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Gambling On Video Games: The Global Esports Betting Market And The Dawn Of Legalized Esports Gambling In The United States

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**GAMBLING ON VIDEO GAMES: THE GLOBAL eSPORTS BETTING
MARKET AND THE DAWN OF LEGALIZED eSPORTS GAMBLING IN
THE UNITED STATES**

*Jake Bland**

ABSTRACT

This Note compares eSports gambling regulations in the United States with regulations implemented in various foreign countries. eSports is a rapidly growing form of sport competition centered around video games. Video games have been a widely popular form of entertainment spanning the globe for many years. However, treating video games as a professional sport and form of monetized competition is a very recent phenomenon in the global mainstream market. Like traditional sports such as football and basketball, eSports have garnered significant attention in the gambling market. Sports betting has long been prevalent in the underworld of the United States, but the recent Supreme Court repeal of the Professional and Amateur Sports Protection Act (PASPA) marked a historical development in legalized American sports gambling. This repeal has resulted in the legalization of betting for traditional sports in many jurisdictions; however, some states have been hesitant to also legalize eSports betting. As individual states continue paving the road to legalized and regulated sports betting, they should consider eSports gambling regulatory frameworks in jurisdictions like Isle of Man, the United Kingdom and South Korea as guidelines before adopting their own eSports wagering laws and regulations.

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I. INTRODUCTION

eSports, short for electronic sports, and otherwise referred to as competitive or professional gaming, are a form of competition using video games as the medium.¹ Professional gamers compete either individually or with a team in organized events and tournaments for cash prizes.² “eSports” is a broad term encompassing all types of video games that are played at a competitive professional level.³ The most popular eSports games include first-person shooters (FPS) such as Call of Duty and Counterstrike: Global Offensive, multiplayer online battle arena (MOBA) games such as League of Legends and Dota 2, fighter games like Mortal Kombat, and sports games like NBA 2K and Madden.⁴ Playing video games as a form of entertainment has been globally popular for many years, but playing video games as a

¹ DISCOVER ESPORTS, <https://discoveresports.com/what-are-esports/> (last visited Oct. 7, 2020).

² *Id.*

³ *Id.*

⁴ Jared Ramsey, *Top 10 Esports Games of 2020: Biggest Prizes and Viewership*, LINEUPS (June 25, 2020, 4:59 PM), <https://www.lineups.com/esports/top-10-esports-games/>.

professional sport and form of monetized competition is a very recent phenomenon in the global mainstream market.⁵

Similar to real-world sports such as football and basketball, eSports have started to gain traction in the global gambling industry.⁶ The Supreme Court's repeal of the Professional and Amateur Sports Protection Act (PASPA) marked a historical milestone in legalized American sports gambling.⁷ In many states across the U.S., bettors will no longer have to resort to illegal sportsbooks or offshore websites to place wagers.⁸ The PASPA repeal has opened the floodgates of state-by-state betting legislation and full-service betting operations for traditional sports.⁹ However, the outlook for regulated eSports betting remains unclear due to unique concerns eSports present to American lawmakers and gambling regulators.¹⁰ While the regulated sports gambling industry is in its infancy in the U.S., various foreign countries have enacted eSports gambling regulations in addition to those for traditional sports.¹¹ eSports gambling is by no means a new concept internationally, but its popularity and presence in the United States is a recent development.¹² The countries that have embraced eSports gambling have implemented regulations that can offer

⁵ See VB Staff, *The Esports Surge – and the Massive Opportunities Behind it (VB Live)*, VENTURE BEAT (May 24, 2018, 4:10 AM) <https://venturebeat.com/2018/05/24/the-esports-surge-and-the-massive-opportunities-behind-it-vb-live/>.

⁶ Mitch Reames, *The History of Esports Betting*, ESPORTZ NETWORK (Feb. 3, 2020) <https://www.esportznetwork.com/the-history-of-esports-betting/>.

⁷ *Murphy v. NCAA*, 138 S. Ct. 1461, 1472 (2018).

⁸ *Id.*

⁹ *Id.*

¹⁰ Derek Helling, *States Need To Move To Approve Esports Betting – And Quickly*, THE LINES (Mar. 13, 2020), <https://www.thelines.com/esports-betting-states-legal/>; see also Cody Luongo, *ESI Gambling Report: The Counter-Strike effect and preserving integrity online*, ESI Esports Insider (Oct. 13, 2020), <https://esportsinsider.com/2020/10/esi-gambling-report-the-counter-strike-effect-and-preserving-integrity-online/>.

¹¹ *Is Esports Betting Legal?*, GAMOPO, <https://www.gamopo.com/countries/> (last visited Nov. 10, 2020).

¹² George Miller, *Global boom in esports betting will continue post-pandemic, according to FansUnite*, EUROPEAN GAMING (Oct. 13, 2020), <https://europeangaming.eu/portal/latest-news/2020/10/13/79349/global-boom-in-esports-betting-will-continue-post-pandemic-according-to-fansunite/> (emphasizing that offshore books are already successfully offering eSports wagering options to U.S. customers, showing enormous economic potential that American states will not be able to ignore).

guidance to American states as they move towards building a legislative framework.

Part II of this Note will provide an introduction to the history and current state of the eSports industry, the developing eSports gambling market, and the legal and ethical issues surrounding eSports gambling. Part III will present the United States' approach to sports betting regulation and more specifically, the current legal affairs and trends surrounding eSports betting. Part IV will explore the global eSports gambling sector and analyze legal frameworks established in foreign jurisdictions. Part V will provide a comparative analysis between the American approach and international approaches to eSports wagering and provide suggestions for future laws and regulations in the United States. As federal gambling restrictions are loosened, American states have a unique opportunity to capitalize on the exponential growth and promising future of eSports by adopting gambling laws that mutually serve the interests of consumers and bookmakers.

II. FOUNDATION OF THE ESPORTS GAMBLING INDUSTRY

A. The Global eSports Boom

The global video game industry—encompassing the development, marketing, and monetization of video games—is forecast to generate \$159.3 billion in 2020, with almost half of consumer spending emerging from China and the United States.¹³ The eSports industry is mirroring the significant growth of the video game industry in general. As video games become more mainstream, consumers naturally become more interested in watching the most skilled professionals compete head-to-head, similar to watching a televised NFL or NBA game. The surge in consumer interest has created motivation for companies to capitalize on this demand by

¹³ Tom Wijman, *The World's 2.7 Billion Gamers Will Spend \$159.3 Billion on Games in 2020; The Market Will Surpass \$200 Billion by 2023*, NEWZOO (May 8, 2020), <https://newzoo.com/insights/articles/newzoo-games-market-numbers-revenues-and-audience-2020-2023/>.

investing in the eSports industry.¹⁴ eSports' popularity boom has not happened overnight. Some regions of the world, such as South Korea, have embraced and promoted this phenomenon for years, but various developments have caused eSports' recent surge in markets where eSports were relatively unknown just a decade ago.¹⁵

Before navigating legal issues in the world of eSports and gambling, it is useful to understand the general history of eSports' rise to prominence. The first recorded video game competition for a material prize occurred at Stanford University in 1972.¹⁶ Playing Spacewar, a space combat game, five students competed for an annual subscription to Rolling Stone Magazine.¹⁷ As the 1980s rolled around, gaming companies like Atari started hosting larger tournaments, attracting thousands of participants and the media's attention.¹⁸ The 1990s transformed eSports; the birth of the internet and worldwide web enabled online competition, vastly increasing interconnectivity between gamers.¹⁹

Throughout the 1990s, PC games grew in popularity and companies like Nintendo and Blockbuster began sponsoring world championship events.²⁰ Additionally, the Cyberathlete Professional League (CPL), the first major gaming league, was founded in 1997 and awarded revolutionary cash prizes of up to \$15,000.²¹ Despite these important developments, competitive gaming was still very underground and unknown in most places at this point. At the turn of the millennium, even larger international tournaments such as the World Cyber Games and Electronic Sports World Cup were founded,

¹⁴ Billy Studholme, *Esports Investment Report: \$324.9m Committed in October 2020*, ESPORTS INSIDER (Nov. 3, 2020), <https://esportsinsider.com/2020/11/esports-investme-nt-oct/>.

¹⁵ YELLOW ZEBRA SPORTS, *Why is eSports so Popular? (What You Haven't Considered)*, <https://yellowzebrasports.com/why-is-esports-so-popular/> (last visited Nov. 10, 2020).

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ BOUNTIE GAMING, *The History and Evolution Of Esports*, (Jan. 3, 2018), <https://medium.com/@BountieGaming/the-history-and-evolution-of-esports-8ab6c1cf3257>.

