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# **COMMERCIAL ARBITRATION: RESOLVING DISPUTES RELATED TO IMAGE RIGHTS, SPONSORSHIP DEALS, AND BROADCASTING CONTRACTS IN PROFESSIONAL FOOTBALL**

AUTHORED BY - KARTIKEYA NAIR

## **Abstract:**

Sports is said to have a history that goes back at least 3,000 years. <sup>1</sup>Football which is considered the most watched sport which has developed over time into a global multi-billion-dollar industry, where the economic aspects of the game such as image rights, sponsorship deals, and broadcasting rights play a gigantic role in determining the financial side of this. These factors not only accrue a huge amount of money for the players, clubs, their agents and other entities but also form intricate legal dilemmas. With the commercial interests increasing, the conflicts often arise between major stakeholders such as players, their representatives, the clubs, the sponsors, and the broadcasters, requiring effective and specialized conflict resolution mechanisms.<sup>2</sup>

This paper offers an exhaustive examination of commercial arbitration as a main solution of the resolution of such disputes, with a major emphasis on the role of the **Court of Arbitration for Sport (CAS)** and FIFA's dispute bodies. It explores the legal regimes of arbitration in football, their implementation in disputes arising over player image rights, sponsorship agreements, and also the television broadcasting rights. Through an examination of key arbitration cases and case study's, this paper attempts it's best to identifies the most pivotal legal principles that governs the present dispute resolution system in predominantly the football industry and assess the efficacy of arbitration in providing fair and timely adjudication. In addition, the paper critically evaluates that whether the current arbitration structures are sufficiently protecting the interests of all stakeholders or need a structural overhaul to suit better the increasingly dynamic commercial context of contemporary football. Through such an

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<sup>1</sup> Indian Journal of Integrated Research in Law, <https://ijirl.com/wp-content/uploads/2024/04/A-CONTEMPORARY-ANALYSIS-OF-SPORTS-ARBITRATION-IN-INDIA.pdf> (last visited Apr. 3, 2025)

<sup>2</sup> Lawctopus, <https://www.lawctopus.com/academike/the-role-of-arbitration-in-sports-law/> (last visited Apr. 3, 2025)

examination, the paper attempts to contribute towards the existing discussion of improving the legal and regulatory structures that frame commercial disputes in professional football.

### **A. Introduction to the paper**

Sports and reconciliation games as we know and love has gone from simple fun-loving activities to a global business that makes up more than 3% of all trade globally. Nearly half a million people work in the sports sector in the UK in which football holds the majority share, making it one of the biggest industries in the world in terms of income generation, making the link between law and sports more and more complicated these days. The Swiss law is known for handling the disputes related to contractual agreements like image rights, player-agent contracts, player-club contracts, broadcasting rights, licensing, merchandising, and the other commercial deals. These disputes are governed by Swiss law. The economic interests are greater than ever seen before, with leading clubs earning revenues in the billions of US dollars from commercial sponsorships, gate revenues, and other online channels. As per Deloitte's Football Money League, the world's wealthiest clubs, including **Real Madrid, Manchester United, Manchester City, Barcelona, Bayern Munich and Liverpool** which are heavily dependent on commercial revenues, with broadcasting rights and sponsorships making significant contributions to their coffers.<sup>3</sup>

Moreover, football clubs and institutions enter into a range of commercial arrangements, from sponsorship with multinational corporations such as Nike, Adidas, and Emirates to high-value television broadcasting rights with channels such as Sky Sports, DAZN and others. The globalization of football has also seen huge investments from private equity companies, state-owned institutions, and corporate conglomerates, further adding to the complexity of commercial transactions in the sport.

The Growing Significance of Arbitration in the Resolution of Financial and Commercial Disputes With the growth of football as an international business, financial and contractual disputes have also increased. Cases involving breach of sponsorship contracts, broadcasting rights disputes, player transfer-related conflicts, and financial fair play (FFP) rules have created a necessity for efficient mechanisms of dispute resolution. Arbitration has proven to be an important tool in resolving disputes owing to its efficiency, confidentiality, and expert-oriented

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<sup>3</sup> Lawctopus, <https://www.lawctopus.com/academike/the-role-of-arbitration-in-sports-law/> (last visited Apr. 3, 2025)

approach.

