events is mainly to prevent market monopoly and abuse of dominant market position, protect fair

competition in the market and safeguard the interests of consumers.

## **2. Antitrust law and an overview of sports rights deals**

### **2.1 Overview of the anti-monopoly law**

The anti-monopoly law is the basic legal system of a market economy country, and it is a legal system to oppose monopoly and protect competition. It is formulated to prevent and stop monopoly behavior, protect fair competition in the market, improve the efficiency of economic operation, safeguard consumer interests and social public interests, and promote the healthy development of the socialist market economy. By regulating market behavior, limiting excessive concentration of economic power, preventing market monopoly and encouraging competition, the anti-monopoly Law promotes market vitality and innovation, aims to ensure market fairness, justice and transparency, and prevent large enterprises from obtaining market share and controlling market resources through unfair means, so as to protect the interests of consumers and small enterprises. The main contents of the anti-monopoly Law include the prohibition of monopoly agreements, the prohibition of abuse of dominant market position, the control of concentration of operators, etc. It stipulates that various forms of monopoly behavior are illegal, such as fixed prices, market division, boycott and so on. At the same time, the Anti-monopoly Law also stipulates that administrative organs and organizations authorized by laws and regulations with the function of managing public affairs shall not abuse administrative power to exclude or restrict competition. In practice, the anti-monopoly law is of great significance for maintaining market order and promoting economic development. It not only helps to protect the interests of consumers and improve market efficiency, but also helps to encourage enterprise competition and innovation and promote economic development <sup>[1]</sup>.

### **2.2 Overview of broadcasting rights deals for sports events**

The sports event broadcast rights transaction refers to the sports event organizer selling the broadcast rights of the sports event to the media or other institutions in exchange for the corresponding economic benefits. This transaction is very common in the sports industry and is one of the important sources of income for the sports event organizer. There are usually two trading modes in sports event broadcasting rights trading: first, centralized trading mode. In this mode, the organizers of sports events will unify the management and sale of the broadcast rights of the entire event, while professional sports clubs have no right to sell them. For example, the fees from the sale of broadcast rights of large-scale sports events in China are collected by the event organizers for the overall operation of the event and other matters. Second, the club trading model. In this model, professional sports clubs own the broadcast rights to the events they participate in and can sell them to the media or other institutions, and this model is more common in professional leagues, such as CBA, China Super League and other leagues. In addition, in the broadcast rights transaction of sports events, many factors are usually involved, such as the duration of the broadcast rights, the content of the broadcast, the way of the broadcast, the coverage of the broadcast, etc. In addition to the above factors, the price of the broadcast rights will be affected by a variety of factors, such as the visibility, influence and audience rating of the event. In recent years, with the development of Internet technology, the transaction of broadcasting rights of sports events is also changing constantly. For example, some Internet platforms begin to get involved in the field of broadcasting sports events and provide broadcasting services of sports events through online live broadcasting and on-demand broadcasting, which makes the transaction of broadcasting rights of sports events more diversified and complicated <sup>[2]</sup>.

### **3. Problems in the broadcasting rights transaction of sports events**

#### **3.1 The event organizers abuse their dominant market position and have exclusive monopoly**

At present, the marketization level of sports events in China is low, and there is the problem of excessive administrative intervention. In addition to the emerging e-sports sports projects in the current market, the top events in traditional sports events are mainly covered by some sports associations. For example, there are cases of violation of non-competition obligations between sports companies in a city in southern China, and sports anti-litigation cases. After accepting the case, the court found that the provincial football association has a dominant position in the sports market, which shows that China's football association has a dominant position in the sports association such as basketball association. For our country, in the traditional broadcast rights transaction of top sports events association, the transaction price is generally lower than the market price, and some organizers refuse to deal for some private reasons, or put forward some unreasonable conditions in the transaction, resulting in different treatment of the transacted party. This phenomenon and behavior violate the anti-monopoly law. In addition, the broadcasting rights of some large-scale sports events are often monopolized by a few institutions or individuals, resulting in other institutions unable to obtain the broadcasting rights, limiting competition in the market.

