

Teachers say PlayVS wields partnerships to monopolize scholastic esports

[Teddy Amenabar](#) April 11, 2022 at 12:15 p.m. EDT



(Washington Post illustration; Riot Games; Psyonix; Blizzard Entertainment;)

For the past three years, the Washington State Scholastic Esports Association has been coordinating video game competitions for teams at different schools across the state. But in January, Jason Dilley, a high school teacher and the executive director for the nonprofit, received an email from [PlayVS](#), a venture-backed start-up based in Los Angeles, instructing the association to stop hosting matches for games owned

by Nintendo and Activision Blizzard.

"It's come to our attention that WSSEA is currently operating 'Mario Kart' and 'Overwatch' and operated ['Super Smash Bros.'] this past Fall. These are three titles that we reserve official/exclusive rights," the email read. "Given this, we've notified our partners and ask that you cease operations, plus remove mentions from your website and marketing."

The email served as another blow in an ongoing tussle between PlayVS (pronounced "play versus") and educators who have refused to partner with the high school esports platform, which charges \$64 per student per season. The dispute has grown increasingly bitter in recent months, with multiple teachers alleging PlayVS and its CEO, Delane Parnell, are strong-arming school programs and misrepresenting the company's standing to position PlayVS as the sole provider of interscholastic high school esports.

Story continues below advertisement

According to emails provided to The Washington Post, PlayVS emailed at least five statewide nonprofit esports organizations in January requesting the associations cease school-versus-school competitions for certain games because PlayVS has an "official/exclusive" licensing agreement with both Nintendo and Activision Blizzard. The claim of exclusivity, however, is inaccurate according to the two publishing companies.

Nintendo said its licensing agreement with PlayVS is not exclusive. When asked if other scholastic leagues can host school-versus-school competitions, Activision Blizzard said PlayVS is the only organization with partnerships in high school sports that has "applied for a custom

license" but that others can apply, if they wish. Both publishers sent written statements to The Post and declined to be interviewed for this article.

These emails are among several instances in which PlayVS has misrepresented its standing in scholastic esports. PlayVS also inaccurately stated on its website that it is the "only place to play" esports at "the varsity level in the U.S. and Canada." Varsity status for any program is decided at a local level by the school, whether it's esports, football or academics, according to school administrators. PlayVS removed the reference on its site following inquiries from The Post.

Story continues below advertisement

"It's all just misinformation that's going out to give the appearance of exclusivity," Dilley said.

In an interview with The Post, Parnell said he was not personally involved with sending those emails to the nonprofit esports organizations in January and added that "cease may have been the wrong word." Parnell said the intent was to let the organizations know PlayVS has a commercial license for those titles "to see if there's an opportunity to work together."

[Inside 'contract hell': Esports players say predatory contracts run 'rampant'](#)

A main source of frustration for some educators stems from those licensing agreements around games played by esports programs. Unlike traditional sports like football or basketball, a unique wrinkle in esports is that software publishers own the game. Publishers hold the

rights to these titles and can dictate how their games are played. And while PlayVS does not hold exclusive rights to Activision Blizzard and Nintendo games, it is the [exclusive high school esports provider](#) for the massively popular, free-to-play game "League of Legends" through a deal with publisher Riot Games.

Story continues below advertisement

Esports program coordinators have lamented that arrangement, saying the exclusivity with PlayVS restricts schools from holding "League of Legends" esports competitions and further noting that the public can download and play the game free of charge. For Chris Aviles, a teacher and founder of Garden State Esports, a nonprofit that runs competitions for more than 160 schools in New Jersey, this meant he had to halt plans for season-long competitions in "League of Legends" for the spring.

In February, Parnell offered Aviles and Garden State Esports two years of access to PlayVS free of charge if the nonprofit moved all of the competitions it hosts to Parnell's platform. Aviles declined the offer, writing that by joining PlayVS Garden State Esports would be condoning the company's exclusive licensing agreements.

"This is not a decision we came to lightly," Aviles wrote in his reply to Parnell. "This morning I told the league that we would be canceling the [League of Legends] season ... the kids were devastated."

Schools that choose not to use PlayVS can only host [two-week-long tournaments](#) for "League of Legends," but the competitions cannot use the words "varsity," "season" or "championship" to describe the event, according to Riot's [community competition guidelines](#). The company

declined to answer questions about its arrangement with PlayVS.

Story continues below advertisement

"If one company is the only company that can offer the most popular game in the world at a scholastic level, either you go with that company or you don't play that game," said Jim McKowen, a math and computer science teacher at Hopatcong High School in New Jersey. "Those are your only options."