The Court of Arbitration for Sport (CAS) plays an important part in resolving conflicts in football. CAS, with its headquarters located in Lausanne, Switzerland, has the jurisdiction to preside over various types of cases, ranging from contractual disputes among clubs and players, sponsorship issues, to disciplinary cases involving infringement of FIFA, UEFA, and national association laws.<sup>4</sup>

Football governing bodies, such as FIFA, UEFA, and national federations, often include arbitration clauses in contracts to ensure that disputes are settled through independent arbitration rather than traditional litigation, which can be time-consuming and publicly damaging. The increasing complexity of financial arrangements, including multi-club ownership models and investment deals, has further solidified arbitration as a preferred method of resolving disputes efficiently.<sup>5</sup>

Importance of Arbitration in Safeguarding Contractual Agreements, Arbitration is crucial in safeguarding the integrity of football contracts. With the numerous commercial deals among players, clubs, sponsors, and governing bodies, arbitration ensures a formalized and enforceable means of settling disputes while keeping legal ambiguities to a minimum. Some of the most significant benefits of arbitration in football contracts are:

**Confidentiality** – In contrast to public court hearings, arbitration permits disputes to be resolved in secret, safeguarding the image of clubs, players, and stakeholders.

**Expert Decision-Making** – Arbitration tribunals typically comprise experts who have extensive expertise in football regulations, commercial agreements, and money laws, resulting in equitable and well-informed decisions.

**Enforceability** – FIFA and CAS decisions are respected worldwide, with arbitration awards being binding and enforceable in any jurisdiction.

**Time and Cost Efficiency** – Arbitration tends to be quicker and cheaper than conventional

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<sup>4</sup> Aceris law, <https://www.acerislaw.com/sports-arbitration-certain-unique-features-and-the-court-of-arbitration-for-sport-the-cas/> (last visited Apr. 5 ,2025)

<sup>5</sup> Indian Journal of Integrated Research in Law, <https://ijirl.com/wp-content/uploads/2024/04/A-CONTEMPORARY-ANALYSIS-OF-SPORTS-ARBITRATION-IN-INDIA.pdf> (last visited Apr. 3 ,2025)

litigation, minimizing legal and financial burdens on parties.

Finally, as commercialization of football keeps unfolding, the role of arbitration in upholding contract integrity and mediation is now more important than ever. Arbitration is a bedrock for stability and confidence in the world of football through such institutions as CAS and FIFA's mechanisms for resolving disputes. Arbitration ensures commercial relationships remain strong and legally sound.

## **B. Football Arbitration of Image Rights Disputes**

In contemporary football, image rights mean the commercial exploitation of a player's name, image, signature, and personal brand for sponsorship and marketing like Cristiano Ronaldo etc. These rights are an important source of a player's income as they enable clubs, sponsors, and brands to generate revenue from a player's public image. For top football players such as Cristiano Ronaldo, Lionel Messi, and Neymar Jr., image rights earn millions in a year through endorsement deals with international brands such as Nike, Adidas, Pepsi, Lays, gambling companies and EA Sports [FIFA and pes]. Image rights deals are usually negotiated by clubs to exploit players' images for the sale of merchandise, advertising, and promotional materials like the club kits etc. From a tax perspective, the players usually establish standalone image rights companies to administer these contracts to minimize tax burdens and achieve contractual simplicity. Disputes, though, frequently occur among players, clubs, and sponsors regarding the breadth, exclusivity, and compensation terms of such contracts, hence the arbitration cases. Case Studies of some High-Profile Image Rights Disputes are as follows:

### **1. Cristiano Ronaldo and Image Rights Conflicts**

Cristiano Ronaldo has been embroiled in several image rights controversies during his playing career. When he moved from Manchester United to Real Madrid in 2009 which at that time was considered to be the biggest transfer in the footballing world, there were major contractual problem over who owned his image rights.

Real Madrid at that time and still are known to keep 50% of a player's image rights to the gain maximum number of commercial benefits. But Ronaldo, with his lucrative endorsement deals with Nike, Herbalife, and others, wanted more control over his image as to maintain his profits and his reputation in the market. The dispute was ultimately settled through negotiations, with Ronaldo securing a larger percentage of his image rights compared to other Real Madrid players till this day. A similar dispute

emerged when he moved to Juventus in 2018, requiring arbitration over the redistribution of image rights revenue between the club and his sponsors etc.<sup>6</sup>

## 2. Lionel Messi's Tax and Sponsorship Disputes

Lio Messi's image rights issues have been both contractual and legal. Messi and his father who was also his agent were convicted of tax fraud over income from his image rights in 2016. They had established offshore companies to deal with sponsorship agreements with Adidas, Pepsi, Lays and others, which resulted in a €4.1 million fine and a 21-month suspended prison sentence.<sup>7</sup>

Speaking From an arbitration perspective, Messi has negotiated absolute control of his image rights in club deals so that he was able maintain significant earnings from endorsements without interference from clubs. His Paris Saint-Germain (PSG) contract contained intricate clauses that enabled PSG to utilize his image for promotional use while maintaining his personal sponsorship agreements.

