

# APPLICATION OF COMPETITION RULES AND PREVENTION OF MONOPOLY ON THE ORGANIZERS OF SPORTS COMPETITIONS: A COMPARATIVE STUDY

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## ABSTRACT

*This paper addresses the legal rules regulating competition in the area of organizing sport activities, whether in the United Arab Emirates or other Arab countries, in addition to reviewing the rules governing competition in the European Union, in order to determine the effectiveness of these rules in determining the practices of unfair competition and preventing monopoly and its adequacy in providing legal protection when organizing sports activities and exploiting them financially.*

**Keywords:** Unfair Competition, Prevention of Monopoly, Sporting Activity, Sports Competitions, Financial Exploitation.

## INTRODUCTION

Competition in all fields of political, economic, sports and commercial life is regarded as one of the most important pillars of economic relations between countries. Moreover, free trade is a growth engine for countries, as it provides consumers with better options and competitive prices. Developing countries in particular adopt a strategy aimed at achieving sustainable and comprehensive development that provides their business activities with better opportunities to overcome the crisis, get out of it stronger than before, and create new practical opportunities for its citizens. All national policies work toward this goal (Kisswani & AL-Shazly, 2019).

Since the capitalist system is based on the principle of free trade without restrictions, the law does not intervene under it except to regulate the means of competition. This trend has been affirmed by Article 1 of Law No. 4 of 2012 regulating competition, which stipulates that:

*“Maintaining a competitive market governed by market mechanisms in line with the principle of economic freedom by prohibiting restrictive agreements and prohibiting business and conduct that lead to abuse a dominant position, monitoring economic concentration operations, and avoiding anything that might disrupt, limit or prevent competition”.*

The basic principle in trade is freedom of competition between merchants and competition between them in attracting clients (Awad, 1980). If this freedom gives merchants who are similar in their profession the right to display their goods and products to the same public, then attracting customers among themselves must be legitimate, even if the increase in the clients of one of the merchants may be offset by harm to the competing merchants.

Accordingly, it is the duty of the legislator in different countries to protect this competition from any unlawful act that threatens the freedom of competition or violates the

commercial norms or the honor of the profession. Some of them define it in general terms as "*the person's use of methods and means contrary to law, customs and honor*" (Al-Qalioubi, 2013).

Sports activity is of particular importance to human societies, as it creates psychological and social peace among members of society, and even brings people closer. Societies do not disagree about the rules that govern them due to the presence of international and regional bodies that work to unify the laws that regulate them. Therefore, organizing and broadcasting sports competitions is the most popular product that individuals in all countries are keen to reach. Consequently, the parties interested in the sports industry have a monopoly on sporting events and tournaments, which leads to the deprivation of other parties from competition and the provision of competitive prices and a better product such as the FIFA World Cup. As a result, the parties that acquire the rights of these events monopolize these sporting events and the spectators. Thus, it became necessary to take into consideration the transparency by all parties, whether the organizer of the tournament or the party that exploits it financially, so that we do not have a restriction of supply and rise of prices to levels that exploit consumers and are not socially effective.

### **Entities Subject to Competition Rules in UAE Law**

Article 3 of the UAE Competition Regulation Law No. 4 of 2012 stipulated the application of the provisions of this law, stating that:

*"The provisions of this law shall apply to all establishments, in relation to their economic activities in the country and to the exploitation of intellectual property rights inside and outside the state, as well as to economic activities that are practiced outside the country and affects competition in the country."*

It is understood from the text that the UAE Competition Law applies to the natural person and to the legal person, including commercial companies and any legal entity established in the UAE, whether it is from associations, federations or institutions, provided they practice commercial or economic activity. Article 1 also stipulates the nature of the product subject to these rules, which includes goods and services, and it certainly includes domestic and imported goods (Tadros, 2007). It is evident from the previous text that the Emirati legislator has taken the criterion of the nature of the activity and not the personal criterion that considers the person's essence and the basis for the application of the law, as the law aims to regulate every project that produces or distributes a commodity or provides a service. Consequently, the legislature aims to ensure the existence of competition between the different enterprises, not to prevent it, but without any of them exercising a monopoly position in relation to the production of that good or this service. These rules apply to all economic, production or service projects, regardless of their legal nature (Tadros, 2007).

