



## Comparative Study of Legal Framework Governing E-Sports in India and the United States

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### KEYWORDS

*E-sports, Legal Framework, Online Gaming Law, Gambling vs Skill, Regulation, Player Protection, Digital Economy*

### ABSTRACT

E-sports has rapidly evolved into a global competitive and commercial phenomenon, necessitating the development of robust legal frameworks to regulate its multifaceted activities. This study undertakes a comparative analysis of the legal framework governing e-sports in India and the United States, with the objective of examining their regulatory approaches, institutional structures, and key legal challenges. The research is based on a doctrinal and comparative methodology, analysing constitutional provisions, statutory laws, judicial interpretations, and the role of regulatory and industry bodies in both jurisdictions. The findings reveal that India's e-sports regulation is fragmented and largely dependent on existing laws such as the Information Technology Act, 2000 and the Public Gambling Act, 1867, along with varying state legislations, leading to ambiguity and inconsistency. In contrast, the United States exhibits a more developed yet decentralized framework, supported by federal and state laws and significant private governance by industry stakeholders. Despite these differences, both countries face common challenges, including the classification of e-sports vis-à-vis gambling, player protection, and regulatory gaps. The study concludes that a comprehensive and coherent legal framework is essential for ensuring the sustainable growth of the e-sports industry. It recommends policy reforms, institutional strengthening, and international cooperation to address emerging legal and technological challenges...

## 1. INTRODUCTION

Meaning and concept of E-sports

E-sports, also known as electronic sports, refers to organized and competitive video gaming where individuals or teams compete against each other in professional tournaments using digital platforms. These competitions are typically played through online or offline modes and involve popular game genres such as multiplayer online battle arena (MOBA), first-person shooter (FPS), battle royale, and sports simulation games. Unlike casual gaming, e-sports emphasizes skill, strategy, teamwork, and practice, similar to traditional sports. The concept of e-sports also includes a structured ecosystem consisting of players, teams, coaches, sponsors, tournament organizers, streaming platforms, and audiences. With advancements in internet connectivity, digital technology, and live streaming services, e-sports has evolved into a global industry offering career opportunities, prize money, sponsorships, and professional recognition. In India, e-sports is rapidly gaining popularity among youth and is increasingly being viewed as a legitimate competitive and professional activity rather than merely a form of entertainment.

Global growth of the E-sports industry

The global growth of the e-sports industry has been remarkable over the past decade, transforming competitive gaming into a major segment of the digital entertainment economy. The worldwide e-sports market was valued at approximately USD 2.13 billion in 2024 and is projected to reach about USD 7.46 billion by 2030, growing at a compound annual growth rate of around 23 percent. This rapid expansion is driven by increasing internet penetration, the popularity of live streaming platforms, rising sponsorship investments, and the growing number of international tournaments.

Additionally, the global audience for e-sports continues to expand significantly, with estimates suggesting that the number

of viewers may reach around 664 million worldwide by 2025. Sponsorships, advertising, media rights, and streaming have become major sources of revenue, reflecting strong commercial interest from global brands and investors. The industry is also witnessing strong growth in mobile e-sports, particularly in Asia-Pacific and emerging markets, where smartphones serve as the primary gaming device. Increasing prize pools, professional leagues, and institutional investments have further contributed to the mainstream acceptance of e-sports as both a professional career and a spectator sport. As a result, e-sports is rapidly evolving from a niche gaming activity into a global competitive industry with significant economic and cultural impact

## **2. Conceptual Framework of E-Sports**

The conceptual framework of e-sports revolves around understanding its nature as a structured, competitive, and digitally mediated form of sporting activity. E-sports, or electronic sports, refers to organized video game competitions in which individuals or teams compete against each other under predefined rules, often in professional settings. Unlike casual gaming, e-sports is characterized by its competitive intensity, skill-based performance, audience engagement, and institutional organization. It occupies a unique position at the intersection of sports, entertainment, and technology, thereby requiring a multidimensional conceptual understanding. The framework encompasses not only the definition and characteristics of e-sports but also its differentiation from related activities such as online gaming and gambling, as well as the identification of its key stakeholders and the legal complexities involved.

