

ARTICLES

INTERNET PIRACY OF LIVE SPORTS TELECASTS

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I. INTRODUCTION

Live sports telecast rights are a core asset of the world's premier amateur and professional sports leagues and organizations, often commanding significant rights fees from television network rights holders.¹ Sports organizations also utilize their live sports telecasts in team and league-owned pay television networks and interactive media businesses. These organizations and related stakeholders are therefore vulnerable to piracy of their live telecasts. Unfortunately, at a point in time when many Internet users are increasingly comfortable consuming video online,² a new global paradigm of online piracy of live sports telecasts is emerging with worrisome growth characteristics. This is irrespective of the fact that it is a particularly egregious

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1. The *Sports Business Journal* reported that as of their respective 2007 fiscal years, News Corporation's sports programming obligations over the life of its contracts were approximately \$17.1 billion and Walt Disney Corporation's was \$19.2 billion. Daniel Kaplan, *Nets' Bill for Sports on the Rise*, SPORTS BUS. J., Dec. 10, 2007, at 1.

2. The amount of web-based video provided over the Internet continues to increase significantly each year. In July 2006, 107 million Americans, three out of every five Internet users, viewed video online. In July 2006, about 60 percent of U.S. Internet users downloaded videos. More than 7 billion videos were downloaded that month.

Press Release, Fed. Comm'n Comm'n, FCC Adopts 13th Annual Report to Congress on Video Competition and Notice of Inquiry for the 14th Annual Report (Nov. 27, 2007), available at http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-278454A1.doc; see also Brian Stelter, *Serving Up Television Without the TV Set*, N.Y. TIMES, Mar. 10, 2008, at C1 ("[W]atching television episodes on a computer screen is now a common activity for millions of consumers.").