In the same vein, the Swiss authorities have argued that competition usually assesses the issue whether there is abuse of the dominant position in the market, through a two-step approach. First, they assess whether the disposition of the dominant position in the market leads to a restriction of competition. Second, if there is a restriction of competition, they check whether there are legitimate commercial reasons justifying the restriction? Consequently, in sports matters, the behavior of sports bodies must be legitimate and based on reasons necessary for the

proper functioning of the sport in order to consider them as "*legitimate commercial reasons*" (Court of Arbitration for Sport, 2011).

In this context, the question arises about the extent to which companies and institutions operating in the government sector are subject to the competition rules contained in the Competition Law No. 4 of 2012. In Article 4 of the Law, the legislator excluded from the scope of application of the provisions of the competition law the work of institutions, bodies, companies and entities subject to the direction and supervision of the state (UAE Competition Law, 2012). We believe that the legislature intended institutions, companies and other entities do not practice commercial and economic activities. Consequently, it is a matter of priority to apply the law to companies and bodies subject to the state direction and supervision when practicing commercial and economic activities in order to preserve fair competition with companies in the private sector and prevent them from monopolizing, which has a negative impact on the economic growth of the state.

Another opinion goes that the competition law applies to private companies and state-owned enterprises and bodies that carry out one of these activities, as well as associations and unions that provide various services to the masses (Falah, 2013). As a result, sports activity has become an economic nature for sports federations and clubs, as sports federations and clubs cannot equip players and provide various technical tools on their own and thus need companies to finance them, as they seek resources to cover needs, which is usually through selling TV broadcast rights, tickets and sponsorship contracts with different commercial companies (Budzinski and Szymanski, 2014).

We conclude from the foregoing the necessity of applying competition rules and preventing monopoly over sports federations and clubs, whether in terms of organizing sports competitions on one hand, or their financial exploitation on the other hand, as they are practicing economic activity like other productive and service companies and projects.

### **Application of Competition Rules and Preventing Monopoly on Organizing Sports Competitions**

The rules of competition and the prevention of monopoly are the basis for the work of sports federations in various games when organizing sports competitions, as the federations must take into consideration transparency in organizing competitions. This is what was confirmed by the Belgian court regarding the appeals of a judo player to the decision banning him from participating in an international competition by the Belgian Judo Game Federation, where the court went on to say that the sporting activity of judo is in its organization, even if it is subject to the rules of competition and the prevention of monopoly. Playing individual games such as judo does not constitute the exercise of a monopoly on the part of the Belgian Federation (European Union Law, 2000). In order to achieve true competition, the rule is that a certain body alone should not have the right to organize sports matches. Consequently, the uniqueness of a specific federation to organize a sport competition is in violation of the rules of competition and monopoly and is thus considered a monopolist of sports activity, as the principle is that the federation sets the rules governing the game and leaves to other bodies the right to organize while adhering to the rules it sets on its part (Al-Abasiri, 2010).

In its statutes, the International Federation of Association Football (FIFA) has affirmed that one of its goals is to enact rules and regulations and ensure their implementation. It is also

authorized to supervise the game in order to prevent any violations of its statute or bylaws and regulations issued by it. As was stated in Article 2, paragraph 1, of the FIFA Statutes:

*“The International Federation aims to:*

- 1. The continuous improvement of the game of football and its promotion in all parts of the world in light of its unified human, cultural and educational values and through youth and development programs in particular.*
- 2. Organizing its international competitions.*
- 3. Enacting rules and regulations and ensure their implementation.*
- 4. Supervising the game of football by taking appropriate steps to prevent any violations of the statute, rules, regulations or decisions of the International Federation or the law of the game of football.*
- 5. Preventing all means and practices that may threaten the consistency of matches or competitions, and to protect them from all violations.”*

It is clear to us that the sports federations setting up rules governing competitions is not considered a conflict with the competition rules, as preventing any team or country from participating in national, regional or international competitions organized by the federation is not considered a monopoly.

This is confirmed by the decision issued by the International Federation of Association Football in 2015 to suspend Kuwait’s membership and stop it from hosting football competitions, as well as to prevent its teams and clubs from participating in international tournaments, as a result of the interventions of the Public Authority for Youth and Sports in Kuwait in the roadmap laid down by FIFA with the Asian Federation to arrange the sporting situation in Kuwait. This decision bans the Kuwait Football Association and all its members (clubs, players and officials) by virtue of those arrested from practicing international activity immediately from today until further notice (Federation of International Football Association, 2015).