¹⁹ *Id.*

²⁰ *Id.*

²¹ *Id.*

followed by influential companies such as Major League Gaming (MLG).²²

South Korea's role in expanding eSports' legitimacy and popularity worldwide cannot be understated. In 2000, the South Korean government founded the Korea eSports Association (KeSPA) with the intention of managing eSports in the country.²³ KeSPA were responsible for regulating and sanctioning eSports competitions in South Korea and creating the professional StarCraft league known as the Proleague.²⁴ Furthermore, South Korean cable companies began broadcasting eSports competitions during the early 2000s.²⁵ This movement sparked by OnGameNet (OGN) and MBCGame proved to be far ahead of its time – companies that currently dominate the video game streaming industry, such as Twitch.tv, did not launch until years later.²⁶ The cultural acceptance of eSports in South Korea combined with the South Korean government's efforts to market and regulate the industry set the pace for the future international eSports ecosystem.²⁷

After gaining momentum throughout the 2000s and early 2010s, the continued development of accessible broadband internet and efficient streaming technologies have rapidly propelled eSports' growth in recent years.²⁸ The successes of online streaming services such as Twitch, YouTube, Caffeine, and Facebook Gaming have significantly helped deliver eSports exposure to a global audience. Twitch has undoubtedly contributed the most to eSports' global expansion. Termed the "ESPN of eSports," Twitch has attracted a massive viewer base and dominates the market for broadcasting major eSports events.²⁹ In fact, Twitch is so popular that it is now integrated directly into new software releases from major game developers such

²² *Id.*

²³ Michael Moriarity, *Esports In South Korea*, PINNACLE (Apr. 8, 2020), <https://www.pinnacle.com/en/esports-hub/betting-articles/educational/esports-south-korea/egl2agmhdcz6zl3p>.

²⁴ *Id.*

²⁵ *Id.*

²⁶ *Id.*

²⁷ *Murphy v. NCAA*, 178 S. Ct. 1461, 1472 (2018).

²⁸ Studholme, *supra* note 14.

²⁹ Ben Popper, *Field of Streams: How Twitch Made Video Games A Spectator Sport*, THE VERGE (Sept. 30, 2013, 9:00 AM), <https://www.theverge.com/2013/9/30/4719766/twitch-raises-20-million-esports-market-booming>.

as Blizzard and the hardware of consoles like Microsoft's Xbox and Sony's PlayStation.³⁰

Over the past few years, eSports has truly become a spectator sport and form of entertainment for consumers.³¹ According to Newzoo's Global eSports Market Report 2020, the total eSports audience in 2020 was projected to grow to 495 million viewers, an 11.7% increase from 2019, and global eSports revenues were projected to grow to \$1.1 billion in 2020, a 15.7% increase from 2019.³² eSports professionals are no longer competing for Rolling Stone Magazine subscriptions, as annual prize pools for games such as Dota 2 and Call of Duty have surged into the multi-millions. In 2019, 16-year-old American Kyle Giersdorf took home US\$3 million as Fortnite World Cup champion³³, with an entire prize pool worth US\$40 million.³⁴

As tournament prize pools, streaming revenues, and sponsorship revenues explode, the eSports gambling market is beginning to boom across the globe. The growth of eSports as a spectator sport and mainstream form of entertainment has attracted millions of new fans and viewers to prominent events. Monetary sports wagering is synonymous with nearly any form of live sporting competition and oddsmakers are constantly seeking new ways and opportunities to

diversify their offerings. In many American states, whether legislators are willing to adopt favorable laws and regulations in order to capitalize on the legitimate demand for an eSports betting market remains to be seen.

³⁰ *Id.*

³¹ *Id.*

³² *Newzoo Global Esports Market Report 2020*, NEWZOO, <https://newzoo.com/insights/trend-reports/newzoo-global-esports-market-report-2020-light-version/>.

³³ Derrick Bryson Taylor & Niraj Chokshi, *This Fortnite World Cup Winner is 16 and \$3 Million Richer*, N.Y. TIMES (July 29, 2019), <https://www.nytimes.com/2019/07/29/us/fortnite-world-cup-winner-bugha.html>.

³⁴ Kevin Webb, *Epic Games Is Hostin Its First-Ever Fortnite World Cup, Where It Plans To Award \$40 Million To The World's Best Players*, BUSINESS INSIDER (Apr. 3, 2019), <https://www.businessinsider.com/fortnite-world-cup-prize-money-schedule-2019-4>.

B. eSportsbooks and Gambling on Gaming

Traditional sportsbooks and eSportsbooks, sportsbooks that are specifically geared to offering eSports odds, only recently began handicapping eSports events.³⁵ The gambling industry was, and partially continues to be, skeptical of eSports' legitimacy and integrity.³⁶ Similar to traditionally popular betting sports, some bookmakers now provide numerous odds for different types of monetary wagers on eSports.³⁷ Monetary wagering is the type of gambling this Note primarily addresses. eSports has a complicated history with a style of betting known as "skins gambling," which will briefly be considered later in this Note. However, the present and future of regulated eSports gambling is and primarily will be driven on the growth of monetary, real money wagering. The most common forms of eSports betting offers are outright bets, match bets, handicap bets, accumulator bets, and special bets.³⁸ Many of these bets mimic those offered for traditionally popular betting sports.³⁹

Recently, many gamblers who bet on close contact sports like basketball and soccer were forced to pursue new avenues in the wake of the COVID-19 pandemic. While traditional in-person sports were suspended for months on end, eSports were able to carry on given their digital nature and flexibility in delivering online competition.⁴⁰ Mandatory stay-at-home orders, rules, and regulations across the globe forced people, including gamblers, into a "new online and

³⁵ Until 2017, "skins betting" was the most popular form of gambling on eSports. In 2017, skins betting was essentially banned, and the eSports betting offer became as diverse as the betting offer for popular betting sports. *History of eSports Betting*, ESPORTSBETTING.ORG, <https://www.e-sportsbetting.org/guide/history/>.

³⁶ See *id.*; see also Jeremiah Booker, *5 Reasons Why States are Reluctant About Esports Betting*, BEST US CASINOS (Sept. 11, 2020), <https://www.bestuscasinos.org/blog/why-states-are-reluctant-about-esports-betting/>.

³⁷ Stephen Crystal, Esq. & Jeremy Smith, *eSports Betting The Past and Future*, ESPORTS ENTERTAINMENT GROUP (Sept. 2017), <https://esportsentertainmentgroup.com/wp-content/uploads/2018/04/eSportsBetting-ThePastandFuturev3.pdf>.

³⁸ *Id.*

³⁹ *Id.*

⁴⁰ See Mike Stubbs, *Coronavirus Has Caused A Boom In Esports Betting*, FORBES (May 13, 2020, 9:40 AM), <https://www.forbes.com/sites/mikestubbs/2020/05/13/coronavirus-has-caused-a-boom-in-esports-betting/?sh=127c90156b0a>.

digital paradigm.”⁴¹ Even before the pandemic began in 2020, the eSports gambling market was experiencing a major influx of revenue.⁴² With skyrocketing demand due to the pandemic, eSports global gambling revenue is set to double to US\$14 billion in 2020, and research shows this global growth should persist in coming years.⁴³

Currently, the most prominent eSportsbooks are licensed and operated overseas. Favorable gambling regulations have created massive opportunities for foreign online gambling companies and local governments. The current eSports gambling hubs include the United Kingdom, Australia, and various countries throughout Asia.⁴⁴ Additionally, Isle of Man, a self-governing British crown dependency and sovereign state of the United Kingdom, has established itself as a very attractive place for eSports and online gambling companies to become incorporated and licensed because of the Isle’s business-friendly gaming laws.⁴⁵ It is important to note that the majority of eSports gambling takes place online, rather than at in-person casinos.⁴⁶

⁴¹ Sebastian Scheplitz, *Is 2020 A Glorious Year For The Esports Betting Industry?*, TRANSLATION ROYALE (July 22, 2020), <https://www.translationroyale.com/what-you-need-to-know-about-the-2020-global-esports-industry/>.

⁴² In 2019, the global eSports gambling market generated over \$7 billion of revenue, more than eSports itself. See Cody Luongo, *ESI Gambling Report: Integrity, Regulation, Protection In Fast-Growing Esports Betting Market*, ESPORTS INSIDER (May 15, 2020), <https://esportsinsider.com/2020/05/esi-gambling-report-integrity-regulation-protection-in-fast-growing-esports-betting-market/>.

⁴³ During the early months of the Covid-19 crisis, 2CV and ProdegeMR surveyed 1,028 gamblers aged 18–64 and discovered that 36 percent bet on eSports, with 30 percent of these eSports gamblers who bet on eSports for first time within the past month. The survey importantly discovered that 22 percent of the surveyed gamblers who had not tried eSports wagering before the pandemic were interested in betting in the future. *Research Shows Growing Interest In eSports Gambling*, PRODEGE (Apr. 18, 2020), <https://www.prodege.com/research-shows-growing-interest-in-esports-gambling/>.

⁴⁴ *Esports Betting Laws*, ESPORTSBETTING.ORG, <https://www.e-sportsbetting.org/country/>.

⁴⁵ The Isle of Man sees its jurisdiction as playing a major role in enabling businesses to benefit from its laws that embrace the eSports sector. The Isle of Man’s online gambling operations are overseen by Digital Isle of Man, which aspires to continue to build the small island’s reputation as an eSports gambling hub. See *Digital Matters: The Explosive Boom in Esports*, DIGITAL ISLE OF MAN, <https://www.digitalisleofman.com/news/digital-matters-the-explosive-boom-in-esports/>.

⁴⁶ *Research Shows Growing Interest In eSports Gambling*, *supra* note 43.

