# The battle over high school esports exclusivity

In early 2020, during the first wave of the COVID-19 pandemic, Alene Vandermyde had to have a difficult conversation that many other members of non-profit high school state esports organizations were obligated to give to their students.

As the founder of the Iowa High School Esports Association, she gathered her varsity League of Legends teams in a Discord call and broke the news that in the middle of the players' senior season, they would have to stop competing in the Riot Games title.

Vandermyde said there were a few tears from the students that day.

"They were missing out on all their senior year stuff because of COVID, and then you just add this s\*\*\* show on top of it," she said. "It's an emotional backlash that I'm going to still be dealing with for a while, let alone them."

The reason they had to stop, and the reason many other high schools and middle schools across the country go through the same thing, was due to a business deal done between Riot Games and scholastic esports platform PlayVS, Inc. The platform signed an <a href="exclusive">exclusive</a> partnership with the League of Legends developer in February of 2020, meaning any school in the country that wanted to run a <a href="example: varsity">varsity</a> scholastic event — like an in-state league state championship tournament — had to run it on the PlayVS platform.

This issue is not isolated to Riot Games titles, however, as PlayVS has continued to sign these exclusivity deals with developers like with <a href="Activision Blizzard">Activision Blizzard</a> and <a href="2">2K</a>. This effort has resulted in the company dominating the scholastic space, shutting out non-profit organizations like IHSEA, which recently partnered with other state high school esports programs across the U.S to form the <a href="Interstate Scholastic Esports Alliance">Interstate Scholastic Esports Alliance</a>, from holding meaningful competitions in certain titles and impacting students who just want to compete.

### **Explaining the high school esports landscape**

For fans of professional esports, high school esports may seem like an oxymoron considering there are players competing professionally in VALORANT right now who are either in high school or dropped out of secondary education. Unlike traditional American sports, where students compete in high school, get recruited to college and are then drafted into the professional leagues, esport athletes can be plucked out of relative obscurity and sign multi-year contracts to compete for world titles before they are old enough to vote.

College esports, especially League of Legends and Overwatch, have picked up in popularity and respectability recently as a way for new talent to be showcased and for young talents to secure an education. However, high school esports don't necessarily feed into college that much at the moment.

According to educators and the volunteers that run high school and middle school esports programs across the nation, their programs are more a place to build community and a sense of belonging for students that otherwise don't participate in traditional after-school activities.

"These kids generally stuck to themselves," <u>Nate Thompson</u>, the Executive Director of <u>Indiana Esports Network</u>, said. "They didn't really talk to anybody, and to see them kind of come out of their cocoons and started talking to people as they're playing esports, it's just been one of those great things that's happened for high schools."

According to Chris Aviles, the President and Founder of <u>Garden State</u> <u>Esports</u> in New Jersey, and a middle school science, technology, engineering, and mathematics teacher, his own internal state metrics show that 13% of his league has a learning disability or is on the autism spectrum.

"There's no other home for some of these kids," Aviles said. "They can't, or don't, want to play traditional sports."

Aviles is also a board member of the Riot Scholastic Association of America and the communications leader for the North America Scholastic Esports Federation.

Many of the non-profit directors and founders that Upcomer spoke to said their programs across their affiliated schools and districts aren't world-beaters, and that competing in top competition is not their goal.

According to James O'Hagan, the founder of the Academy of Esports podcast and the Director of Digital and Virtual Learning for Racine Unified School District in Wisconsin, esports is a teaching tool that educators use to gain a rapport with students. O'Hagan has written on behalf of PlayVS in the past and has worked with PlayVS employees on previous business ventures.

Esports is an avenue to engage a new generation and type of student. These students can also learn more about the industry itself, the behind the scenes work that they might be interested in or look for a job in the future.

#### PlayVS' role in high schools

PlayVS, in contrast to the non-profit groups, is a for-profit, venture capitalist-backed startup company founded in 2018 by current CEO Delane Parnell. The current concept of PlayVS is a one-stop shop for high school esports programs. It organizes leagues, sets matches and does generally everything that a typical school or district athletic director would do. The company claims to have raised more than \$107 million in funding since its founding.

The platform also <u>partnered</u> in 2018 with the National Federation of State High School Associations, the "national leader and advocate for high school athletics as well as fine and performing arts programs," according to its <u>website</u>. The organization also writes the rules for most sports offered at the high school level has rule committees for most sports under its umbrella, except for esports.

That partnership also helped give PlayVS access to many state athletic associations like the Georgia High School Association, which is a member state organization with NFHS. GHSA currently has Georgia high schools operate their esports programs through PlayVS. With the exclusivity deals that PlayVS has inked — along with other preferred developer partnerships — the company claimed <u>at one time</u> to "operate the ONLY varsity high school esports leagues in the United States and Canada."