Through the FIFA decision, two things are concluded: The first is that differentiating between the bodies that directly regulate football activity in the world and these are subject to the rules of competition and monopoly, and the second is that the rules set by the International Federation of Association Football to prevent the participation of teams in regional and international competitions for government interference in these sports are not subject to competition rules. In other words, when FIFA prevents governments from interfering in sporting activity, it thus sets standards for participation in regional and international tournaments, as these do not apply to competition and monopoly rules.

In the same vein, the European Union opposed the agreement concluded by the International Automobile Competition Federation with specific bodies within each country to organize car competitions without others, considering that this is inconsistent with Article 82 of the European Convention on the Promotion of Competition and Prevention of Monopoly, which establishes the principle of separation between the body that sets the regulatory rules and the bodies that practice commercial activity, which made the International Automobile Federation Competitions reorganize its rules again (Law, 1997).

As for the application of competition rules and the prevention of monopoly on clubs, the European Commission has closed an investigation into the establishment of one of the British companies ENIC, which owns more than one sports club in Europe, which is in violation of the European competition and monopoly rules, which prevent companies or individuals from owning

more than one club at the same time (European Union, 2002). The Commission confirmed that the company violated the competition rules, as it is possible to participate in more than one club owned by the company, which ultimately affects the seriousness of the sporting activity and its loss of competition (European Union, 2002).

The company appealed against the decision of the European Commission before the Court of Arbitration for Sport in Lausanne, Switzerland, which confirmed the validity of the decision of the European Commission in its judgment issued on August 20, 1999. The court rejected the company's appeal on the grounds that this company is in a monopoly position for sporting activity, which is inconsistent with the competition rules and the European monopoly ban, which imposes a guarantee of multiple people who compete in sports competitions, which cannot be achieved in the case of exercising a monopoly position by the claimant company (Athens & Prague, 1999).

### **Application of Competition Rules and Prevention of Monopoly on Financial Exploitation of Sports Competitions**

Sports competitions are organized by national, regional or international federations. In exercising the rights of financial exploitation for sports competitions, these federations are subject to the rules of competition and the prohibition of monopoly, as they are practicing a commercial activity (Mallet-Poujol, 1996).

This is confirmed by Article 5 of the UAE Competition Law by stating that it is prohibited to enter into concluding contracts or to carry out practices that violate competition rules (UAE Competition Law, 2012). It is understood from the text that there must be a separation between the party organizing the exploitation and the party that conducts the exploitation. In other words, it is not permissible for those bodies organizing sports competitions to directly undertake the process of financial exploitation, but rather they must entrust other bodies to carry out this exploitation .

Consequently, sports federations are not permitted to establish a channel for direct exploitation of their matches on television, but rather they must entrust other companies or channels to play this role. In this context, the Arab Gulf Cup Football Federation (AGCFF) signed an international commercial rights agreement with the international company, with a contract for 14 sports seasons, starting from the current season of 2017 until the season of 2031. Under this agreement, the company will be the strategic partner of the Federation regarding the marketing of media rights, broadcasting rights deals and commercial rights for all football competitions under its umbrella (Arab Gulf Cup Football Federation, 2017).

The Egyptian Football Association also signed a sponsorship contract with Presentation, which is in charge of obtaining the rights to sponsor the Egyptian Football Association, to obtain the rights of its matches in the African qualifiers for the 2018 World Cup (Moustafa, 2017). Given that the Egyptian Football Association is subject to these rules when it chooses who will take advantage of these matches, it must follow the rules that guarantee freedom of competition between the different parties. The rules of competition and the prohibition of monopoly also apply to exploitation contracts that it concludes with television channels for broadcasting sports competitions (Tadros, 2007).

However, the issue that constantly arises is that the national federations granting the license to one company to carry out the task of television broadcasting of sports competitions

would create a monopoly situation that affects the ability of other projects to compete in the long term, which puts the public under the restrictions of the monopolistic position practiced by these channels by imposing exaggerated subscription fees, thus denying the public the right to watch sports competitions (Mallet-Poujol, 1996).

Even the rules of competition and the prevention of monopoly prevent clubs that own private channels from monopolizing the satellite broadcast of their matches, as in the case of Egyptian Club, Al-Ahly, where it established its own channel and demanded that the rights to broadcast its sports matches be limited to it alone in the 2008/2009 League (Al-Ayyam newspaper, 2008). Consequently, the Egyptian club's request to broadcast its matches on its own channel contravenes the provisions of the Competition Law and the Prevention of Monopoly, since that contravenes the provisions of the holder of the right to broadcast sports competitions that give the federation and not the club the rights to broadcast the sports competitions it organizes.

