

## **Greed killed the football star by Stuart Fuller**

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A few months ago Manchester United hit the front pages of the British media with the news that they had offered England International Wayne Rooney a new £300,000 a week 5 year contract. Some questioned the amount that would be paid to the player, citing how else the club could use the money for the greater good of the UK economy. Others questioned how a club, still laden with leveraged debt and struggling to reach their previous heights could afford to commit to over £85 million over the course of his contract. The answer can be found in the most recent domestic TV agreement between the footballing authorities and the major media outlets.

The television rights for the English Premier League was sold to Sky and BT in 2012 for a massive £3.018 billion. Their business model will see them recoup this investment in one way – subscribers to their product. The association with the richest football league in the world will drive people to buy a subscription package, and hoping that like me, Sunday afternoons will be spent watching one or two live games. In order to keep the viewer's interest up, various technological advances are introduced over time. We've already got 3D capabilities, and it will only be time before 4D hits our homes, quite literally with the smell of burgers, hot dogs and prawn sandwiches being wafted through our TVs to give us that authentic match day aroma.

Unfortunately, the dark cloud on the horizon is still the ease by which non-subscribers can access the product. Technology means that a live television broadcast can be captured and digitally distributed across the Internet. Whether these streams are from the "grey" market – overseas TV channels that are legitimately showing the games but are captured by UK satellite receiving equipment or from the "black" market whereby the game is distributed via online channels. These websites, or streams, are effectively denying the likes of Sky and BT Sports a valuable revenue stream. So they need to find ways to stop individuals damaging their product and brand. After all, watching a match online, which is being illegally transmitted, will still carry the Sky Sports branding and viewers will associate poor product quality with the brand and not the illegal stream.

One solution developed by UK broadcasters has been to use static screen iconography. In the case of my supplier, Virgin Media, the UK's biggest cable TV company, this iconography comes in the form of a random nine digit number.

*"As part of our Domestic Broadcast Security arrangements, a nine digit number may appear in the bottom left hand corner of screen for up to five minutes during live football broadcasts or sporting events." The official statement from Virgin Media explains, "This is not related to your individual subscription and is generated automatically as part of the broadcast. It will not affect your viewing experience in any way".*

The nine digit number is a very simple, yet an effective way of identifying the distributors of illegal content. The reference number is unique to a single user. Once an illegal stream has been identified during a game, the broadcaster can quickly identify the viewing card the source of broadcast. They can then remotely disable the viewing card and take appropriate legal action against the offender.

We tend to think that illegal streaming is a problem more associated with films or TV shows. NetNames, the global Brand Protection experts, estimates that over 23% of internet bandwidth is used for streaming illegal content, with this digital piracy costing the global economy more than \$75

billion per annum. We may think we are doing no harm by watching an illegal download, a pirated DVD or in this case, an online streaming of an English Premier League game, but it does. Sky's £3 billion investment is based on a Return on Investment model that includes increasing the number of subscribers and their share of wallet. If this doesn't happen, there will be no TV deal in three years' time. And no TV deal means no players like Wayne Rooney, David Silva or Carlton Cole gracing our pitches. And none of these superstars means investment from commercial partners drops as global brands find alternative markets for their millions. Just like the hyper-inflation of the players wages has driven up the value of the product (in this case the TV rights deal), consumers who are priced out devalue the product by accessing illegal content.

A recent landmark ruling in the UK High Court also closed the loophole on the grey market issue of capturing overseas coverage and publically showing it, thus avoiding UK copyright infringement laws. In 2012 the case of pub landlord Karen Murphy was heard in the European Court of Justice and it was ruled that as long as the satellite equipment complied with UK broadcast laws then it was not unlawful to show overseas streams of English Premier League football. However, on the 30 January the High Court ruled that pubs, bars and other public places that showed these streams were infringing the rights of the English Premier League.

Furthermore, the High Court ruling offers a stark warning to those who transgress:-

*“Any supplier offering satellite systems that allow you to make unauthorised broadcasts of Premier League football is risking legal action being taken against them.”*

Sky TV and BT Sports have also stepped up their manual enforcement of infringements by visiting over 7,000 pubs, bars and clubs by the end of the season to ensure the equipment and the streams are actually legal.

An individual who is enjoying a Sunday afternoon pint whilst watching a game in a pub may not realise that they are supporting digital piracy but potentially they are. An establishment who is using one of these illegal streams is breaking UK copyright law. The High Court ruling has now clarified the murky grey position created by the European Court of Justice and whilst this may affect the profits of pubs and bars across the land, ultimately it will ensure that that digital piracy is reduced in the UK.