## 3. Neymar Jr. vs. Barcelona – Unpaid Image Rights Bonuses

Neymar Jr. has been involved in several image rights controversies through the years, including the most recent one with Barcelona following his transfer to PSG in 2017. Neymar and his lawyers contended that Barcelona had owed €26 million in outstanding image rights bonuses related to his contract renewal prior to his departure for PSG. Barcelona responded that Neymar had broken his contract by early departure and filed a lawsuit to recover a portion of the bonus.

The dispute was later resolved through arbitration, with Barcelona triumphing in the case and ordering Neymar to repay €6.7 million.<sup>8</sup>

## 4. Real Madrid's Image Rights Clause – A Unique Approach to the game

Real Madrid has a different policy with regards to image rights in players' contracts as we have already mentioned in Cristianos case. Unlike other clubs like Barcelona and Liverpool, Madrid generally reserves 50% of a player's image rights to take advantage

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<sup>6</sup> TNT Sport, [https://www.tntsports.co.uk/football/liga/2015-2016/cristiano-ronaldo-signs-image-rights-deal-with-businessman-peter-lim\\_sto4800746/story.shtml](https://www.tntsports.co.uk/football/liga/2015-2016/cristiano-ronaldo-signs-image-rights-deal-with-businessman-peter-lim_sto4800746/story.shtml) (Last visited Apr.6, 2025)

<sup>7</sup> The Guardian <https://www.theguardian.com/football/2016/jul/06/lionel-messi-barcelona-prison-21-months-tax-fraud> (Last visited Apr.6, 2025)

<sup>8</sup> Bleacher Report <https://bleacherreport.com/articles/2761126-neymar-complaint-over-unpaid-barcelona-bonus-wont-result-in-fifa-action> (Last visited Apr.6, 2025)

of commercial transactions.<sup>9</sup>

This policy has resulted in disputes with a lot of its players and agents who want more control over image rights revenue. Players with international commercial value, such as Ronaldo and most recently Kilyan Mbappe, have negotiated special dispensations to obtain a greater percentage of their image rights in their respective contracts.<sup>10</sup>

Although the majority of players agree with Madrid's policy, it is a major point of negotiation in contract extensions and transfers as it was seen in the Kilyan Mbappe transfer saga which was one of the key issues why this transfer took nearly 5 years to be penned down.<sup>11</sup>

Arbitration boards, such as those operated by FIFA, UEFA, and the Court of Arbitration for Sport (CAS), also have an important function in settling image rights conflicts. Their main concern is:

Contract Interpretation – Arbitration boards review the precise language of image rights contracts to decide on the extent of club and player rights. Fair Compensation – In case a club is determined to have unfairly withheld payments for image rights, arbitrators impose monetary settlements. Jurisdiction & Legal Precedents – Panels take into account national and international law to ensure that rulings keep in line with tax laws, labour legislation, and FIFA regulations. Confidentiality & Efficiency – As image rights cases usually incorporate personal financial information, arbitration provides for secret resolution as opposed to public court proceedings.

For example, during Ronaldo's conflict with Real Madrid, arbitrators concentrated on the relationship between club income and player individual endorsements. Likewise, in the case of Neymar, CAS concentrated on contractual terms and breach sanctions.