It should be noted that there are exceptional cases that allow competition to be restricted in order to achieve the public interest, especially if the goal is to protect the consumer and provide him with sports service at the lowest price. This is what the Arab Radio and Televisions Union did, which was contracting with FIFA on the rights to broadcast the World Cup for a period of 20 years, starting with the 1978 tournament until the 1998 tournament, when it granted all member states of the Federation to broadcast the World Cup on their national channels for free. However, ART channels' acquisition of the satellite broadcast rights for the World Cup deprived the Arab viewer from following it. Therefore, ART channels must be subscribed to watch the tournament (Malkawi, 2007).

This is what the European Commission for the Promotion of Competition and the Prevention of Monopoly carried out regarding the agreement concluded between the UER and a group of Eurovision Media Services (EMS) television channels (European Union Law, 2002). The content of the agreement was to exchange broadcasting rights for sports competitions so that if one of them obtained the rights to broadcast any tournament, the other party would have the right to broadcast the competition and thus depriving other channels of broadcasting rights, which is a restriction on the freedom of competition. It should be noted that the goal of this agreement is the interest of the consumer who will obtain this service at the lowest price through sub-licensing of other channels with limited capabilities to broadcast these matches, which leads to the ease of contacting the sports consumer with sports competitions at reasonable prices (Al-Abasiri, 2010). This is what was confirmed by the European Community Court of First Instance in its judgment issued on July 11, 1996 in the lawsuit filed by the French M6 channel regarding the agreement concluded between UER and EMS, which prevents the French channel from broadcasting sports competitions. The court referred in its ruling to the legality of the decision of the European Commission for Competition and Monopoly Prevention, considering that the agreement between UER and SMS in question is one of the exceptions in which some agreements are permitted even if they lead to restricting competition as long as that would achieve the public interest (European Union Law, 2002).

It has been noticed that in recent years, the national, regional and international federations have begun to follow a new method in distributing broadcasting rights so that different broadcasters can participate in the transmission of sports competitions organized by the National Federation (such as the English Premier League and the English League Cup) where there is a broadcast channel for Arab countries (BBC Sport Channel) and another for European

(Sky Sports) and a third for the American (BBC Sport). The license period is often short, as is the case in the English Premier League, 3 years (David and Millward, 2012), which allows competing companies to enter the market again. The European Competition Commission went on to consider the seven-year period to be exaggerated because it harms competition in the knvb-sport case, as it conflicts with the text of Article 81 of the European Convention. It also argued that the license granted to BBC and bskyb to broadcast the English Premier League for a period of five years is not considered a monopolistic practice due to the recent emergence of the latter, which needs to establish its presence in the market in order to be able to compete. Thus, it is considered reasonable to permit exploitation to transfer one competition during one season or even three years without this being considered a monopoly (Parrish, 2003).

The question arises about the violation of national, regional or international federation's rules of competition and monopoly when a specific channel grants exclusive rights to broadcast a sports competition.

We can say that obtaining the rights to broadcast an exclusive sports competition is not considered contrary to the rules of competition and monopoly, but rather creates economic value for sports competitions, especially since advertising companies compete to display ads on these channels, and thus the channel can recover the sums paid in order to obtain exclusive rights for the sports competition (Al-Abasiri, 2010). We, in turn, support this opinion, especially since sports has become an industry in its own that depends on capital, whether in broadcasting rights, buying clubs or buying players.

Although the federations did not violate the rules of competition and the prevention of monopoly in granting exclusive rights to a specific channel, the violation is realized in the event that the procedures stipulated in the competition rules and the prevention of monopoly are not observed. The French directive in 2004 stated that the federation must, when launching sports competitions for television broadcasts, ensure that all channels are fully provided with the opportunity to ensure that no monopolistic situation that affects the freedom of competition is practiced. The federations must inform all channels, by means of advertisement, of the conditions for obtaining exclusive rights and the content of the competition and specifying the time limit for submitting requests to purchase rights (European Union, 2004).

Consequently, the lack of transparency on the part of the federations has become a reason for the intervention of competition protection agencies in some countries to implement competition rules and prevent monopoly on sporting activity within the country. The best proof of this is that the Egyptian Ministry of Industry's Competition Protection Agency has referred to the Public Prosecution, in which the Confederation of African Football (CAF) is accused of violating broadcasting and monopoly laws. This case relied on Law No. 3 of 2005 regarding the existence of a suspicion of monopoly in the broadcasting rights of matches granted to the French company "*Lagardère*", due to the presence of other companies that submitted offers to buy the broadcasting rights, and therefore the control of a party over the market or commodity, which is punishable according to the competition law and the prohibition of monopolistic practices (Organisation for Economic Co-operation and Development, 2019).