Online sportsbooks enable people living in countries where in-person gambling outlets are inaccessible to place wagers on platforms owned and operated by international entities.⁴⁷

Online gambling is quickly evolving the industry, as the ease and efficiency of placing bets from a phone or personal computer is often preferable to traveling in person to a casino. Smaller jurisdictions like Isle of Man, Malta, and Curacao have passed specific laws making it legal for foreign-based companies to operate online betting and gaming services.⁴⁸ Other jurisdictions are rushing to regulate the online gambling industry for a few important reasons.⁴⁹ First, regulation can help ensure that people are safely depositing money and placing bets with trustworthy organizations.⁵⁰ Next, proper regulation helps ensure that online gambling platforms are operated lawfully and ethically, ultimately protecting consumers from being treated unfairly.⁵¹ However, boosting the local economy and collecting immense tax revenues is arguably some governments' biggest motivation for the emphasis on legalized online gambling. When gamblers place bets with foreign online gaming companies, the domestic jurisdiction is unable to yield the significant tax revenues generated from these gaming activities.⁵² Taxing casino-based sportsbooks' and online sports gambling sites' gross gaming revenue (GGR) results in millions of tax dollars annually.⁵³

⁴⁷ Online, remote platforms have made monitoring and regulating gambling increasingly difficult for governing bodies. Generally, a government always collects tax revenues generated from its multi-million, if not multi-billion dollar domestic gambling industry. However, collecting these taxes becomes nearly impossible when people place bets using online gambling sites based overseas. *See A Look At How Online Gambling Is Regulated*, GAMBLINGSITES.ORG, <https://www.gamblingsites.org/real-money/how-online-gambling-is-regulated/>.

⁴⁸ *Id.*

⁴⁹ *Id.*

⁵⁰ *Id.*

⁵¹ *Id.*

⁵² Tax rates for gambling operators varies across the globe. In France, gambling operators can be taxed up to 83.5% of their gross gambling revenues (GGR), in the USA, up to 51%, and in Macau, up to 39%. Brooke Keaton, *The Highest and Lowest Gambling Taxes Around The World*, CASINO.ORG (June 26, 2020), <https://www.casino.org/blog/comparing-gambling-taxes-around-the-world/>.

⁵³ Since June 2018, over US\$309 million of taxes from sports gambling revenues have been collected by state governments in the United States. *US Sports Betting Revenue*

As previously noted, the prolific increase of eSports' popularity has encouraged bookmakers to develop online platforms geared solely towards eSports betting. Most major bookmakers' and casinos' offerings include odds on everything from horse racing and American football to presidential elections and the Grammy awards.⁵⁴ The willingness to fund and develop gambling platforms dedicated exclusively to eSports is a testament to the market's confidence in the sector. As of 2020, online sites such as Unikrn, Winners.bet, Loot.bet, and Luckbox have dedicated their entire platform to providing a safe space for online eSports gambling.⁵⁵ Each of these eSportsbooks are licensed and regulated by gaming commissions in jurisdictions outside of the United States.⁵⁶

While the future of the global eSports betting market is promising, skepticism about the legitimacy and integrity of eSports has made some jurisdictions, especially in the United States, reluctant to legalize and regulate the sector.⁵⁷ In general, the sports gambling industry, especially in the illegal market, generates great concern over corruption and match-fixing.⁵⁸ To make matters more complicated, eSports do not merit any badges for integrity and fair play. In fact, eSports have a somewhat reprehensible history with corruption and match-fixing, more of which will be explored later on in this Note.⁵⁹

And Handle, LEGAL SPORTS REPORT (updated Dec. 21, 2020), <https://www.legalsportsreport.com/sports-betting/revenue/>.

⁵⁴ See *2021 Grammy Awards Odds Tracker*, SPORTS BETTING DIME (updated Dec. 7, 2020), <https://www.sportsbettingdime.com/entertainment/grammy-awards-odds/>; see also Ryan Fowler, *2020 Presidential Odds: Analysis, Betting Information And Tips*, ODDS SHARK (Nov. 7, 2020), <https://www.oddsshark.com/politics/2020-usa-presidential-odds-futures>.

⁵⁵ See *Best Esports Betting Sites For 2020*, ESPORTSBETS, <https://www.esportsbets.com/reviews/>.

⁵⁶ See *id.* (Unikrn and Luckbox are regulated and licensed by the Isle of Man Gambling Supervision Committee, Loot.bet is licensed and regulated in Curacao, and Winners.bet is licensed and regulated by the Malta Gaming Authority.)

⁵⁷ Booker, *supra* note 36.

⁵⁸ See Jimmy McEntee, *Legalized Sports Betting In The United States: Analyzing The Impact Of Legalization On Corruption Risk*, THE GLOBAL ANTICORRUPTION BLOG (Apr. 9, 2018), <https://globalanticorruptionblog.com/2018/04/09/legalized-sports-betting-in-the-united-states-analyzing-the-impact-of-legalization-on-corruption-risk/>.

⁵⁹ See Chris Godfrey, *'It's Incredibly Widespread': Why eSports Has a Match-Fixing Problem*, THE GUARDIAN (July 31, 2018, 3:00 PM), <https://www.theguardian.com>

While some American jurisdictions' expressed reluctance to legislate eSports gambling is understandable, there are many examples of success elsewhere in the world that should encourage American states to pursue the opportunities presented by legalized eSports betting. The following section of this Note details the broader American sports gambling landscape and introduces the current state of eSports gambling regulation in individual states.

III. UNITED STATES ESPORTS GAMBLING REGULATION

A. Early Days of Sports Betting in the United States

Before exploring the present-day trends in eSports gambling regulation in the United States, it is useful to understand the history and background of American gambling legislation. Sports wagering has long been embedded in the American sports culture. Circa the early 19th century, horse racing betting – the most popular form of sports wagering at the time – played a crucial role in developing the future of sports betting in the country.⁶⁰ However, the establishment of professional baseball in 1876 – widely regarded as “America’s pastime” – truly spearheaded traditional sports betting as we know it today.⁶¹ At the turn of the 20th century, sports betting was becoming massively popular. However, the cataclysmic Black Sox cheating scandal of 1919 created widespread disdain for sports betting and tarnished the integrity of professional baseball.⁶² Despite this major setback in American sports gambling, large numbers of people continued to place wagers on organized sports throughout the 1920s.

Though sports betting was fairly commonplace in the American mainstream at this time, the industry was completely

dian.com/games/2018/jul/31/its-incredibly-widespread-why-esports-has-a-match-fixing-problem.

⁶⁰ *History of Sports Betting In The USA*, LEGAL SPORTS BETTING (updated Dec. 11, 2020), <https://www.legalsportsbetting.com/history-of-sports-betting-in-the-usa/>.

⁶¹ *Id.*

⁶² *History of Sports Betting In The USA*, *supra* note 60; see William F. Lamb, *The Black Sox Scandal*, SOC'Y FOR AM. BASEBALL RES. (2013), <https://sabr.org/journal/article/the-black-sox-scandal/> (discussing the Black Sox Scandal which involved eight Chicago White Sox players who were bribed by a crime syndicate to fix the 1919 World Series).

unregulated until Nevada officially legalized sports gambling in 1949.⁶³ Nevada's historic 1949 legislation gave sports betting a developing sense of legitimacy in the public eye.⁶⁴ However, the vast majority of other states failed to regulate sports gambling throughout much of the 20th century, leading to organized crime organizations capitalizing on these states' market demand.⁶⁵ Historically, federal policy has enabled individual states to regulate sports gambling. Rather than preempting state laws, federal laws would aid state laws in enforcing gambling regulation.⁶⁶ Although the intention was to only aid state laws, a number of federal laws were passed that effectively prohibited the expansion of sports betting beyond Nevada.⁶⁷ Over the years, Congress has attempted to enact various pieces of legislation regarding sports betting, but these federal laws have felt antiquated and arbitrary, reflecting a poor approach to an economic activity that is widely popular and accessible in many regions across the globe.⁶⁸

B. Federal Wire Act of 1961

One of the earliest and most notable pieces of federal legislation on sports gambling is the Federal Wire Act of 1961, also referred to as the Wire Act.⁶⁹ The Act served to ban certain types of sports betting businesses and activity involving the transmission of interstate or foreign commerce in the form of sports wagers.⁷⁰ This type of federal regulation did not preempt state sports wagering laws, but prohibited interstate betting to curb illegal multi-state gambling operations run by crime syndicates.⁷¹ The Wire Act "prohibits the

⁶³ *History of Sports Betting In The USA*, *supra* note 60.

⁶⁴ *Id.*

⁶⁵ *Id.* (noting that New York crime families filled the gambling void by offering illegal sportsbook services from coast to coast).

⁶⁶ Keith C. Miller & Anthony N. Cabot, *Regulatory Models for Sports Wagering: The Debate Between State vs. Federal Oversight*, 8 UNLV GAMING L. J. 153, 154 (2018).

⁶⁷ Brad R. Humphreys, *An Overview of Sports Betting Regulation in the United States* (W. Va. Univ. Dep't of Econ. Working Paper Series, Paper No. 17-31, 2017), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3074627.

⁶⁸ *Id.*

⁶⁹ *Id.*

⁷⁰ See 18 U.S.C. § 1084.

⁷¹ Miller & Cabot, *supra* note 66, at 154.

transmission of wagers, or information assisting in the placing of wagers, over communication wires like telephone and telegraph lines and punishes violators with fines and imprisonment.”⁷² American bookmakers and bettors were no longer able to take advantage of the country’s ever-expanding advanced communications infrastructure to place and receive interstate bets.

As a result, the Wire Act forced the sports gambling industry to operate almost exclusively at the local level and Nevada, with its sports gambling regulation intact, was looked upon as the only legitimate location to legally place bets.⁷³ The effectiveness of the Wire Act’s original application—to deter the criminal use of advanced interstate communications systems—decreased as the development and use of internet technology became rapidly popular near the turn of the 21st century.⁷⁴ In the 2001 case of *United States v. Cohen*, the Second Circuit delivered an expansive reading of the Wire Act, implicating the internet as a restricted form of utilizing communications systems to facilitate interstate sports wagers.⁷⁵

Ultimately, this decision declared that all online gambling was covered under the Wire Act. Over the course of the next twenty years, the Department of Justice went back and forth on whether the Wire Act applies to all forms of gambling or exclusively sports gambling.⁷⁶ As the future of eSports gambling regulation hangs in the balance for many American states, the interpretation of the Wire Act’s applicability to interstate online sports gambling could have a major effect on both operators’ and consumers’ ability to engage in eSports wagering using internet platforms.