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<sup>9</sup> Sports law & taxation, <https://sportslawandtaxation.com/news/654-real-madrid-sell-their-internet-image-rights> (Last visited Apr.6, 2025)

<sup>10</sup> The Guardian, <https://www.theguardian.com/football/2009/jun/17/cristiano-ronaldo-real-madrid-image-rights-row> (Last visited Apr.6, 2025)

<sup>11</sup> The Guardian, <https://www.theguardian.com/football/2009/jun/17/cristiano-ronaldo-real-madrid-image-rights-row> (Last visited Apr.6, 2025)

### **C. Sponsorship and Endorsement Disputes in Football Arbitration**

Sponsorship and endorsement contracts are crucial to the financial viability of football, with clubs, leagues, and players relying significantly on income from corporate sponsorships. These contracts span a wide variety of commercial activities, such as:

- The kit sponsorships (e.g., Adidas with Liverpool, Nike with Barcelona)
- Stadium naming rights (e.g., Etihad Stadium for Manchester City, Emirates stadium for Arsenal)
- Official sponsorships (e.g., Coca-Cola and Visa's long-term deals with FIFA)
- Individual endorsements by players (e.g., Cristiano Ronaldo with Nike, Lionel Messi with Adidas)

For clubs, these agreements are worth hundreds of millions per year. Manchester United's 10-year, £750 million Adidas contract, for instance, is said one of the highest paying kit deals in history. Players also make large amounts from endorsements; in 2023, Cristiano Ronaldo was reported to have made more than \$60 million from endorsements alone from brands like whoop etc.

But sponsorship contracts can result in contractual differences among clubs, players, and brands. Such disputes usually occur as a result of breach of contract, brand disagreements, or reputational issues, and therefore arbitration becomes a key in resolving these disputes effectively.

Some Notable Arbitration Cases between Clubs, Sponsors, and Players are as follows:

#### **1. Nike vs. Neymar – Breach of Endorsement Contract**

One of the most publicized sponsorship cases involved Nike and Neymar Jr.

Neymar had been contracted by Nike for more than 15 years, making several extensions to his contract, but Nike in 2020 suddenly cut ties with Neymar over an alleged violation of ethical provisions in their contract. Later reports indicated the misunderstanding was over an internal probe involving allegations of misconduct, which Neymar did not confirm and were mostly considered to be rumours.<sup>12</sup>

Neymar later went on to sign a new high-profile deal with Puma, prompting Nike to initiate arbitration claims over breaches of contract and monetary losses. The case pointed out that endorsement deals have morality clauses, enabling sponsors to cancel

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<sup>12</sup> The New York Times, <https://www.nytimes.com/2021/05/27/sports/soccer/neymar-nike.html> (Last visited Apr.9, 2025)

contracts if an athlete's conduct damages their brand image.

## 2. Puma vs. Clubs – Multi-Club Sponsorship Disputes

Puma, a global giant in sports brands especially in the field of football, has had several arbitration disputes with clubs over breach of sponsorship contracts:

Puma sued Borussia Dortmund a club playing the first division German league in 2019 after the club revealed a new kit agreement with Nike while it still had a contract with Puma. Similarly, Puma complained that Olympique de Marseille a club playing in the first division French League had broken exclusivity agreements by engaging with a rival brand while its agreement was still pending expiration.<sup>13</sup>

In these two instances, the arbitration boards decided that clubs needed to comply with contractual schedules and exclusivity protections, further securing the binding agreements of sponsorship arrangements.

## 3. Liverpool vs. New Balance – Kit Supplier Row

Liverpool FC was party to a significant contractual arbitration dispute when it changed its kit sponsors to Nike from New Balance in 2020 after securing their nineteenth league title.

New Balance brought suit against Liverpool, alleging that they had a contractual right of first refusal as part of their renewal clause to match Nike's offer.

Liverpool contended that there was no way New Balance could match Nike's international distribution capabilities, including with top-of-the-line athletes like LeBron James who also holds some shares of the club.

The case was heard at the High Court in London, and it decided in Favor of Liverpool, permitting the club to move forward with Nike as its new kit sponsor.

This case created a legal precedent for interpreting "matching clauses" in sponsorship deals, focusing not only on money but also the strategic commercial presence of brands such as distribution, quality, manufacturing rate etc.<sup>14</sup>

## 4. Barcelona vs. Qatar Airways – Termination of Sponsorship

Barcelona's dispute with Qatar Airways over shirt sponsorship was another high-profile

<sup>13</sup> Forbes, <https://www.forbes.com/sites/zakgarnerpurkis/2021/09/29/why-pumas-borussia-dortmund-jersey-controversy-was-a-risk-worth-taking/> (Last visited Apr.9, 2025)

<sup>14</sup> The Guardian, <https://www.theguardian.com/football/2019/oct/25/liverpool-fc-allowed-to-drop-new-balance-for-nike-court-rules> (Last visited Apr.9, 2025)

arbitration case:

Barcelona had agreed a €100 million-a-year sponsorship contract with Qatar Airways. The club sought to end the contract prematurely due to political and ethical reasons, citing reputational damage as the airlines was owned by the State and during the particular period Qatar was facing Global backlash for human right's violation.<sup>15</sup>

Qatar Airways initiated a court claim on the grounds that Barcelona had breached contractual terms. The dispute was resolved through arbitration, with an out-of-court payment to Qatar Airlines by Barcelona permitting them with an early contractual break.