The Competition Authority indicated that CAF violated Article 8 of Law No. 3 of 2005, and according to Paragraph (a) of the same article, CAF violated the provisions of the law when it granted a company that carried out a complete or partial ban on the product (Law, 2005)-broadcasting matches-without regard to the rights of others, wanting to offer the same product.

As for Paragraph B of the aforementioned Article, it confirms, according to the Competition Authority, that CAF violates the law by contracting with a person on products, which leads to limiting his freedom to enter the market (Law, 2005). In this case, the agency claims that CAF signed the contracts for broadcasting matches for one company without considering other offers, and at the same time, the signing of the contracts by the French company a year and a half before the expiration of the rights in force for the same company and before the start of the new African championship is considered a denial of the competing companies that submitted bids from entering the market (Onwumechili, 2019). Paragraph (d) of Article 8 stipulates that

*"Suspending the conclusion of a contract or agreement for a product on the condition of accepting obligations or products that are by nature or according to their commercial use not related to the product subject of the original agreement, contract or transaction."*

Likewise, Clause (e) of the same article, especially with regard to the process of discrimination in concluding agreements or in entering into contracts (Law, 2005), as it was possible to have stronger financial offers, which would benefit African sport.

Finally, the competition authority believes that the CAF has violated Article 8 of the Competition Law and the prohibition of monopolistic practices, which means the application of Article 20 of the same law, which stipulates that:

*"The Authority, upon proven violation of one of the provisions contained in Articles 6, 7 and 8 of this law, assign the violator to amend his status and remove the violation immediately or, during a period of time determined by the Agency's Board of Directors, otherwise the violating agreement or contract will be signed void, and the Board, with a majority of its members, may issue a decision to stop the practices that appear from the apparent evidence under his eyes that they violate any of the provisions of the aforementioned articles, for a specific period of time whenever these practices cause irreparable severe harm to the competition or the consumer."*

However, CAF responded to CAF's contract with the French company, which is not contrary to the rules of competition and the prevention of monopoly, and that the sale is according to geographical areas and not for each country alone (Statutes, 2017). CAF also mentioned in its response that Article 97, paragraph 6 of the chapter on the financial regulation states,

*"In the event of piracy on the broadcast signal, the team whose federation did so shall be excluded, while being prevented from participating in the next edition of the African Cup of Nations, regardless of the possibility of additional penalties imposed on the local union".*

However, the Egyptian judiciary recognized the violation of CAF's competition rules and the prohibition of monopoly, and the court went on to say that:

*"It has been proven with certainty and settled in its belief that the accused committed the charges previously referred to, and the purpose of that crime did not stop at the point of breaching the rules of competition and controlling the Egyptian market, but transgressing its limits to the elimination, in one way or another, of a wide sector of the Egyptian people that considers this as its only outlet and the legitimate enjoyment that it exercises without bearing financial burdens that exceed its capacity until the two accused of limiting the competition of different companies for its benefit, and thus becoming prey to a monopoly based on unlawful foundations, and a policy that it pursued by the two accused that limits the foundations of fair competition. Therefore, both of them have exerted a reprehensible effort by strangling competition,*



*consolidating and deepening the control of one of the companies over the full rights of the CAF alone, and preventing the rest of the competitors from their rights to fair competition and the consequent damages to the Egyptian market and viewer (Cairo Economic Court, 2018)”*

The court concluded that CAF president and the former general secretary, who signed the agreement, were guilty of violating competition rules as well as fraud, and imposed a fine of 500 million pounds each (Cairo Economic Court, 2018). Consequently, CAF terminated the contract of television and marketing broadcasting rights worth one billion dollars with the company Lagardère Sports. CAF said that the termination of its marketing cooperation contract with the French company Lagardère Sports was not "*a one-sided decision*", but based on decisions of the Egyptian Authority for the Protection of Competition and the Egyptian Courts (Gleeson, 2019).

### **Application of Competition Rules and Prevention of Monopoly on Sponsorship Contracts**

The sponsorship contract is when the sports club signs a contract with a specific commercial company to sponsor a specific sporting activity that the club does, or this company selects a specific player to promote its products through him, so he signs a contract with it called a sports sponsorship contract. Here the company is obligated to sponsor the club's activity financially, logistically and advertising in exchange for the club's commitment to place the name of this company and its trademark on the players' clothes, on the walls, or on the club's building and its correspondence (Al-Kiswani, 2019).