⁷² Humphreys, *supra* note 67, at 3.

⁷³ *What Is The Federal Wire Act?*, LEGAL SPORTS BETTING (updated Oct. 28, 2020), <https://www.legalsportsbetting.com/what-is-the-wire-act/>.

⁷⁴ *Id.*

⁷⁵ See Ryan Rodenburg, *The Wire Act Of 1961: When The Internet Met The ‘Bedrock’ Federal Sports Betting Law*, SPORTS HANDLE (Mar. 2, 2018), <https://sportshandle.com/wire-act-internet-federal-sports-betting-law/>; see also *U.S. v. Cohen*, 260 F.3d 68 (2d Cir. 2001).

⁷⁶ Humphreys, *supra* note 67.

C. Professional and Amateur Sports Protection Act

In 1992, Congress enacted the Professional and Amateur Sports Protection Act (PASPA), which disallowed state-sanctioned sports betting and essentially served as a federal ban on most forms of sports betting.⁷⁷ In considering PASPA, the Senate Judiciary Committee issued a report where it stated that “[s]ports gambling threatens the integrity of, and public confidence in, amateur and professional sports. Widespread legalization of sports gambling would inevitably promote suspicion about controversial plays and lead fans to think ‘the fix was in’ whenever their team failed to beat the point-spread.”⁷⁸

In 2018, the Supreme Court of the United States repealed PASPA in its *Murphy v. NCAA* decision.⁷⁹ The Court addressed whether PASPA violated the anti-commandeering principle of the Constitution and found that the Section 13702(1) of PASPA “[u]nequivocally dictates what a state legislature may and may not do.”⁸⁰ The Court went on to rule all of PASPA unconstitutional because it “regulate[s] state governments’ regulation of their citizens ... the Constitution gives Congress no such power.”⁸¹ The repeal of PASPA enabled state lawmakers to regulate sports gambling within their jurisdiction. After the repeal, various states have taken swift action to begin capitalizing on their ability to legalize and regulate sports betting.

D. American eSports Betting Regulation

Multiple states have legalized sports betting since the PASPA repeal, including New Jersey, Indiana, Pennsylvania and Colorado, to

⁷⁷ See Jill R. Dorson, *What Is PAFSA, The Federal Ban On Sports Betting?*, SPORTS HANDLE (July 1, 2020), <https://sportshandle.com/what-is-paspa-sports-betting-ban-professional-amateur-sports/>.

⁷⁸ S. REP. NO. 102–248, at 5 (1991).

⁷⁹ 138 S. Ct. 1461, 1472 (2018).

⁸⁰ *Id.* at 1475–78.

⁸¹ *Id.* at 1484–85 (citation omitted).

name a few.⁸² Many other state officials are currently legislating bills to legalize sports wagering.⁸³ However, legalized sports betting does not necessarily implicate legalized eSports betting.⁸⁴ While state legislators are more familiar with traditional betting sports, the very recent rise of eSports has caused certain legislators to apply a hesitant approach to the legalization of eSports gambling.

Though similarities exist between traditional sports and eSports, various distinctions can be made as well. One of the drastic differences between most traditional professional sports and eSports is the inclusion of minors.⁸⁵ In many cases, eSports wagers could conceivably be placed on contests involving players under the age of 18 years old. Some states have expressed moral and ethical concerns over betting on eSports contests that involve minors, emphasizing the potential vulnerabilities presented by these professional gamers' youth.⁸⁶ This major difference adds an additional layer of complexity to legalizing eSports betting in each state. New Jersey lawmakers recently introduced a bill that proposes to prohibit betting on any eSports event where the *majority* of participants are under the age of 18.⁸⁷

Recently, Indiana made an arguably short-sighted ruling by explicitly banning eSports betting.⁸⁸ Despite legalizing wagering on traditional sports, Indiana's new legislation expressly forbids sportsbooks from posting gambling lines on eSports competitions.⁸⁹ Enacted on May 8, 2019, Indiana House Bill 1015 specifically states in Section 4(b) that "a certificate holder or vendor may not accept wagers

⁸² Kendall Baker, *The States That Have Legalized Sport Betting*, AXIOS (Aug. 7, 2020), <https://www.axios.com/sports-betting-legalized-what-states-4a26bb27-d88f-4adf-a908-6e10441ed855.html>.

⁸³ *Id.*

⁸⁴ Elias Andrews, *Is Esports Betting Legal In My State?* THE SPORTS GEEK (Mar. 25, 2020, 8:00 AM), <https://www.thesportsgeek.com/blog/esports-betting-legal-in-state/>.

⁸⁵ *Id.*

⁸⁶ Elias Andrews, *Should You Be Able To Bet On Minors In Esports?*, THE SPORTS GEEK (Mar. 16, 2020, 3:54 PM), <https://www.thesportsgeek.com/blog/should-esports-betting-involve-minors/>.

⁸⁷ Cody Luongo, *Esports betting bill passes in New Jersey*, ESPORTS INSIDER (July 1, 2021), <https://esportsinsider.com/2021/07/esports-betting-bill-passes-in-new-jersey/>.

⁸⁸ Derek Helling, *States Need To Move To Approve Esports Betting – And Quickly*, THE LINES (Mar. 13, 2020), <https://www.thelines.com/esports-betting-states-legal/>.

⁸⁹ *Id.*

on e-sports regardless of whether the e-sports event involves one (1) or multiple players.”⁹⁰ The underpinnings of this decision are unknown, but it can be reasonably inferred that the inclusion of minors and a general lack of familiarity with eSports were contributing factors.⁹¹ The fact that eSports wagering is an increasingly popular form of gambling likely means Indiana and other states with illegalized eSports wagering, such as Iowa, will forego significant gambling activity and revenues. It is possible that lawmakers in Indiana will repeal the ban on eSports wagering as the activity becomes more mainstream and other states successfully regulate the market.

As mentioned in the foregoing paragraph, Iowa has also prohibited eSports gambling within the state.⁹² While Iowa’s most recent piece of sports betting legislation—Iowa Senate Bill 617—does not specifically mention eSports, the Iowa Racing and Gaming Commission (IRGC) concluded in June 2020 that the definition of an “authorized sporting event” does not include eSports.⁹³ Interestingly, “professional sporting events” are included in the statute’s definition of an “authorized sporting event.”⁹⁴ Again, this legislation might have been enacted by lawmakers who are unfamiliar with the nature of professional eSports. Such lawmakers could revisit their decision once eSports events become more recognized as not only a legitimate sporting events, but professional ones in many respects. Various stakeholders, such as the IRGC and eSports fans, will surely be pushing Iowa legislators to amend the law to include eSports in the statutory definition of an authorized sporting event.

Currently, seven states have either explicitly legalized or allowed eSports wagering.⁹⁵ Tennessee and Colorado have legalized eSports betting on events where the participants are at least 18 years

⁹⁰ H.E.A. 1015, 121st Gen. Assemb., Reg. Sess. (In. 2019).

⁹¹ Andrews, *supra* note 84.

⁹² S.F. 617, 88th Gen. Assemb., Reg. Sess. (Iowa 2019).

⁹³ Jeff Johnson, *Iowa Racing and Gaming Commission gives thumbs down to gambling on esports*, THE GAZETTE (June 4, 2020), <https://www.thegazette.com/sports/iowa-racing-and-gaming-commission-gives-thumbs-down-to-gambling-on-esports/>.

⁹⁴ S.F. 617, *supra* note 92.

⁹⁵ See *Legal Esports Betting*, BETTINGUSA.COM (last visited Feb. 8, 2021), <https://www.bettingusa.com/esports/>.

of age, akin to New Jersey state law.⁹⁶ Furthermore, these states require contests to have a governing body for eligibility.⁹⁷ The organized governing body requirement could be a common component in future state legislation, as such oversight provides stability and enforcement capabilities. While states like Pennsylvania, Michigan and Delaware have recently enacted legalized sports betting measures, the legalization of eSports wagering hangs in the balance in these jurisdictions.⁹⁸ Faced with regulating a digitized and unfamiliar form of competitive sport, many states view legalizing eSports wagering as a complex undertaking.

In the United States, a large percentage of the eSports fanbase consists of people from younger generations.⁹⁹ According to GameScape, 39% of the total US eSports audience is in the 25 to 34-year-old-range.¹⁰⁰ This data provides major implications for both the present and future of the demand for eSports gambling. The portion of eSports fans who are currently over the age of 21 will continue to grow the present-day demand for eSports betting in the United States. Furthermore, the American demand for eSports betting will likely increase at even higher rates once Gen Z eSports fans who are currently minors become of legal age to place wagers in their state. On the contrary, the sheer number of underaged eSports fans could also lead legislatures to shy away from legalizing a category of sports wagering where such a large percentage of the fanbase cannot even legally place bets.¹⁰¹ Ultimately, there are numerous reasons why American lawmakers decide against legalizing eSports gambling in their states. States still on the fence about legalizing eSports gambling should pay close attention to the development of the American eSports market and eSports wagering legislation implemented in other states. The following section of this Note will consider legal and regulatory

⁹⁶ *Id.*

⁹⁷ *See id.*

⁹⁸ Andrews, *supra* note 84.