However, at some point while reporting on this story, that wording changed from "only" to "best." At the time of publishing the company's front page now states "The National Federation of State High School Associations and state associations officially recognizes esports as a sanctioned high school sport and our platform is the only place in North America where high school students can play for recognized state championships."

Still, neither claim is entirely accurate, according to both current programs that use PlayVS and non-profit organizations that actively avoid the platform.

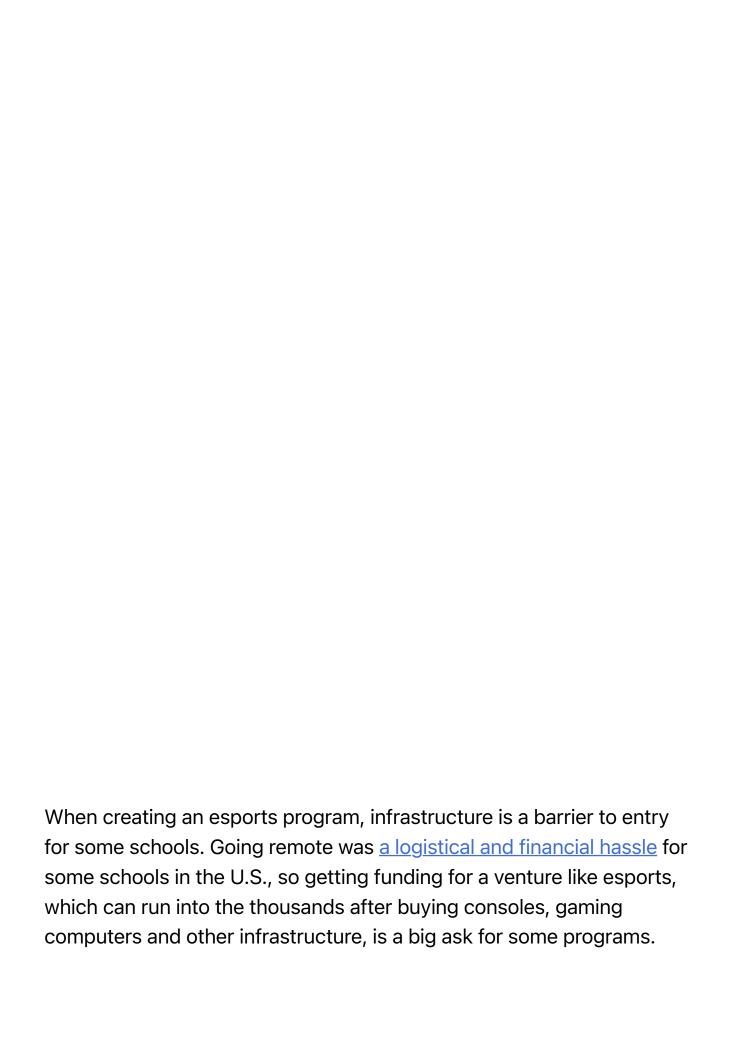
## Why NPOs shy away from the PlayVS experience

High school sports and activities across the nation are governed and priced differently across the board. While the NFHS does set the rules for baseball and football, it doesn't govern in-state eligibility rules, how inter-district transfers work or dictate what schools charge for student participation. No national organization does.

Like many aspects of the United States, the price to play sports and other activities in school vary from flat, or <u>exorbitant</u>, fees to no cost based on the state, and sometimes even the school. Some states at one time didn't charge students in public schools thanks to previous lawsuits, and many states have laws or policies for exemptions to waive such fees according to <u>one study</u>.

For many non-profit state esports organizations, keeping the price point low, or free, is a big point to their pitch to schools and students.

"This is a new community of students that's growing and participating in their schools that just weren't, and to take esports away or put it behind a paywall, you're going to start limiting those students experiences, and you're going to cut them off where they're not going to be able to participate," Thompson said.



On top of those peripheral costs, if a school wants to compete on the PlayVS platform, the student or the school itself would have to front a \$64 fee per student, per title, per season.

There are ways around the fee as PlayVS <u>currently offers multiple deals</u> and <u>payment plans</u> that allow those starting on the platform to do so for free, initially, and some state athletic associations that use PlayVS as their preferred platform even have an arrangement in which a school just pays a flat fee to sign up and doesn't need to pay per student, game title or season.

But for many non-profit leaders, this price point is a general turnoff for using PlayVS as a platform to facilitate competition.