The federations must observe the rules of competition and prevent monopoly when concluding sponsorship contracts with different companies that work in the sports field and provide all forms of funding to sports federations. The International Federation of Association Football (FIFA) has concluded a sponsorship contract with Sony, the Japanese company, which is considered the largest in the sports field, where the contract value was estimated at \$305 million, and Franchise took priority over Adidas and Pepsi during the 2010 and 2014 FIFA World Cups. Under this contract, FIFA will finance all digital cameras and display screens; in addition to that, Sony will become a consultant to FIFA in everything related to digital (Yami, 2008).

Since there are no laws in the countries of the world that regulate sponsorship contracts, these countries, including the United Arab Emirates, have relied on harmonizing the concepts of competition and preventing monopoly with the concept of sports sponsorship contracts in terms of the market in which sports sponsorship contracts and the agreements concluded.

With regard to defining the market, Article 1 of the UAE Competition Law of 2012 stipulates the definition of the relevant market as:

*“A good or service or a group of goods or services that, on the basis of their price, characteristics, and uses, can be substituted with others or choose between alternatives to meet a specific need of the consumer in a certain geographical area”.*

It is clear from the definition that sponsorship contracts are services provided by major companies to sponsor federations or clubs and have a specific price, which means that they are subject to the rules of competition between companies. The sponsorship companies stipulate that they be the sole sponsor provide funding to clubs and federations by using their sports products, which necessitates taking into account that these companies do not practice monopolistic activity in this regard.

Companies enter into sponsorship agreements with players, sports clubs or teams, whereby sponsors provide services to them in exchange for advertising and marketing. It should be noted that in many cases, federations prevent their players from contracting with another sponsor, which may mean restricting competition through these agreements. For example, the Dutch Badminton Association prohibited players from contracting with other companies on the basis of the association's sponsorship deal, and players may not use any material other than Yonex when training and competing in international events. However, the players refused that and did not participate with their national team because they were unable to implement their agreement with another competitor (Dunlop), so a number of players and the sponsor filed a lawsuit on this basis several years ago. The court found that the exclusivity agreement between Badminton Federation and Yonex was not intended to restrict competition, and that Dunlop's arguments regarding market allocation were not supported by sufficient evidence, and thus failed to provide evidence of restricting competition (Hel & Diederik, 2018). In the same vein, the French Competition and Monopoly Prevention Council emphasized the point that contracting with one company to take over the sponsorship of the French League is not in itself inconsistent with the rules of competition and the prevention of monopoly, but not to follow the rules of competition when contracting with the sponsoring company is what is considered a violation of the rules of competition and preventing monopoly. Article 18 Paragraph 2 of the July 16, 1984 Law, amended by the Law of August 1, 2003, which was general in that it includes all forms of financial exploitation. The Council of Competition and Prevention of Monopoly in France went in the same direction in its decision issued on October 7, 1997, regarding the contract concluded by the French Football Federation with Adidas and its acquisition of the right to sponsor the French General League matches. The council went on to say that contracting with one company to take over the sponsorship of the French League is not in itself inconsistent with the rules of competition and preventing monopoly, but not following the rules of competition when contracting with the sponsoring company is what is considered a violation of the rules of competition and preventing monopoly. Whereas, Adidas' obtaining sponsorship rights without following these rules makes it exercise a monopoly over sports products, given that 60 percent of television advertisements in this area will be allocated to them, and the Council decided that the sponsorship period, which is five years, is long. Adidas has a right of preference or priority after the expiration of this period, which is also contrary to the rules of competition and monopoly.

## CONCLUSION

As per what we have presented in the research, it appears beyond any doubt that sports federations and clubs are subject to competition rules and prevention of monopoly in organizing sports competitions as well as granting them the right to financial exploitation of sports competitions, as the competition law achieves the goal of fair sports competition. The bodies organizing sporting activities should strive to open the door to competition in organizing competitions and their financial exploitation to the extent that it does not harm a legitimate public interest or a private legitimate interest. It is essential that the license issued should be short, as this gives an opportunity for competitors to restore its existence in the market. In addition, companies need to seek pre-approval from athletes to advertise products and this will occur when athletes sign a contract that defines terms and conditions for both parties. Finally, Unlawful competition should be restricted when it deviates from the laws and regulations

governing sporting activity and exploits it financially, whether at the level of clubs, national or continental federations.

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