⁹⁹ *Id.*

¹⁰⁰ Eoin Bathurst, *The Average Age of Esports Viewers Is Higher Than You May Think, Says GameScape From Interpret, LLC*, THE ESPORTS OBSERVER (Feb. 24, 2017), <https://esportsobserver.com/average-age-esports-viewers-gamescape/>.

¹⁰¹ *See* Jeremiah Booker, *5 Reasons Why States are Reluctant About Esports Betting*, BEST US CASINOS (Sept. 11, 2020), <https://www.bestuscasinos.org/blog/why-states-are-reluctant-about-esports-betting/>.

frameworks for eSports wagering in foreign jurisdictions, as well as some of their strengths and weaknesses.

IV. INTERNATIONAL eSPORTS GAMBLING LAWS AND REGULATIONS

As eSports have boomed over the past several years, eSports laws and regulations have at times struggled to keep up with the pace of the industry's growth.¹⁰² In some cases, this lack of regulation has enhanced freedom for innovation within the industry, while in others, such lawlessness has created confusion and lead to corruption.¹⁰³ While the internet seamlessly makes online gambling services accessible on a global scale, only a few jurisdictions have legalized eSports betting.¹⁰⁴ Gambling regulators from around the world have become aware of the eSports industry's growth and "the emergence of consumer protection issues arising out of a lack of oversight."¹⁰⁵

Jurisdictions with legalized eSports betting also have laws and regulations for the broader online gambling market.¹⁰⁶ In many respects, eSports wagering mirrors traditional sports wagering. However, eSports also present unique issues for government officials to consider when regulating the eSports gambling market. Some of these issues include eSports competitors under the age of 18, prominent match-fixing and tainted competition integrity, protecting young eSports fans from the lures of gambling, and lawmakers' tendency to lag in adapting to digital phenomena.¹⁰⁷

¹⁰² Giulio Corragio et al., *Esports Laws of the World*, DLA Piper (July 26, 2021), <https://www.dlapiper.com/en/us/insights/publications/2019/11/esports-laws-of-the-world/>.

¹⁰³ *See id.*

¹⁰⁴ Helling, *supra* note 10.

¹⁰⁵ John T. Holden et al., *Esports Corruption: Gambling, Doping, and Global Governance*, 32 Md. J. Int'l L. 236, 259 (2017).

¹⁰⁶ Helling, *supra* note 10.

¹⁰⁷ *History of eSports Betting*, E-SPORTSBETTING, *supra* note 35; *see also* Renato Marques, MDT, *Esports Unregulated Due to 'Fear Of The Unknown'*, MACAU DAILY TIMES (Jan. 14, 2021), <https://macaudailytimes.com.mo/esports-unregulated-due-to-fear-of-the-unknown.html> (Chris Kissack, head of eSports for Digital Isle of Man, explained that the lack of regulatory frameworks for eSports betting is "ultimately is about [regulators] being afraid to dive in. There is this fear from decision-makers to jump into these [kinds of] games." He added that to remedy this "fear of the

Legal frameworks aimed at both protecting consumers and bolstering business activity have been successful in the early days of eSports betting regulation.¹⁰⁸ Although some regimes are geared towards serving one side of the market more than the other, such as catering to gambling operators over consumers, each approach plays an important role in growing the global eSports gambling market. Below, this Note will examine eSports betting legislation from different international jurisdictions and discuss various eSports gambling issues that have been dealt with abroad. These regulatory frameworks can be used as guidelines for sovereign state jurisdictions in the United States.

A. Isle of Man

Isle of Man, a self-governing British Crown dependency and sovereign state of the United Kingdom, has established itself as a pioneer in eSports betting regulation. While some laws are drafted and enforced by the British Parliament, the Isle has the power to legislate its own local matters.¹⁰⁹ The Isle's regulators have enabled gambling companies to maximize their offering by explicitly declaring eSports betting as a legal gambling activity.¹¹⁰ Possession of an Isle of Man online gambling license allows the licensee to legally accept wagers on eSports events and competitions.¹¹¹ A substantial amount of the Isle's GDP is derived from the presence of offshore online gambling companies, some of which cater exclusively to eSports gambling.¹¹² As a small jurisdiction with limited economic opportunities, Isle of Man's

unknown," regulators need exposure to eSports and need to become comfortable with them before regulating eSports betting).

¹⁰⁸ *Esports Betting Laws*, *supra* note 44.

¹⁰⁹ *Isle of Man Gaming License: Reputable and Tax-Efficient*, FAST OFFSHORE, <https://fastoffshore.com/what-we-do/packaged-services/isle-of-man-gaming-license> (last visited Jan. 25, 2022).

¹¹⁰ *Make Your Move: A Guide To e-Gaming On The Isle of Man*, E-GAMING ISLE OF MAN, <https://www.digitalisleofman.com/assets/d45b5f4cb0/Guide-to-eGaming-A5-NEW-Small-min.pdf> (last visited Jan. 25, 2022).

¹¹¹ *Id.*

¹¹² *See id.* at 3.

online gambling regulations have opened new avenues for prosperity in the digital economy.¹¹³

The region has designated a governing body, the Isle of Man Gambling Supervision Commission (GSC), to specifically oversee regulation and licensing of the jurisdiction's online gambling industry.¹¹⁴ Additionally, Digital Isle of Man, an executive agency within the Department for Enterprise, was created to act as a key decision maker and advisory for sustaining growth in various sectors of the digital economy.¹¹⁵ Digital Isle of Man's eSports division, currently overseen by industry expert Chris Kissack, represents the agency's efforts aimed at creating safe, efficient and profitable eSports legislation and regulation.¹¹⁶ Isle of Man regulators have implemented a low rate tax framework, a straightforward application process and business-friendly legal framework for online gambling companies to obtain licensing.¹¹⁷ The Isle's reputation as a tax-friendly jurisdiction – collecting zero corporation or capital gains taxes and a low gambling duty between 0.1% -1.5% – has attracted many of the most prominent eSportsbooks, such as Unikrn and Luckbox, to pursue online gaming licenses through the Isle of Man.¹¹⁸ The GSC offers a variety of online gambling licenses to prospective businesses.¹¹⁹ The standard license

¹¹³ See DIGITAL ISLE OF MAN, <https://www.digitalisleofman.com> (last visited Dec. 12, 2020) [hereinafter DIGITAL ISLE OF MAN].

¹¹⁴ *Gambling Supervision Committee*, ISLE MAN GOV'T, <https://www.gov.im/about-the-government/statutory-boards/gambling-supervision-commission> (last visited Dec. 12, 2020).

¹¹⁵ DIGITAL ISLE OF MAN, *supra* note 113.

¹¹⁶ *Esports*, DIGITAL ISLE OF MAN, <https://www.digitalisleofman.com/sectors/esports/> (last visited Dec. 12, 2020).

¹¹⁷ *Esports Betting Laws*, *supra* note 44.

¹¹⁸ See *Unikrn Limited Terms and Conditions*, UNIKRN, <https://unikrn.com/legal/tc> (while headquartered in Bellevue, WA, Unikrn, Inc. is a company incorporated under the laws of the Isle of Man and holds a license from the Isle of Man Gaming Supervision Commission under the Online Gambling Regulation Act 2001); *End User License Agreement*, LUCKBOX, <https://support.luckbox.com/hc/en-us/articles/360022829551-End-User-Licence-Agreement> (Real Time Games Holdings Ltd., owner of Luckbox, is also incorporated under the laws of the Isle of Man and operates its online casino services under the license and regulation of the Isle of Man Gambling Supervision Commission).

¹¹⁹ *EGaming Licenses*, DIGITAL ISLE OF MAN, <https://www.digitalisleofman.com/sectors/e-gaming/e-gaming-licences/>.

covers all gaming verticals, including eSports, and authorizes online gaming operators to accept both crypto and fiat currencies for wagering.¹²⁰

Furthermore, the GSC amended its gaming regulations in 2017 to allow eSports gambling operators to collect “skins” as wagers. The competitive gaming world, especially the popular first-person shooter game Counter-Strike: Global Offensive (CS:GO), has a complicated history with skins betting.¹²¹ Skins betting, which involves wagering in-game cosmetic items known as “skins”, has created controversy within the eSports industry when the practice is unregulated. First, unregulated skins betting websites often do not enforce ID verification systems, thus offering underaged gamers a gateway to gambling.¹²² Second, a lack of regulation enables skins gambling operators to post rigged odds, thereby creating a predatory and unfair marketplace.¹²³ The GSC’s skins betting legislation represents an effort to create both flexibility for licensees and a secure environment for adult consumers to engage in the practice.¹²⁴

B. United Kingdom

The United Kingdom, home to a large eSports fanbase, has arguably the most developed eSports betting legislation in the world. Sports betting in general has been regulated in the UK for over 60 years, as the Betting and Gaming Act of 1960 legalized land-based UK

¹²⁰ *Id.*; But see Dean Takahashi, *SEC Punishes Unikrn As It Cracks Down On Cryptocurrencies*, VENTURE BEAT (Sept. 15, 2020), <https://venturebeat.com/2020/09/15/sec-punishes-unikrn-as-it-cracks-down-on-cryptocurrencies/> (Unikrn created its own cryptocurrency token called UnikrnGold, giving gamblers a currency for wagering on its eSportsbook. However, the SEC fined Unikrn \$6.1 million, ruling that the company was selling unregistered and unapproved securities. Despite this setback, Unikrn is still operating and accepts fiat currencies and regulator-approved cryptocurrencies.).

