



WORLD CHESS

To: Members of the Working Group to Study the Proposal
of Agon Limited on Protection of Live Chess Moves

Dear Members of the Working Group,

First of all, I would like to thank Mr Strydom, Mr Rivello and Ms Sperdokli for their valuable comments to the Agon Limited proposal presented at the last Presidential Board meeting in March, 2017. All of them were taken into consideration when developing the wording of the draft FIDE Live Moves Broadcasting Policy ("Draft Policy") attached to this letter.

The Draft Policy recognizes the right of the World Chess Federation to control the live dissemination of the FIDE events' moves. Furthermore, it provides for the measures to be taken against persons interfering with this right.

Pursuant to the Policy there are two types of violators – Type 1 and Type 2. Type 1 includes the members of FIDE family, whereas Type 2 covers organizations and individuals, who are not part of the FIDE family.

The measures to be taken against Type 1 violators are already previewed in the Code of Ethics – the Draft Policy merely introduces the new rule that members of FIDE family shall comply with.

As for the Type 2 violators, the Policy provides for indirect measures. Those persons are subject to inclusion to special FIDE list ("Blacklist") and members of FIDE family are prohibited from cooperating with the blacklisted persons. Thus, the measures have an indirect effect – the prohibition is obligatory for members of FIDE family, and its violation shall be treated as the breach of FIDE Code of Ethics by the member of FIDE family.

This method of restrictions on cooperation is similar to the EU or US sanctions, even though the scope of the prohibition and its objectives are quite different from the political sanctions.

The main idea behind this prohibition is that chess community shall make an effort to ban free-riders from using the infrastructure provided by it. Individuals and organizations that do not respect the efforts of the chess events organizers and federations and continue to profit on live chess moves information without contributing to the staging of the events reduce the value of chess as professional sport and, thus, hinder its development and popularization.

The prohibition will serve as a measure aimed at:

- making it possible for FIDE and FIDE events organizers to use on exclusive basis or sell the rights to live move-by-move broadcasting, thus providing an additional stream of revenue for FIDE events;
- stopping the practice of organization of unauthorized live move-by-move broadcasts by the third parties that only free-ride on the efforts of FIDE and organizers of its events, without contributing to the events themselves;

- will prevent chess players and other chess professionals from participating in these reprehensible practices.

Further, I would like to address the issues raised by Mr Strydom and Mr Rivello in their comments to the initial proposal.¹

Who will be the "proprietor" of the broadcasting rights in the event of a tournament being held under the auspices of a federation or if the tournament is privately staged?

FIDE will be the "proprietor" of the broadcasting rights. The players will transfer this rights under the contracts for participation together with other commercial rights. The said rights will form a part of the TV and Internet broadcasting rights that are usually assigned to the organizer of the FIDE event in order to make it possible for the organizer to commercialize the event.

The FIDE Code of Ethics cannot be enforced against the members of general public that cannot somehow be brought into the notion of the "FIDE family".

This is a very valuable point that was brought up by Mr Strydom. As it was mentioned earlier, the Draft Policy is only enforceable against the members of the FIDE family. Nevertheless, it effectively excludes the non-FIDE-family violators from the cooperation with the FIDE family chess community. I believe that this resolves the issue of freedom of commercial association and pursuit of commercial activity as well as the restrictions only apply to the members of FIDE family.

Finally, there are still several questions that need to be addressed once the wording of the Policy is finalized.

The first one being the possibility of implementation of similar policies on the national federation level and their recognition and enforcement by FIDE. I see the development of Model Broadcasting Policy for national federations as a perfect tool to address this.

The second question is the temporary application of the Broadcasting Policy for the period after its approval by the working group and the Presidential Board/the Executive Board and its approval by the General Assembly. The point here is that at least FIDE can apply the prohibition on cooperation for this period, providing the idea to all the interested parties on how the Policy should work. However, in such case it is still to be decided which FIDE body or commission will take responsibility for updating the list of violators and who will have the final decision when it comes to establishing the fact of violation during this temporary period.

I am looking forward to receiving your comments and suggestions on both this letter and attached Draft Policy. Thank you for your consideration on this matter!

Sincerely,

Matvey Shekhovtsov

Matvey Shekhovtsov

Member of Agon Limited/FIDE Interface Team

Agon Limited

10th of April 2017

¹ see documents for 1st Quarter Presidential Board Meeting, Athens, Greece, 25-26 March 2017 (Annex 47A).

FIDE LIVE MOVES BROADCASTING POLICY

1. Introduction

1.1. This section describes the Live moves broadcasting policy of FIDE ("Policy").

1.2. This Policy shall govern what action may be taken against any person (meaning either an individual or organization) that deliberately or through gross negligence violates the exclusive right to organize live move-by-move broadcast of FIDE events.

1.3. The FIDE Ethics Commission is responsible for any actions to be taken in accordance with this Policy.

2. Right to organize live moves broadcasting

2.1. FIDE shall have the exclusive right to organize the live move-by-move broadcast of FIDE events ("Broadcasting right"). FIDE may at its sole discretion assign this right to third parties, including the organizer's of FIDE events and/or its appointed commercial agencies.

2.2. The exclusivity of the Broadcasting right shall only extend for the whole duration of the broadcasted game. After the end of the game the notation can be used without any further restrictions.

2.3. Use of up to 10 consecutive moves in one piece of communication (e.g. on one web-page; in one video piece) shall be regarded as fair use which does not interfere with the Broadcasting right.

3. Violation of the Broadcasting right

3.1. The following actions shall be regarded as violations of the Broadcasting right:

- a) unauthorized live move-by-move broadcasting of FIDE events via any means of communication including, but not limited to Internet, Radio and Television;
- b) participation in the unauthorized live move-by-move broadcasting as commentator or author;
- c) advertising and/or promoting unauthorized live move-by-move broadcasting.²

4. Violators

4.1. Type I violators («Violators I») include persons listed in item 1.4 of the FIDE Code of Ethics that performed actions listed in item 3.1 of this Policy.

4.2. Type II violators («Violators II») include persons who are not listed in item 1.4 of the FIDE Code of Ethics that performed actions listed in item 3.1 of this Policy.

4.3. The fact of the violation shall be determined by the FIDE Ethics Commission upon the complaint of the Broadcasting right holder

5. Measures to be taken in respect of Violators I.

5.1. Violation of the Broadcasting right by Violators I shall be considered to be a breach of the FIDE Code of Ethics.

5.2. The general procedure previewed by the FIDE Code of Ethics and respective punishments shall apply.

6. Measures to be taken in respect of Violators II.

6.1. Violators II shall be added to the special list ("FIDE Blacklist") for the period to be determined by the FIDE Ethics Commission on the basis of the severity of violation. Such period in any case shall not exceed 10 (ten) years.

² This item does not apply to automated advertising services like Google AdWords or Yahoo! Bing Network.

6.2. Persons listed in item 1.4 of the FIDE Code of Ethics are prohibited from entering into any commercial or other cooperation, partnership or any other contractual relationship with the persons listed on FIDE Blacklist. Violation of this provision shall be considered a breach of the FIDE Code of Ethics.

6.3. FIDE Secretariat shall be responsible for updating the FIDE Blacklist in accordance with the decisions of the FIDE Ethics Commission and publishing it on the FIDE website.

6.4. Person may be excluded from the FIDE Blacklist if it reaches an amicable agreement with the Broadcasting right holder and undertakes to abstain from violating the Broadcasting right in future.