"At the time, starting an esports program, [PlayVS] pricing was such that it probably priced my school out of being able to participate anyway," Aviles said, describing when he started his middle school program back in 2018. PlayVS did not, and currently does not, operate in middle schools.

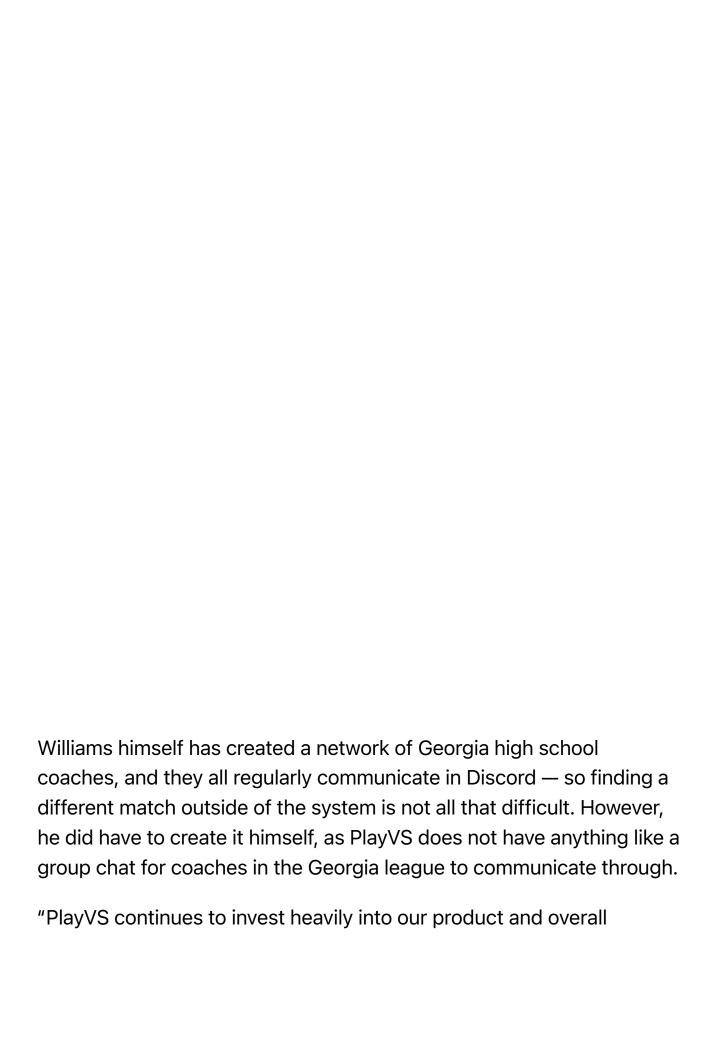
The price of PlayVS is also not worth the cost for some educators. Many of those who spoke with Upcomer said the platform had a <u>reputation</u> for awful tournament organizing and customer service, both of which sometimes left questions from coaches unanswered <u>for hours</u>, if they were answered at all.

According to Aviles, 10% of his league formerly used PlayVS, and their reason for leaving largely stems from the platform not being worth the investment.

PlayVS also has a forfeit problem. Some schools regularly have match days that involve the other team not showing up entirely, something that continues to this day, according to Brad Williams, the head esports coach at Harlem High School in Harlem, Georgia.

"This is our fourth season now, and it hasn't really delivered on its promises," Williams said about PlayVS. "That's not to say that they haven't made improvements. There has been improvement season to season. But let's just say in the exponentially fast growing landscape of esports, the changes aren't happening fast enough."

Williams said the <u>forfeits</u> are not necessarily a PlayVS problem. Some schools or clubs had no investment into the platform or esports, and sometimes students just don't show up to matches. He said there is an introductory presentation for teams before every season, but the lack of skin in the game makes it easy for teams to drop out and remain in the pool of available teams.



experience," Parnell said over email when asked about the forfeit issue. "In just the last 18 months, we've grown from 40 people to a team of over 100 that includes talent from some of the best technology companies in the world. The purpose of this investment has been to ensure a better player experience, and we've seen it paying dividends. We have very strong retention and customer satisfaction ratings, for example. While there is certainly work to be done, like with match completion, the root cause is more behavioral and cultural than product enablement based."

Another point that non-profit organizations have made involves issues with the national or statewide play PlayVS promotes. Schools are put into four regions, Pacific, Mountain, Central and Eastern, and can play in those regions or against schools across their state.

The problem with this is that students in Indiana don't want to play against teams from Illinois, but would rather play against other kids from their district or crosstown rivals, according to Aviles.