¹²¹ Taylor Stanton Hardenstein, “Skins” in the Game: Counter-Strike, Esports, and the Shady World of Online Gambling, 7 UNLV GAMING L. J. 117, 124 (2017).

¹²² Ollie Green, *Esports Gambling And Skins Betting: Is It Good or Bad For The Industry*, ESPORTS.NET (Feb. 21, 2018), <https://www.esports.net/news/industry/gambling-and-skin-betting-good-or-bad/>.

¹²³ *Id.*

¹²⁴ *Make Your Move: A Guide To e-Gaming On The Isle of Man*, *supra* note 110.

sports betting operations.¹²⁵ UK lawmakers have continued developing the sports betting regulatory framework and created the UK Gambling Commission (UKGC) in 2005, responsible for regulating gambling and supervising gaming law within the jurisdiction.¹²⁶ The UKGC controls and enforces all online and remote licensing, so online sportsbooks within the four UK countries operate under the same laws and regulations.¹²⁷ The Gambling Act 2005, enacted to regulate online gambling in the UK, together with the UKGC's supervision, works towards three primary objectives: 1) preventing gambling from becoming a source of crime or disorder, being associated with crime or disorder, or being used to support crime; 2) ensuring that gambling is conducted in a fair and open way; and 3) protecting children and other vulnerable persons from being harmed or exploited by gambling.¹²⁸

In August 2016, the UKGC became the first gambling commission in the world to publish a report discussing eSports legal clarifications.¹²⁹ The revolutionary paper examined the implications of licensing skins betting and real money wagering on eSports, in addition to other topics.¹³⁰ "In the Commission's view, the regulation of betting on eSports is no different from any other event upon which bets can be placed."¹³¹ The paper went on further to explain that eSports does present unique, but manageable risks including cheating, match-fixing and the risk that people will gamble irresponsibly.¹³²

In March 2017, the UKGC published a second report to establish its policy framework and support for eSports betting in the

¹²⁵ See Online Sports Betting In The United Kingdom, SAFEST BETTING SITES, <https://www.safestbettingsites.com/international/united-kingdom> (last visited Dec. 12, 2020).

¹²⁶ *Id.*

¹²⁷ *Id.*

¹²⁸ *Is eSports Betting Legal In UK and Europe?*, OPENODDS (updated Jan. 09, 2021), <https://openodds.com/esports-betting-legal-uk-europe/>.

¹²⁹ *Id.*

¹³⁰ VIRTUAL CURRENCIES, ESports AND SOCIAL GAMING – DISCUSSION PAPER, UKGC (Aug. 2016), <https://assets.ctfassets.net/j16ev64qyf6l/5KSPqMxzZnmuK87nIjvP0/16b402e60ab5531829514e61e03c566e/Virtual-currencies-eSports-and-social-gaming-discussion-paper-August-2016.pdf>.

¹³¹ *Id.*

¹³² *Id.*

UK.¹³³ After conducting extensive market research, the UKGC concluded that maintaining the public confidence in the integrity of eSports was crucial to fostering a successful betting market.¹³⁴ Otherwise, legislatures would be regulating a gambling market seen as illegitimate and untrustworthy to gamblers. To maintain the integrity of eSports as an entertainment and betting event, the UKGC is relying on oddsmakers and gambling businesses to apply precedent by utilizing the best practices available from other sports.¹³⁵ The UKGC has also observed the public's expressed concern over the lack of a recognized governing body to oversee prominent eSports competitions.¹³⁶

Given the variance in different countries' laws and the international nature of eSports, the industry would benefit from the inception of an organization with a structure akin to the International Olympics Committee (IOC). According to the UKGC, an all-encompassing organization could implement uniform rules and regulations to mitigate the "risk of a fragmented and inconsistent approach to integrity matters" in eSports.¹³⁷ Without this universal governing body, the UKGC has encouraged its licensees to stay vigilant in ensuring that eSports "competitions upon which [betting] markets are offered are effectively managed to mitigate the risk of corruption with its attendant consequences for their consumers."¹³⁸

Regulators in the United Kingdom have looser restrictions regarding gambling on eSports competitions with participants under the age of 18. As previously mentioned, gambling on eSports matches

¹³³ VIRTUAL CURRENCIES, ESPORTS AND SOCIAL CASINO GAMING – DISCUSSION PAPER, UKGC (Mar. 2017), <https://assets.ctfassets.net/j16ev64qyf6l/4A644HIpG1g2ymq11HdPOT/ca6272c45f1b2874d09eabe39515a527/Virtual-currencies-eSports-and-social-casino-gaming.pdf>.

¹³⁴ *Id.*

¹³⁵ *Id.*

¹³⁶ *Id.*; cf. Joost, *Esports Governance and Its Failures*, MEDIUM (Oct. 16, 2017), <https://medium.com/@heyimJoost/esports-governance-and-its-failures-9ac7b3ec37ea> (The International e-Sports Federation (IeSf) and World Esports Association (WESA) are the two most notable attempts to provide a Global Sports Organization (GSO) to govern the eSports industry. Neither of these organizations have been very successful in gaining traction as being perceived by the eSports community as a legitimate all-encompassing governing body.).

¹³⁷ UKGC, *supra* note 130.

¹³⁸ *Id.*

involving minors has been a contentious issue sparking major concern for lawmakers in Spain, Sweden and the United States.¹³⁹ For example, Spain's Directorate-General for the Regulation of Gambling (DGOJ) prohibits licensed sportsbooks from offering odds on any match that are exclusively or predominantly played by competitors under 18.¹⁴⁰ The Spanish gambling regulator claims this was a necessary measure to perform its "civic duty" to protect minor athletes and their sporting events from betting-related activities and to combat match-fixing.¹⁴¹ Sweden's gambling regulator, Spelinspektionen, also recently prohibited betting on the individual performance of participants under the age of 18.¹⁴² The regulator released a statement clarifying that the scope of this new regulation extends to eSports competitions.¹⁴³ Furthermore, Spelinspektionen stated that the new regulations "aim to protect the integrity of youth sports" and it is important to protect minors from those "looking to manipulate games, so-called match-fixing."¹⁴⁴ The UKGC's approval of betting on eSports competitions with under-18 players is influenced by certain laws in the UK authorizing 16-year-olds to engage in some forms of gambling.¹⁴⁵

¹³⁹ Andrews, *supra* note 84.

¹⁴⁰ See Ted Menmuir, *Spain to Outlaw Wagering on 'Under 18' Sports*, SBC NEWS (July 22, 2019), <https://www.sbcnews.co.uk/europe/2019/07/22/spain-to-outlaw-wagering-on-under-18-sports/>.

¹⁴¹ *Id.*

¹⁴² Lewis, *Sweden—Spelinspektionen Clarifies Scope of 2021 Restrictions*, G3 NEWSWIRE (Dec. 3, 2020), <https://g3newswire.com/sweden-spelinspektionen-clarifies-scope-of-2021-restrictions/>.

¹⁴³ See *id.*

¹⁴⁴ Andrews, *supra* note 84.

¹⁴⁵ *United Kingdom 18+ Casinos*, CASINOS 18+, <https://www.casinos18.com/uk/> (UK patrons as young as 16 can legally play the National Lottery, local lotteries, non-commercial games, low stakes games, and enter football pools); *But see* Ted Menmuir, *CAP Sanctions Esports Marketing Review in Response to GambleAware Concerns*, SBC NEWS (Apr. 23, 2020), <https://sbcnews.co.uk/esports-fantasy/2020/04/23/cap-sanctions-esports-marketing-review-in-response-to-gambleaware-concerns/> (in response to gambling charity GambleAware's publication on eSports betting advertising being promoted to underaged people through social media verticals, the Committee of Advertising Practice (CAP), a British agency, is conducting research to help UK licensed betting incumbents to better understand the marketing and promotion of eSports. CAP emphasizes to incumbents that eSports marketing must comply with current standards and rules for gambling advertising).

C. South Korea

South Korea is heralded as the eSports mecca of the world.¹⁴⁶ eSports has a major presence in South Korean mainstream culture, where it is viewed as being more than just fun and video games.¹⁴⁷ Long treated as a legitimate commercial business, South Korea's creation of KeSPA, the eSports regulatory agency, helped develop the country's eSports industry into a global powerhouse.¹⁴⁸ While South Korea's influence on the global eSports industry is unparalleled, its government's approach to eSports gambling has proven to be less progressive. Strict betting laws and regulations have prevented South Korea from establishing any sort of significant eSports gambling market.¹⁴⁹ Law enforcement has implemented extensive internet monitoring to track and sanction violators of South Korea's offshore betting ban.¹⁵⁰ Despite the highly advanced and structured nature of Korean eSports governance, the monopolized Korean gambling sector does not offer eSports betting, thus forcing the betting population to wager with underground sportsbooks. Sports Toto, which offers a very limited number of gambling verticals, is the single approved betting operator in the entire jurisdiction.¹⁵¹

South Korea's rigid betting legislation has bolstered organized crime syndicates' influence on the eSports gambling market, leading to significant cases of match-fixing and corruption.¹⁵² Match-fixing has especially become a concern surrounding illegal Chinese betting websites offering gambling odds on Korean eSports matches and solo

¹⁴⁶ Kathryn Smith, *South Korea – "ESports Mecca"*, CMS2019 LOYOLA MARYMO UNT UNIV. (Apr. 1, 2019), <https://cms2019.lmu.build/countries/korea/south-korea-esports-mecca/>.