#### **3.2 Broadcasters abuse their dominant market position, resulting in inadequate protection of rights and interests**

For broadcasters, whether they have a dominant market position mainly lies in whether they have the ability to regulate and control the price and trading conditions of broadcast services in the market, which brings development opportunities for broadcasters in the current Internet market. The control of service prices and trading conditions is generally reflected in the additional payment behavior in the process of sports broadcasting, which is mainly reflected in the payment of members to obtain service providers. In this regard, the concept of relevant markets should be analyzed in the identification of current market dominance. In the international sports event market, some courts put sports events in the market for identification, for our country, this statement is unscientific, not verified, generally put sports items in the market for identification is feasible. This is mainly because the public is more fond of sports, and for basketball fans, they will choose to watch basketball games rather than football games, and the demand and expectation for basketball games are greater. In this regard, when defining the market, the international top game broadcasters should determine whether they have a dominant market position in China.

However, in order to increase profits, some broadcasters often obtain some high-risk benefits through monopoly status, especially in the network, many sports events are rebroadcast through online video to obtain profits, but this behavior leads to more difficult fee collection process, which has obvious monopoly behavior and risks. For China, the State Administration of Radio, Film and Television is mainly responsible for the supervision and control of the rebroadcasting behavior of broadcasters, but it has not included the network rebroadcasting into the anti-monopoly, resulting in a large monopoly trend. For the administrative departments of our country, they generally restrict the behavior of broadcasters according to the provisions of the anti-monopoly law, and this method is also negligible<sup>[3]</sup>.

#### **3.3 Network media rebroadcaster monopoly agreement**

Top sports events generally have great potential, which are mainly propagated and promoted

through online media platforms in the process of broadcasting. Media platforms are the main broadcasting carriers and channels. With the continuous accumulation of capital, online media broadcasters begin to merge, merge, exchange shares and cooperate with each other, which has become a major trend. In this regard, there is also a phenomenon of coordinated broadcasting among the mainstream broadcast network platforms, which will also violate the anti-monopoly law. Therefore, in the broadcasting rights trading market, this kind of joint, merger and acquisition, merger and acquisition behavior will have a high probability of monopoly phenomenon, resulting in various disputes and disagreements. If a monopoly agreement is signed between broadcasters, the legitimate rights and interests of the audience will be seriously infringed, which will lead to the loss of the audience and the reduction of the number, which is not conducive to the development of sports events.

### **3.4 Problems existing in the broadcast trading market itself**

First, the issue of transaction price. Due to the immature development of the trading market, the lack of complete and systematic rules and regulations and restraint mechanisms, restriction clauses, and the lack of supervision and management of market trading behaviors, there are problems of unreasonable price formulation and opaque price in the process of sports event broadcast trading. This is mainly due to the lack of an open and transparent pricing mechanism in the broadcast trading market, and the lack of guidance in price setting by various broadcasters, resulting in unreasonable prices, and some broadcasters may have problems such as interest transmission driven by interests. Second, the protection of rights and interests is insufficient. In the broadcast rights transactions of some sports events, the protection of relevant rights and interests is insufficient, such as intellectual property protection, privacy protection, etc., which may infringe on relevant rights and interests. Third, lack of fair competition. Because the order of the trading market is chaotic and there is no complete mechanism and system as a guarantee, there is unfair competition in the broadcasting rights trading of some sports events, such as obtaining broadcasting rights through improper means and restricting the competition of other institutions <sup>[4]</sup>.

## **4. Regulation of broadcasting rights trading of sports events from the perspective of anti-monopoly law**

### **4.1 Formulate sports industry antitrust guidelines**

The members of the National Anti-monopoly Association shall broaden the coverage of anti-monopoly guidelines, better regulate and guide the development of the sports event broadcast trading market, formulate anti-monopoly guidelines, guidelines and policies according to the development of the sports industry and the situation of sports event broadcast trading, so as to provide guidance and guidance for anti-monopoly regulation. For the guide, it is necessary to protect the rights and interests of the audience, but also to ensure price transparency, to clarify the judgment, concept, principle, etc. of the relevant market in the broadcast of sports events, to analyze and restrict the factors affecting competition, and some criteria for determining the signing of monopoly agreements. In addition, it is also necessary to guide and protect the exemption behavior in the anti-monopoly law and the positive impact of monopoly behavior on the innovative development and quality improvement of sports events.