"Esports loses that luster when you're playing schools you've never heard of," he said. "Kids want to play against their local rivals, and they want to see the same schools on the schedule that their football team is playing against."

Lastly, and probably the biggest reason non-profits and others in the esports education space are shying away from or actively campaigning against PlayVS is their push for more exclusivity deals with developers, gatekeeping varsity esports and attacks on non-profit organizations.

Many of the educators quoted for this story have called out PlayVS online before for various reasons and continue to this day, using the

hashtag #PlayVsNever and #AlwaysISEA. Some claim to have been blocked by Parnell at different times on Twitter.

## PlayVS pushes schools to 'cease operations' in its exclusive games

It's come to our attention that games.

Secondly, we understand how this change might impact your community, and truthfully, it's not our intention to put you in a challenging position. We respect your work as an educator and share your mission of providing students an outlet to compete safely and productively. If you're interested, we'd love to discuss how we can best collaborate in a way we mutually deem reasonable to offer these titles and other partnered IP to Wisconsin high schools. Are you available for a call next week?

We look forward to speaking and appreciate your cooperation in advance.

PlayVS Partnerships

PlayVS sent out emails similar to this to various educators and non-profit organizations. | Provided by James O'Hagan

On Jan. 14, several emails from PlayVS went out to state associations, some addressed to superintendents and schools, telling them they were participating in a league that is not sanctioned by Activision Blizzard and Nintendo as the company claims to have exclusive rights.

In one email, which was provided to Upcomer and others that were independently shared on Twitter through screen shots, PlayVS asked for the programs to "cease operations, plus remove mentions of these titles from your website and marketing."

"If you're interested, we'd be happy to migrate any relevant competition onto the PlayVS platform and extend free participation into our upcoming spring season to your community," the email said. "As for the future, we'd love to have a conversation to determine how we can best collaborate in a way we mutually deem reasonable to offer these titles."

Super Smash Bros. Ultimate has not been announced by Nintendo as an exclusive title for PlayVS. Ultimate is listed as a title offered thanks to a partnership with the developer and the word exclusive does not show up in reports or press releases about the deal in terms of the

partnership.

When asked if PlayVS has exclusive rights to Ultimate, Parnell said through email that "PlayVS is the only officially licensed scholastic partner of Nintendo."

For Overwatch, Blizzard has not announced anything itself about exclusivity, with the only reports as such being from <a href="The Business">The Business</a>
<a href="Journals">Journals</a>, <a href="VentureBeat">VentureBeat</a> and PlayVS' own press release which has been approved by both companies. The VentureBeat article also features an interview with Parnell and one quote from a Blizzard executive, Brandon Snow, the former global head of Activision Blizzard esports (Snow left the company in March). In the article Snow said the developer is "thrilled to work with PlayVS to bring Hearthstone and Overwatch to high schools all across North America and develop the next generation of professional gamers."

When asked about the email sent out to educators, Parnell said PlayVS has tried to reach out to non-profit high school esports associations over the past three years to work with them, but that the company has been "unsuccessful" in doing so.

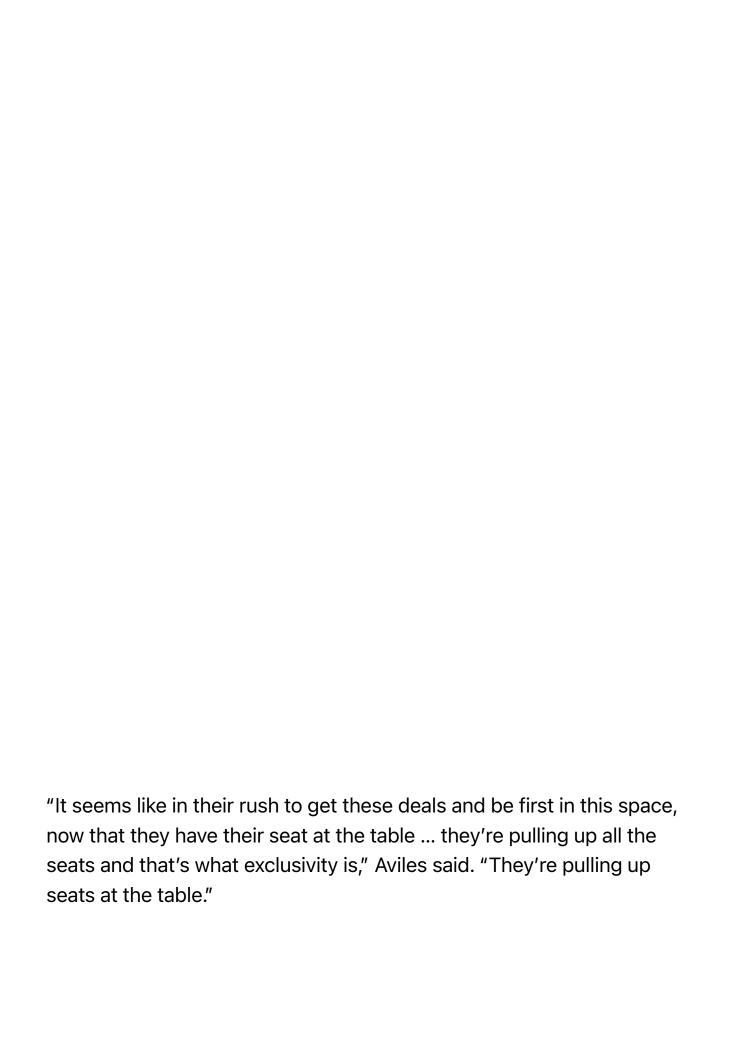
"Cease and Desist is specifically how independent esports communities refer to our communication. To clarify, what we sent were emails to a handful of independent esports communities who we knew were operating titles that we recently acquired long-term partnerships with," Parnell said to Upcomer via email. "We informed these communities that PlayVS had obtained the licenses and that we wanted to provide the value and benefits schools in our community received to theirs."