¹⁴⁷ *Id.*

¹⁴⁸ *See Esports in South Korea: Why Is It So Popular?*, ESPORTSBET.COM, <https://esportbet.com/why-south-korea-treats-players-like-celebrities/> (last visited Feb. 8, 2021).

¹⁴⁹ *See Bet on Esports In South Korea*, GAMOPO, <https://www.gamopo.com/countries/south-korea/> (last visited Feb. 8, 2021).

¹⁵⁰ *Id.*

¹⁵¹ *Id.*

¹⁵² Byungho Kim & Daniel Kwon, *Illegal Chinese Esports Betting Sites Creep into Korea, Affecting Pro Players in Their Solo Queue Climb*, INVEN GLOBAL (Dec. 8, 2020), <https://www.invenglobal.com/articles/12863/illegal-chinese-esports-betting-sites-creep-into-korea-affecting-pro-players-in-their-solo-queue-climb>.

queues.¹⁵³ Korean eSports competitions have suffered from multiple cases of high stakes match-fixing to the detriment of eSports' global integrity. In 2010, eleven professional StarCraft gamers were banned from KeSPA for a match-fixing scheme.¹⁵⁴ Financial backers, brokers facilitating bribes, and illegal gambling rings are commonly intertwined parties in eSports match-fixing scandals.¹⁵⁵ In 2016, Lee "Life" Seung-Hyun, a once beloved pro-gamer who won the 2014 StarCraft II World Championship Series and a Global StarCraft Championship, was charged and banned from KeSPA for accepting 70 million Korean Won (\$60,900) to intentionally lose two matches.¹⁵⁶ South Korean authorities also charged eight other people in connection with the case.¹⁵⁷

While eSports in South Korea have faced corruption from match-fixing and cheating in the past, KeSPA is constantly evolving and shaping its regulations to better serve the Korean eSports community. Legislators have enacted certain laws and regulations, some specifically covering eSports and others covering the gambling sector in general, that affect the future of eSports and eSports gambling in Korea. For example, the Act on Promotion of E-Sports explicitly designates KeSPA as the institution responsible for selecting and supporting games.¹⁵⁸ By recognizing a central, organized governing body for eSports activity, the Korean government has prioritized industry efficiency and consumer protection. Article 14 of the Act states that in order to promote the international exchange of eSports, the government may provide necessary assistance to the International Esports Federation.¹⁵⁹

¹⁵³ *Id.*

¹⁵⁴ See Daniel Jung, *Olswang on eSports: Lessons from South Korea*, OLSWANG (Apr. 8, 2016), <http://www.olswang.com/articles/2016/03/olswang-on-esports-lessons-from-southkorea/>.

¹⁵⁵ Steven Stradbroke, *South Korean eSports World Rocked by Latest Match Fixing Scandal*, CALVINAYRE.COM (Oct. 19, 2015), <https://calvinayre.com/2015/10/19/casino/south-korean-esports-match-fixing-scandal/>.

¹⁵⁶ *Starcraft 2: E-sport Stars Charged with Match Fixing*, BBC NEWS (Apr. 25, 2016), <https://www.bbc.com/news/technology-36131238>.

¹⁵⁷ *Id.*

¹⁵⁸ Coraggio et al., *supra* note 102, at 98.

¹⁵⁹ *Id.*

In the 2016 *GoDan* 892 decision, the Changwong District Court interpreted Article 314 of the Korean Criminal Code to mean that a person who interferes with the business of a tournament organizer by fixing the outcome of a match or other fraudulent means is subject to criminal penalties.¹⁶⁰ Furthermore, the 2016 *GoDan* 4257 decision interpreted Article 317 to impose criminal penalties on a person who defrauds a betting company by fixing the outcome of a match to obtain a financial gain.¹⁶¹ While the foregoing laws do not apply to the legality of eSports betting, they serve as a legal framework for combatting match-fixing and corruption issues within the competitive eSports industry.

V. PROPOSAL: A BALANCED APPROACH TO ESPORTS BETTING REGULATION

For years, the American people have maintained a strong appetite for sports betting.¹⁶² Despite federal laws essentially banning the activity in nearly every state during the 20th and early 21st century, Americans have consistently pursued illegal avenues to place wagers on sporting events.¹⁶³ The birth of the internet and online gambling platforms has made betting on sports easier and more accessible than ever.¹⁶⁴ Despite its illegality, over the past couple decades US citizens have placed millions of wagers on offshore sportsbooks, such as Bovada, with minimal interference from the state or federal government.¹⁶⁵ In fact, the American Gaming Association estimates between \$100 - \$150 billion is illegally wagered annually.¹⁶⁶ Whether such illegal gambling takes place through offshore websites or

¹⁶⁰ *Id.* at 99.

¹⁶¹ *Id.*

¹⁶² *History of Sports Betting in the USA*, *supra* note 60.

¹⁶³ *Id.*

¹⁶⁴ See Joey Shadeck, *Online Sports Betting: US Regulated v. Offshore Sportsbooks*, BETTING BUCK (Feb. 11, 2021), <https://www.bettingbuck.com/guides/legal-vs-offsho-re-sportsbooks>.

¹⁶⁵ *Id.*

¹⁶⁶ See *id.*; see also Howard Gleckman, *Six Reasons Why States Shouldn't Be Counting Their Sports Betting Revenue Yet*, TAX POL'Y CTR. (May 16, 2018), <https://www.taxpolicycenter.org/taxvox/six-reasons-why-states-shouldnt-be-counting-their-sports-betting-tax-revenue-yet>.

neighborhood bookies, this demand could be served by regulated and licensed sportsbooks within the US once favorable legislation is implemented.

eSports' surging popularity in mainstream culture is a phenomenon largely arising from consumers' evolving interests during the digital age. Taken together, eSports' growing popularity and the sports gambling market's increased accessibility has created a worldwide demand for eSports betting.¹⁶⁷ While many states have swiftly approved and enacted sporting betting regulations, few have approved eSports wagering, and some have expressly banned eSports wagering altogether.¹⁶⁸ On the other hand, various foreign jurisdictions have embraced the eSports betting industry and enacted favorable regulatory frameworks accordingly. For state legislatures considering approving eSports betting, these existent frameworks can serve as useful guidelines for administering the most effective laws.

Different states could have varying motivations for driving to approve eSports betting. One of the major incentives for legalized sports betting is the state tax revenue generated from GGR.¹⁶⁹ States with legalized sports betting have experienced steady increases in their total handle and tax revenues.¹⁷⁰ While appealing to consumers is crucial for growing an individual state's gambling market, competing for sportsbooks' business is just as important. For states with existing sports betting tax rates, including eSports as an approved gambling vertical would bolster tax revenues and attract new gaming licensees. However, unlike Isle of Man's extremely operator-friendly tax rates on gross gambling yield (GGY), the current most prominent sports betting states enforce GGR tax rates anywhere between 6.75% - 51%.¹⁷¹ States pursuing legalized sports betting for the first time should consider enforcing a low-rate tax framework akin to that enforced by Isle of Man.

¹⁶⁷ Booker, *supra* note 101.

¹⁶⁸ *Id.*

¹⁶⁹ *Legal Sports Betting Revenue Tracker*, LEGAL SPORTS BETTING (updated Dec. 9, 2020), <https://www.legalsportsbetting.com/revenue-tracker/>.

¹⁷⁰ *Id.*

¹⁷¹ Ulrik Boesen, *Sports Betting Might Come to a State Near You*, TAX FOUNDATION (Mar. 3, 2020), <https://taxfoundation.org/legal-sports-betting-states/>.

Indeed, this legislative framework would sacrifice GGR tax revenue, but it would attract start-up sportsbooks, including eSportsbooks, who seek online gaming licenses. Furthermore, jurisdictions who attract eSportsbooks' business as licensed operators could foster a positive reputation within the eSports community and additionally benefit from economic opportunities such as eSports tournaments and events. The gaming taxes in Isle of Man and Malta have contributed to these jurisdictions' strong competitive edge in licensing remote gaming operators,

especially those serving the eSports market.¹⁷² Although the Wire Act restricts betting operators' ability to receive interstate or remote wagers, low GGR tax regulations and business-friendly laws could at least promote economic activity within individual states.¹⁷³ With the eSports gambling market in its infancy, enacting this style of tax structure could be a driving force for building an American hub for the industry.

Individual states should also consider clarifying the statutory definition of "eSports". For example, in the Northern Territory of Australia, eSports official competitions or tournaments are a 'declared sport' for the purposes of bookmaking licenses.¹⁷⁴ This is the only Australian jurisdiction to make such a declaration to date.¹⁷⁵ In many states with legalized sports betting, the current legal status of eSports betting is unclear.¹⁷⁶ For the sake of legal transparency, state legislators should spell out whether professional eSports competitions are recognized as authorized sporting events. Otherwise, legal grey areas will persist and could drive away risk-averse betting companies and gamblers. The UKGC's publications on eSports affairs delivered a

¹⁷² See Maria Debrincat, *The New Maltese Gaming Tax Regulations: Has the Competitive Edge Been Retained?*, SIGMA (Nov. 17, 2020), <https://www.sigma.com.mt/news/the-new-maltese-gaming-tax-regulations-has-the-competitive-edge-been-retained>; see also *Esports Entertainment Group Receives Malta Gaming License*, GLOBENEWSWIRE (May 13, 2020), <https://www.globenewswire.com/news-release/2020/05/13/2032575/0/en/Esports-Entertainment-Group-Receives-Malta-Gaming-License.html>.