#### **D. Television and Online Streaming Broadcasting Rights and Arbitration**

Television and online streaming play a vital role in Football's Economic Framework as TV and online streaming broadcasting rights are considered to be amongst one of the most important revenue streams in international football. Leagues, tournaments, cup games friendly matches and etc make the clubs depend greatly on broadcasting contracts to maintain financial prosperity, finance player transfers in the transfer markets, and improve the standard of the game overall.<sup>16</sup>

The Main Financial Contribution of Broadcasting Rights to Football are as follows:

**-League Revenues:** Leading leagues such as the English Premier League (EPL), La Liga [of Spain], and The Epitome of club football at the European level “The UEFA Champions League” rake in billions of Us Dollars each year from broadcasting rights sales.

**-Club Earnings:** Clubs gain substantially from broadcasting revenue sharing, with certain clubs making more than 50% of their revenues from broadcast rights.

**-Global Expansion:** Broadcasting contracts have contributed to football's globalization, with leagues being able to obtain enormous contracts in foreign markets (e.g., the Premier League's \$6.3 billion international Broadcasting rights contract alone).<sup>17</sup>

Issues such as contract breaches, revenue sharing disputes, and exclusivity rights are usually

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<sup>15</sup> Sports & rights Alliance, <https://sportandrightsalliance.org/barcelona-football-club-ituc-appeals-to-voting-members-and-fans-to-reject-qatar-airways-deal/> (Last visited Apr. 13, 2025)

<sup>16</sup> Lawinsports <https://www.lawinsport.com/topics/features/item/legal-issues-in-the-international-distribution-of-sports-media-rights> (Last visited Apr. 13, 2025)

<sup>17</sup> The Athletic, <https://www.nytimes.com/athletic/5111541/2023/12/04/premier-league-television-rights-deal/> (Last visited Apr. 13, 2025)

areas of contention for arbitration cases for leagues, clubs, and the broadcasters.

Some significant Arbitration Cases Between Leagues, Clubs, and Broadcasters are as follows:

1. UEFA vs. Broadcasters – TV Rights Disputes and Licensing Disputes

Several disputes have arisen for UEFA pertaining to TV rights, especially where there is unauthorized sublicensing as well as breach of contract.

In 2021, UEFA was engaged in arbitration with beIN Sports and Canal+, as Canal+ attempted to resell Champions League rights to another broadcaster in breach of exclusivity clauses. UEFA then pursued legal action to safeguard its licensing deals, ensuring broadcasters complied with contractual obligations and did not redistribute rights unfairly.

Arbitration tribunals sided with UEFA, upholding the need for strict adherence to broadcasting contracts.

2. Premier League TV Rights Disputes – Domestic & International Conflicts

The English Premier League (EPL) which is said to be the most watched league, and also being one of the most commercially lucrative leagues in the world, has encountered several TV rights disputes throughout the year some of them are as follows:

2019: Premier League vs. beIN Sports & Saudi Arabia (beoutQ Piracy Case)

The Middle East broadcasting dispute was triggered when beoutQ, a Saudi-backed network, pirated beIN Sports' sole EPL broadcasts.

The case resulted in international arbitration, with FIFA and UEFA backing beIN Sports in pursuing financial recompense for rights breaches.

The World Trade Organization (WTO) gave the judgement against Saudi Arabia, determining that it had failed to act against illegal streaming, resulting in diplomatic tensions and commercial consequences.<sup>18</sup>

2020: Premier League vs. Chinese Broadcaster PPTV

In 2020, the Premier League cancelled its \$700 million TV rights agreement with PPTV (Chinese broadcaster) because of payment defaults during the COVID-19 pandemic.

PPTV claimed that the league did not revise agreement conditions amid the effects of the pandemic on live matches.