#### **4.2 Formulate and implement the anti-monopoly commitment system for sports event broadcast transactions**

Organizations such as international sports associations and China's sports event network associations should clarify their responsibilities and obligations, give play to the role of their own industry self-discipline, and maximize the mobilization of sports event organizers and broadcasters to advocate anti-monopoly and make anti-monopoly commitments. Form an anti-monopoly system in the industry, do a good job of anti-monopoly publicity and education, promotion, etc., to ensure that anti-monopoly is deeply rooted in the people's hearts, and better practice the anti-monopoly law and system. These enterprises can also invite some lawyers and experts to jointly review violations of the monopoly law, check their legality and compliance, and report and deal with them in a timely manner. For network platforms, it is necessary to improve the filing of network broadcast, introduce anti-monopoly commitment mechanisms and provisions in the filing, attract more network associations to join the research and application of anti-monopoly technology methods, do a good job in data collection and analysis, and jointly supervise monopoly behavior.

#### **4.3 Supplement and improve the anti-monopoly provisions in the broadcast transaction contract**

For the State Administration of Sport and Radio, Film and Television should regularly do a good job of publishing the relevant information, regulations, laws and regulations, requirements and provisions of sports events broadcast rights transactions, formulate contract models of anti-monopoly commitment clauses, supplement anti-monopoly clauses in sports events broadcast transaction contracts, ensure that the education parties clearly define their rights and obligations, and give full play to the role of industry self-discipline. Industry self-discipline can reduce the pressure and burden of law enforcement by government departments, further increase the cost of monopoly behavior of contract subjects, and provide legal basis and guarantee for the defaulting party and the non-defaulting party to bring legal proceedings to protect their own rights and interests <sup>[5]</sup>.

#### **4.4 Improve the market mechanism and create a fair trading market environment**

First, monopoly is prohibited. The anti-monopoly Law prohibits sports event organizers or other relevant institutions from excluding or restricting market competition by signing exclusive agreements, restricting broadcasting rights transactions, obtaining broadcasting rights by unfair means, etc., which may constitute monopolistic behavior and undermine the fair competition environment in the market. Second, prevent abuse of market dominance. If the sports event organizer or other related institutions have a significant market dominant position in the market, the anti-monopoly law requires that they shall not abuse this position to obtain broadcasting rights by unfair means and restrict the competition of other institutions, including prohibiting exclusive agreements, prohibiting fixed prices, prohibiting market segmentation and other behaviors. Third, review the concentration of business operators. As for the concentration of operators involved in the broadcasting rights of sports events, anti-monopoly law needs to be examined. If the concentration of operators is likely to lead to market monopoly or adversely affect market competition, the anti-monopoly law may require structural adjustments or additional restrictions. In addition, the anti-monopoly law also requires the concentration of operators to control the behavior, prevent large-scale sports event organizers through mergers and acquisitions, alliances and other ways to form market monopoly, affecting the fair competition in the market. Fourth, open and transparent transactions. The anti-monopoly law mentions that broadcasting rights deals for sports events are

open and transparent to ensure full disclosure of market information. This will help prevent shady practices and benefit transfers, and protect fair competition in the market. Fifth, we need to protect the interests of consumers. The anti-monopoly law refers to the need to effectively protect consumer interests. In the broadcasting rights transaction of sports events, the anti-monopoly law requires to ensure that consumers can fairly obtain the broadcasting rights of sports events and prevent price discrimination and unreasonable charges. Sixth, control the concentration of business operators. The anti-monopoly law controls the operator concentration behavior of sports event organizers to prevent them from forming market monopoly through mergers and acquisitions, alliances, etc., and affecting fair competition in the market.

## 5. Conclusion

In short, under the anti-monopoly law, sports event broadcasting rights transactions need to comply with relevant laws and regulations to ensure fair competition in the market and the protection of consumers' interests. In the broadcasting rights transaction of sports events, the anti-monopoly law also requires open and transparent transactions to prevent illicit activities such as black-box operations and benefit transmission. At the same time, the anti-monopoly law also requires the protection of the interests of consumers to ensure that consumers can fairly obtain the broadcasting rights of sports events, and prevent price discrimination and unreasonable charges. In order to better protect trading activities and ensure the stability of the trading market, it is necessary for the state to formulate and implement anti-monopoly laws to regulate the broadcasting rights trading of sports events, effectively prevent and control monopolistic behaviors through legal means, ensure fair competition in the event market, effectively improve the turnover rate of market resources, and improve the economic development level of the sports industry. It ultimately protects the interests of the audience and social public interests.

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