

Client Alert

The European Parliament Calls for a Long-Term European Video Game and Esports Strategy

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On November 10, 2022 the European Parliament adopted a [resolution on esports and video games](#). In this resolution the European Parliament calls on the Commission and the Council to acknowledge the value of the video game ecosystem as a major cultural and creative industry (“CCI”) with strong potential for further growth and innovation. The video game ecosystem has become a leading CCI all over the world, with an estimated European market size of EUR 23,3 billion in 2021, including more than 4 900 game studios and 200 game publishers. It has great potential for growth, innovation, creativity and triggering positive change for the whole CCI sector, but, the resolution suggests, would benefit from additional harmonized data, definitions and legal frameworks required to enable them to embrace their full potential.

The European Parliament envisages a long-term European video game strategy, which should benefit all actors involved fairly and adequately, while considering the particularities of video game competitions in order to support EU actors and EU start-ups in the sector. The resolution notes that European video game industry is mainly made up of small and medium-sized enterprises of vital importance to the European economy. In 2020, the industry deployed approximately 98 000 people in Europe, of whom only an estimated 20% are women. Getting more women into video games and esports is a strategic priority for the European Parliament.

Definition of esports

The resolution defines ‘esports’ as *“competitions where individuals or teams play video games – typically in front of spectators – either in-person or online, for entertainment, prizes or money”*. The definition of esports encompasses a human element (the players), a digital element (the games), and a competitive element (the competition).

Benefits of esports and video games

Esports are an increasingly popular entertainment activity. Owing to their wide audience and digital component, video gaming and esports have significant social and cultural potential to connect Europeans of all ages, genders and backgrounds, including older people and people with disabilities. Moreover, video games and esports have great potential to further promote European history, identity, heritage, values and diversity through immersive experiences, and the European Parliament believes that they also have the potential to contribute to the EU’s soft power.

Furthermore, the European Parliament recognizes the great potential of video games and esports for use in EU educational policies and lifelong learning. Video games in the classroom often encourage students to pursue

careers in science, technology, engineering, arts and mathematics, and esports can help to develop several skills that are essential in a digital society. The European Parliament insists that video games and esports can be a valuable teaching tool for actively involving learners in a curriculum and for developing digital literacy, soft skills and creative thinking.

Challenges for a truly integrated European esports and video game sector

The European Parliament sets out different areas that could be addressed by the European Commission and the Council for the creation of a truly integrated European esports and video games sector. These include, amongst others:

1. The need to safeguard esports from problems with match-fixing, illegal gambling and performance enhancement, including doping;
2. The protection of data privacy and cybersecurity challenges, without losing sight of the esports phenomenon;
3. Fair consumer monetization of video games through micro-transactions, in-game currencies and loot boxes to ensure robust consumer protection;
4. The protection of video game IP and the cross-border enforcement of IP rights of game producers;
5. The ongoing battle against stereotypical representation of women in video games, and in general, the promotion of a framework for attaining greater equality for women in all positions in the value chain.

Need for a charter to promote European values in esports

Finally, the European Parliament distinguishes esports from sports, not least because the video games used for competitive gaming (i.e. esports) are played in a digital environment and belong to private entities that enjoy full legal control and all exclusive and unrestricted rights over the video games themselves.

However, the European Parliament stresses that it believes that both sectors can complement and learn from each other and promote similar positive values and skills, such as fair play, non-discrimination, teamwork, leadership, solidarity, integrity, antiracism, social inclusion and gender equality. To this end, the European Parliament calls on the Commission to develop a charter to promote European values in esports competitions, in partnership with publishers, team organizations, clubs and tournament organizers.

Crowell & Moring will continue to follow (e)sports-related initiatives and provide ongoing updates.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

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