The matter was taken to arbitration, and the Premier League emerged victorious,

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<sup>18</sup> The New York Times, <https://www.nytimes.com/2019/09/16/sports/fifa-beoutq-premier-league-uefa.html> (Last visited Apr. 13, 2025)

compelling PPTV to compensate for agreement violations.<sup>19</sup>

### 3. La Liga vs. Mediapro – TV Rights Auction Dispute

La Liga has long been embroiled in disagreements with media corporations regarding the distribution of broadcasting rights.

Spanish media corporation Mediapro sued La Liga in 2016 when the league altered its broadcasting model, affecting Mediapro's exclusive agreements.

Arbitration held that La Liga was entitled to reform its rights auction system, provided it was done in accordance with competition laws and good bidding procedures.

This case established a precedent for the way leagues may restructure TV rights deals without breaching contracts.<sup>20</sup>

The Use of Arbitration to Settle Contract Violations and Revenue-Sharing Disputes Arbitration is essential in settling Broadcasting rights conflicts because of the enormous financial stakes and transnational complexities involved. Arbitration panels such as the Court of Arbitration for Sport (CAS), national arbitration institutions, and international trade courts that assist in resolving conflicts through them:

**Contract Enforcement:** Arbitration committees ensure broadcaster, league, and club compliance with negotiated rights distribution agreements (e.g., Premier League v. PPTV).

**Resolution of Revenue Disputes:** Arbitration resolves disputes over revenue-sharing structures, so that leagues and clubs are fairly compensated from TV rights sales.

**Anti-Piracy Enforcement:** International arbitration is commonly used to resolve disputes over unauthorized streaming and illicit sublicensing (e.g., beIN Sports v. beout Q).

**Confidentiality & Speed:** Due to the commercial sensitivity of TV contracts, arbitration gives a discreet, fast-track settlement procedure to avoid lengthy court hearings.

## **E. The Effectiveness of Arbitration in Commercial Football Disputes**

Arbitration has emerged as the first choice for resolving commercial disputes in football, including sponsorship contracts, image rights, broadcasting rights, and breach of contract. Due to the high monetary stakes and the international character of the sport, arbitration offers a

<sup>19</sup> South China Morning Post, <https://www.scmp.com/sport/football/article/3163036/chinese-broadcaster-ordered-pay-english-premier-league-us213m-over> (Last visited Apr. 13, 2025)

<sup>20</sup> Global Sport Innovation Center, <https://sport-gsic.com/laliga-and-mediapros-new-cutting-edge-pitchside-camera-takes-the-football-broadcast-experience-to-a-new-level/> (Last visited Apr. 13, 2025)

more effective, discreet, specialized and speedy means than the conventional method of litigation.

Nonetheless, in spite of its merits, arbitration has encountered challenges such as enforceability issues, concerns of impartiality, and disparate rulings. This paper tries it's best to assesses the efficacy of arbitration in the commercial arena of football and offers recommendations for improvement.

### Benefits of Arbitration over Litigation in Commercial Disputes

Arbitration is broadly favoured over litigation because of its speed, adaptability, and expertise-based procedure. Main benefits are:

1. Quick Settlement & Financial optimization

Arbitration is generally quicker than litigation, which can take years to resolve in national courts.

Traditional lawsuits involve complex legal procedures, whereas arbitration allows for streamlined case management, and the reducing legal fees.

As seen in the case of The PPTV vs. Premier League dispute was settled within months through arbitration, avoiding a prolonged court battle.

2. Confidentiality & Reputation Protection

Many disputes involve sensitive financial agreements and high-profile individuals. Arbitration ensures privacy, preventing reputational damage.

Court proceedings, on the other hand, are public records, which may mean clubs, players, and sponsors get tarnished with adverse publicity which can directly or indirectly influence their image and marketability.

As seen in the case of The Nike vs. Neymar where endorsement feud was settled privately, with both parties avoiding reputational loss.

3. Expertise & Specialization

Arbitration panels, like the Court of Arbitration for Sport (CAS), comprise industry specialists, ensuring decisions are taken on the basis of in-depth knowledge of football contracts, regulatory authorities, and commercial legislations.

Professional courts can be lacking in experience of the peculiar financial arrangements

in football, resulting in inconsistent decisions.

#### 4. International Enforcement of Decisions

Arbitration decisions, especially those by CAS, are accepted globally and thus become simpler to implement across borders.

As seen in the case of FIFA Dispute Resolution Chamber (DRC) offers arbitration for employment disputes, guaranteeing decisions to be enforced by national football associations.