¹⁷³ *What Is the Federal Wire Act?*, *supra* note 73.

¹⁷⁴ Coraggio et al., *supra* note 102, at 10.

¹⁷⁵ *Id.*

¹⁷⁶ *Legal Esports Betting*, *supra* note 95.

transparent report of regulators' perception of the industry.¹⁷⁷ By declaring eSports as an "authorized sporting event" or the statutory equivalent, state lawmakers could simplify the process of expanding existing gambling laws.

Furthermore, gaming commissions in jurisdictions with legalized eSports betting should establish a clear protocol for obtaining eSports gambling licenses. State regulators could require that eSports gambling operators obtain a supplemental license for offering odds on eSports competitions. Although, gaming commissions in Isle of Man and Nevada have successfully administered turnkey gambling licenses, covering all online gambling verticals including eSports.¹⁷⁸ For the sake of logistical convenience, the licensing process would be simplified by enabling a prospective gambling operator to obtain an all-inclusive gaming license.

If a given state is considering approving eSports betting, that state's gaming commission should also consider developing an eSports-focused division to assist in implementing a regulatory framework. Akin to Digital Isle of Man's eSports division, such a department can deliver industry insights and guidance for eSports gambling oversight in ways that experts of traditional betting sports are less capable of providing.¹⁷⁹ Wagering on minors, skins gambling, match and tournament integrity, and eSports governing commissions are all pertinent issues that eSports industry specialists can aid lawmakers and regulators in navigating.¹⁸⁰ For states that embrace eSports wagering, implementing regulations that equally protect and build trust with consumers while also promoting business activity is vital for growing a stable market.

An eSports division within a state's gaming commission could enhance market growth while simultaneously developing a modern regulatory framework. Furthermore, the intricacies of competitive gaming and its contrast from the betting markets of traditional sports present a wide learning curve for major bookmakers.¹⁸¹ Therefore, a

¹⁷⁷ UKGC, *supra* note 130.

¹⁷⁸ *Nevada Gambling License*, GT OFFSHORE SHIELD, <https://offshoreshield.globaltradersacademy.org/en/gambling-license/nevada/>.

¹⁷⁹ *Esports*, *supra* note 116.

¹⁸⁰ Andrews, *supra* note 84.

¹⁸¹ Luongo, *supra* note 42.

knowledgeable eSports division can enlighten unfamiliar bookmakers on eSports betting innovation and offer insights to the market's audience and nuances.¹⁸² By supporting licensed bookmakers who are interested in offering eSports betting, gaming commissions will increase market growth.¹⁸³

People would likely feel more comfortable wagering with eSportsbooks that are regulated by gaming commissions with a deep knowledge of the eSports industry. With dependable regulations, states with legalized eSports betting should see faster market growth than if the activity were stuck in the unregulated sector.¹⁸⁴ Similar to the UKGC's eSports position papers, state gaming commissions should also consider publishing reports on global developments within the eSports industry.¹⁸⁵ With eSports' explosive global growth, the industry is constantly evolving in ways that should demand domestic gambling regulators' attention. To ensure the protection of both gamblers and operators, state regulators must stay informed on the status of significant eSports matches, leagues, and tournaments that are worthy of offering wagering options. If an eSports league is discovered to be riddled with match-fixing, regulators could restrain licensed operators from posting odds for the corrupted league.

A recent example of an eSports betting market suspension came in early 2020 when the results of the NBA 2K20 Players Tournament were leaked online while the wagering market for the contest was still open.¹⁸⁶ While bookmakers were under the impression the tournament would be aired live on ESPN, it was determined that the matches were instead pre-recorded, resulting in a compromised betting market.¹⁸⁷ While gaming commissions do not intend to regulate or interfere with betting activities which do not pose a risk to licensing objectives or consumer protection, the potential for harm from fraudulent eSports contests should not be overlooked.¹⁸⁸

¹⁸² *Id.*

¹⁸³ *Id.*

¹⁸⁴ Andrews, *supra* note 84.

¹⁸⁵ UKGC, *supra* note 130.

¹⁸⁶ Joe Streeter, *Betting Markets Suspended on NBA 2K Players Tournament*, SBC AMERICAS (Apr. 7, 2020), <https://sbcamericas.com/2020/04/07/nba-2k-players-tournament-betting-markets-suspended-after-leaks/>.

¹⁸⁷ *Id.*

¹⁸⁸ *See* UKGC, *supra* note 130.

Requiring state gaming commissions to establish an exhaustive list of approved eSports contests for gambling operators can be an effective approach for risk mitigation. For a less restrictive approach, state legislators might allow bookmakers to independently decide which contests to offer betting odds for, while requiring the governing body to regularly update a noncompulsory list of approved eSports contests to guide licensees. Another alternative is the method currently employed by the New Jersey Division of Gaming Enforcement (DGE). Prior to accepting wagers on any eSports contest, individual operators must gain approval from the DGE by submitting a request to accept wagers on the specific contest.¹⁸⁹ The New Jersey DGE also publishes an informational report to provide a list of currently approved leagues and events for sports wagering.¹⁹⁰ This submittal process gives the gaming commission an opportunity to perform due diligence on the proposed contest for wagering purposes. And collaborating with associations like the Esports Integrity Commission (ESIC) can give state regulators the confidence and comfort needed to approve eSports betting applications.¹⁹¹

Significant factors for approving an eSports contest for wagering include whether a managing body like KeSPA governs an eSports contest's rules and regulations, whether a contest includes competitors under 18 years old, and whether the competition organizer(s) and contest itself have respectable histories of integrity. Enabling gaming commissions to conduct a thorough review of a prospective eSports contest's authenticity prior to approving wagering could enhance business and consumer protection from potentially fraudulent activities.

¹⁸⁹ Field Level Media, *New Jersey Approves Betting On CS:GO Tournament*, REUTERS (Sept. 1, 2020), <https://www.reuters.com/article/esports-csgo-wagering-new-jersey/new-jersey-approves-betting-on-csgo-tournament-idUSFLM9lvSW0>.

¹⁹⁰ See APPROVED LEAGUES/EVENTS FOR SPORTS WAGERING, N.J. DEP. OF LAW AND PUB. SAFETY, DIV. OF GAMING ENFORCEMENT (updated Jan. 11, 2021), <https://www.nj.gov/oag/ge/docs/SportsBetting/ApprovedEventsList.pdf>.

¹⁹¹ The ESIC was created to safeguard the integrity of eSports matches. The ESIC builds relationships with publishers, developers, and event organizers to help ensure that important stakeholders like tournament operators, bookmakers, and government officials are abiding by anti-corruption codes and regulations.

An unwavering eSports gambling issue that must be addressed by state legislators is the inclusion of competitors under 18 years of age in eSports contests. Gambling on any sport involving minors is heavily frowned upon in the United States.¹⁹² This principle is exemplified by the fact that neither the federal government nor any state governments allow betting on high school sports.¹⁹³ However, eSports is unique in that many of its professional players are younger than 18 years old. Consequently, it is difficult to avoid this issue when regulating eSports betting. As discussed previously in this Note, moral and ethical concerns regarding underaged competitors likely factored into Indiana legislators' decision to legalize eSports betting altogether. Legislations currently wrestling with the underaged competitor issue might consider the betting laws in foreign jurisdictions like the United Kingdom, Spain and Sweden before completely banning the activity. In support of this notion, consider New Jersey Bill A637 currently being legislated by state officials. Upon passage, this bill would enable New Jersey sportsbooks to accept wagers on approved eSports events, held in the United States or abroad, with the *majority* of competitors over the age of 18.¹⁹⁴ From a gambling perspective, this legal framework would treat eSports in a similar manner to international soccer and Olympic sports where competitors are often under the age of 18.¹⁹⁵ Ultimately, this legislation could set an important precedent by distinguishing betting on high school athletics from betting on professional eSports competitions. Such a distinction might help other American lawmakers navigate this area of friction for legalized eSports betting.

VI. CONCLUSION

The astronomical growth of the eSports industry in the United States has captured the interest of gambling companies and regulators

¹⁹² See Andrews, *supra* note 86.

¹⁹³ *Id.*

¹⁹⁴ N.J. A637, 219th Leg., 637th Assemb., Reg. Sess. (N.J. 2020), <https://legiscan.com/NJ/text/A637/2020>.

¹⁹⁵ Mike Epifani, *New Jersey Esports Betting: Where and How You Can Bet on Esports*, GAMING TODAY (Feb. 1, 2021), <https://www.gamingtoday.com/news/new-jersey-esports-betting/>.

alike. Furthermore, the surge of eSports investment and sponsorship indicates the market's confidence that eSports are not just short-term phenomena but legitimate professional sports competitions with the potential of becoming an establishment in mainstream American culture. Collectively, eSports' soaring popularity and the increasing accessibility of sports betting platforms have created a new opportunity for the gambling industry.

This Note explored both the risks and benefits associated with legalizing eSports gambling. Modernized regulatory frameworks that provide equal protection and opportunity for consumers and businesses have helped cultivate the success of legalized eSports betting regimes in foreign jurisdictions. Additionally, eSports divisions within gaming commissions have proven useful by counseling legislators on the unique challenges posed by eSports. As individual American states implement sports betting laws and regulations, both foreign and domestic legal frameworks can serve as guides for carrying out a balanced and informed approach to eSports gambling.