PlayVS, which first started in 2018 and has since raised [more than \\$106 million](#) in venture capital, holds commercial licenses for nine games, marketing itself as a "turnkey" solution to esports. In 2018, the company started a contract with the streaming network for the National Federation of State High School Associations (NFHS), a rulemaking body in scholastic sports, to be the organization's platform for esports competitions. At the time, PlayVS was a three-person start-up. Now, the company employs more than 100 people and has operating contracts with 21 state athletic associations affiliated with the NFHS, along with a number of groups outside of the federation, according to the PlayVS website.

[*Aching wrists, early retirement and the surprising physical toll of esports*](#)

PlayVS handles the scheduling, matchmaking and record-keeping for competitions held over the course of eight-week regular seasons in the fall and spring. The idea of a service that handled all the logistical details appealed to school administrators who were interested in adding esports to their extracurricular offerings, but were unsure of all that process entailed.

Story continues below advertisement

Tanya Anderson, the associate director of Georgia High School Association, one of the first state associations to partner with PlayVS, said they “wouldn’t even know where to start” if they attempted to run esports competitions independent from PlayVS.

In states where the athletic association doesn’t have a partnership with PlayVS, some teachers have organized their nascent esports clubs into nonprofit organizations. But the nonprofit organizations have to navigate the format of their leagues around the licensing agreements PlayVS holds, as well as some game publishers.

Parnell says PlayVS has signed licensing agreements with developers to “exclusively provide” their league format — season-long competitions starting with preseason matches and ending with playoffs and state and national championships — which is modeled off traditional sports leagues. Parnell believes some nonprofit esports organizations have simply “replicated” that model, despite his company’s agreements with publishers.

Story continues below advertisement

“We were the first company to introduce that model,” Parnell said. “We created a real structured program, and format, in how we wanted to operate competitions. Everyone borrowed from that.”

“We consider that unique to PlayVS,” he added. “When we work with developers, we carve that out in our relationships.”

[*As Ukrainian pro gamers flee from war, esports community offers aid*](#)

The work PlayVS performs comes for a cost either to the schools or participating students. Currently it charges \$64 per player for each eight-week regular season of every game for which the school fields a team. The company plans to [raise the prices](#) in the fall.

Those costs have generated concern from a number of school officials who declined to partner with PlayVS. Aviles said some schools and students cannot afford such a fee and he is concerned for-profit models, like PlayVS, will limit which schools can or cannot afford to participate in scholastic esports.

Story continues below advertisement

"If I went away tomorrow because I got driven out of the [esports] space by the for-profits, those schools are not going to play for the for-profits," Aviles said. "They're just not going to play."

Kurt Gibson, the associate executive director of the Illinois High School Association, said his state athletic association also balked at partnering with PlayVS because of the costs. Instead, the association is looking into other options for statewide esports competitions.

"The fee structure concerned our board," Gibson said. "There are some schools where that price point wasn't going to be very daunting but there were going to be other schools where ... that's another cost for a student who may or may not be able to come up with those dollars."

Story continues below advertisement

Christian Carper, a teacher at West Delaware High School in Manchester, Iowa, started the esports program at his school two years ago under the Iowa High School Esports Association (IAHSEA), a

nonprofit organized by educators across the state. Carper, who's the organization's incoming president, said his high school wouldn't have gotten involved in all of this if it wasn't for IAHSEA providing a "low-cost" option.

"If I didn't have this association that was offering a low-cost entry point into the space, into programming, we wouldn't have gotten into it," Carper said. "Especially because it's esports and schools are a bit more hesitant."

[Gamer gloves and compression sleeves: Does performance wear matter in esports?](#)

PlayVS does offer its platform at a discount for Title 1 schools and all-girls schools, as well as free to schools partnered with the Special Olympics Unified esports. Parnell says his company is not turning a profit and he doesn't expect PlayVS to "generate crazy profit" from hosting high school esports competitions.

[In a 2021 article](#) published in Inc. Magazine, PlayVS CEO Parnell said, "We won't be happy until we have adoption at literally every high school and college in the country." Parnell told The Post he believes his company has created the best platform on the market for scholastic esports and Parnell wants PlayVS to become the software that powers all amateur esports competitions — not just high schools.

"The reality is that it's really difficult to expect developers to work with hundreds of platforms to facilitate the exact same content," Parnell said. "It's easy for every developer to choose their platform ... PlayVS has become that platform for most developers."

Aviles and other school officials who have rebuffed PlayVS believe the

company is pressuring schools and misrepresenting itself to win new contracts from administrators who are unaware of alternatives to adding esports.

"There is 100 percent space for all of us at the table," Aviles said. "The problem I'm having is that PlayVS rushed to get their seat at the table and now they're pulling up all the seats."