### Challenges Encountered in Arbitration Decisions

Even with its benefits, arbitration in football's commercial world has several challenges such as:

#### 1. Enforceability Issues

While awards in arbitration are binding in law, enforcement might be challenging if:

The losing party does not oblige. The national courts get involved in overriding arbitration decisions.

As seen in the case of PPTV ignored payment in the PPTV vs. Premier League case and needed legal enforcement.

#### 2. Perceived Lack of Impartiality

Objectors claim football arbitration authorities (such as the FIFA panel of dispute management) tend to favor governing institutions or clubs as opposed to players or sponsors, as certain player-agent conflicts have questioned the fairness of FIFA arbitration panels in dealing with players.

The solution to this issue can be ensuring of unbiased arbitrators with no conflict of interests with governing bodies in such cases.

#### 3. Arbitration Rulings Inconsistency

Various arbitration authorities (CAS, FIFA, UEFA) occasionally give conflicting decisions, creating legal uncertainty.

Example: In certain broadcasting conflicts, decisions have differed across jurisdictions, impacting contractual stability.<sup>21</sup>

<sup>21</sup> UEFA, <https://www.uefa.com/news-media/news/0256-0dd7ae7573a7-e3a4c552f768-1000--court-of-arbitration-for-sport/> (Last visited Apr. 15, 2025)

Solution: A harmonized arbitration system for commercial conflicts in football.

#### 4. Exorbitant Costs for Smaller Organizations

Though cheaper than litigation, small clubs, players, and agents can be hard-pressed by legal expenses, particularly in high-value commercial disputes.

as Clubs at lower divisions typically have budgetary constraints to oppose unfair sponsorship contracts.<sup>22</sup>

Solution: Creating subsidized arbitration facilities for the smaller stakeholders.

Recommendations for Enhancing Arbitration Mechanisms in Football's Commercial Sector To make arbitration more effective in football, the following can be improved:

##### 1. Strengthening Enforcement Mechanisms

FIFA and CAS must impose tougher financial sanctions for non-compliance with arbitration awards.

Such as Suspension of clubs from competition for refusal to comply with arbitration awards (as in Financial Fair Play [also known as ffp] decisions).

##### 2. Increasing Arbitrator Independence & Transparency

Panels should have independent legal professionals with no direct FIFA, UEFA, or club connections for objectivity.

As seen in the case of Widening CAS's roster of arbitrators to include commercial law experts beyond football.

##### 3. Developing One Arbitration Structure

Having a single authority in commercial arbitration for football to avoid contradictory rulings.

Having a "Football Commercial Arbitration Tribunal" handle sponsorship, broadcasting, and image rights disputes.

##### 4. Low-Cost Facilities for Smaller Stakeholders

Developing affordable arbitration procedures for smaller clubs, players, and sponsors.

FIFA introducing a "Fast-Track Arbitration System" with reduced charges for cases within a specific cost limit.

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<sup>22</sup> Aceris Law, <https://www.acerislaw.com/sports-arbitration-certain-unique-features-and-the-court-of-arbitration-for-sport-the-cas/> (Last visited Apr. 15, 2025)

## **Conclusion**

The marketization of football has turned the sport into a multi-billion-dollar business where controversies over image rights, sponsorship agreements, and television broadcasting rights have become more intricate. With various stakeholders involved in the sport—players, clubs, agents, sponsors, and broadcasters—effective conflict resolution systems are essential in ensuring the stability and integrity of the sport's economic system. Commercial arbitration has come to represent the main way in which these disputes are being settled, with the Court of Arbitration for Sport (CAS) and those of FIFA adjudicating on disputes in an efficient and objective manner. By examining pivotal arbitration cases, this paper has established core legal principles that apply to football-related dispute resolution. Although arbitration in general offers a formalized, specialized, and comparatively speedy procedure, there are doubts regarding whether existing frameworks safeguard the interests of all parties involved. The complexity of commercial agreements in football increases the need for ongoing assessment of arbitration mechanisms to guarantee fairness, transparency, and efficiency. Finally, though arbitration continues to be an essential tool in the resolution of commercial disputes in football, this paper identifies the imperative of continuous reforms to bring dispute resolution mechanisms in sync with the changing commercial realities of the sport. Consolidating legal frameworks, improving procedural fairness, and making arbitration processes more representative of broader stakeholders will be key to creating a more balanced and effective system. By such evolutions, arbitration can remain a trusty support column for the resolution of commercial disputes in professional football.

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