Non-profit organization schools not competing on the PlayVS platform are still competing in Overwatch and Ultimate leagues and have not taken down mentions of the titles on their website. PlayVS has not engaged in any legal action against these organizations at the time of publishing.

PlayVS recently minted a new deal with 2K for "an exclusive and official long-term partnership that makes NBA 2k an officially recognized varsity esport in the U.S. and Canada," according to a press release by PlayVS given to Upcomer. In 2K's own <u>press release</u>, the company does not mention exclusivity.

PlayVS said the press release was approved by both parties.

But even just the act of trying to get exclusive rights to titles is a turn off for most educators. It not only forces them to drop their student's favorite title, but it also actively hurts competition in the space. PlayVS may be the most widely known platform, with one educator calling them the Kleenex of scholastic esports, but there are <a href="multiple-other-tournament organizers">multiple other tournament organizers</a> and <a href="platforms">platforms</a> in the <a href="multiple-other-tournament organizers">scholastic space</a> attempting to operate and bring a worthwhile experience to the wider community.



The company also has gatekept the term varsity with exclusivity deals, claiming PlayVS is the only place where varsity esports can be played. While in some schools and districts that may be the case, thanks to state athletic associations pointing schools to the platform, varsity is just as segmented as athletic fees are across the nation.

Schools and districts also have the discretion of deciding what counts as a varsity sport and how students can earn a varsity letter. And even if a sport does not have rules or isn't endorsed by NFHS, states can still count it as a varsity sport. For example, the New Jersey State Interscholastic Athletic Association sanctions fencing as a varsity sport, but the NFHS does not write rules for fencing.

#### What comes next for high school esports

PlayVS probably looks like an attractive platform to schools newer to esports and developers hearing the startup company's pitch for a partnership. It has the NFHS partnership, it has been around since 2018 and its CEO has been in the <u>esports space before</u> with Call of Duty and has a history in venture capital.

Developers also probably find it is easier to offload the rights of their esport to one company, instead of dealing with individual state organizations or multiple scholastic tournament organizations. Riot Games and Blizzard declined to comment on that matter or any other for this story.

However, considering PlayVS' aggressive tactics and obfuscation of the truth around its business dealings, non-profit state esports associations indicated they have little patience for its practices at this moment.

Most educators that spoke with Upcomer said they would use PlayVS if it was a worthwhile platform and did not aggressively push for exclusivity while also antagonizing them.

According to Williams, who said he would consider leaving PlayVS if given the chance, he would still like to use the platform if improvements continue.

"If they continue to make improvements and listen to what we have to say, then I do think that it is a viable option for competition going forward," he said. "I mean, yes, we will be willing and able to do our own thing to make our own league. But if PlayVS is going to improve and make the changes that are necessary, then it's going to be a great product and one that you'd be a fool not to use."

PlayVS previously held competitions at the collegiate level before making the move to only high school. When asked why they left the space, Parnell said the college esports market was "too fragmented and competitive." Yet by pursuing a non-competitive, unified high school esports community, PlayVS have driven away a number of non-profit state organizations from some of the most popular esports titles in the world, fragmenting things in the process.

Declan is an esports journalist and part-time editor for Upcomer. He is an avid gamer and League of Legends player. You can find him at the bottom of the leaderboard in most games or on Twitter.