At its core, e-sports is distinguished by the presence of skill, strategy, and training, which align it closely with traditional sports. Players in e-sports engage in rigorous practice, teamwork, and strategic planning to achieve competitive success. This skill-oriented nature is central to its legal and conceptual identity, especially in jurisdictions where the distinction between games of skill and games of chance determines legality. E-sports titles such as multiplayer online battle arena (MOBA), first-person shooters (FPS), and real-time strategy (RTS) games require high levels of cognitive ability, hand-eye coordination, reflexes, and tactical decision-making. Consequently, e-sports is increasingly recognized as a legitimate sporting activity in various parts of the world, though this recognition is not yet uniform across all jurisdictions.

A critical component of the conceptual framework is the distinction between e-sports, online gaming, and gambling. While all e-sports activities fall under the broader category of online gaming, not all online games qualify as e-sports. E-sports specifically refers to competitive gaming conducted in organized tournaments or leagues, often with professional players and substantial prize pools. In contrast, online gaming may include casual or recreational gameplay without any competitive or professional dimension. Similarly, e-sports must be clearly differentiated from online gambling, which involves wagering money on outcomes that may depend on chance. The classification of e-sports as a game of skill rather than chance is a pivotal legal issue, particularly in countries like India where gambling laws are stringent and largely governed by the distinction between skill-based and chance-based activities.

The conceptual framework also includes the identification of key stakeholders within the e-sports ecosystem. These stakeholders include players, teams, game developers or publishers, tournament organizers, sponsors, advertisers, streaming platforms, and audiences. Each of these actors plays a significant role in shaping the structure and functioning of the e-sports industry. Game publishers, in particular, hold substantial power as they own the intellectual property rights to the games being played and often control the organization of tournaments and leagues. This creates a unique governance model where private entities exercise regulatory authority, unlike traditional sports which are typically governed by independent federations. Additionally, streaming platforms and digital media have transformed e-sports into a spectator-driven industry, generating revenue through advertisements, subscriptions, and sponsorships.

Another important dimension of the conceptual framework is the legal nature of relationships within the e-sports industry. Contracts between players and teams, sponsorship agreements, broadcasting rights, and intellectual property licensing are integral to the functioning of the ecosystem. Issues such as player rights, employment status, dispute resolution, and revenue sharing are increasingly becoming areas of legal scrutiny. Furthermore, the cross-border nature of e-sports competitions introduces complexities related to jurisdiction, taxation, and regulatory compliance. The absence of a unified global regulatory framework further complicates these issues, making comparative legal analysis essential for understanding how different countries approach the governance of e-sports.

Finally, the conceptual framework of e-sports must account for emerging challenges and ethical concerns. These include issues such as cheating through software hacks, match-fixing, doping (including the use of performance-enhancing drugs), and data privacy. The rapid evolution of technology and the increasing commercialization of e-sports necessitate continuous adaptation of legal and regulatory mechanisms. As e-sports continues to grow in scale and influence, its conceptual framework must evolve to address these challenges while ensuring fairness, integrity, and sustainability. Thus,



the study of e-sports from a conceptual perspective provides a foundation for analysing its legal, economic, and social dimensions in a comprehensive and systematic manner.

### **3. Legal Framework Governing E-Sports in India**

The legal framework governing e-sports in India is still in a developing stage and is characterized by a mix of constitutional principles, colonial-era statutes, modern technology laws, judicial interpretations, and emerging regulatory efforts. Unlike traditional sports, e-sports does not yet have a dedicated and comprehensive legislative framework. Instead, it is regulated indirectly through laws relating to information technology, gambling, taxation, and contracts. This fragmented approach has created both opportunities and uncertainties for stakeholders in the Indian e-sports ecosystem.

#### **Constitutional Provisions**

The Constitution of India provides the foundational basis for regulating activities related to e-sports, particularly through the distribution of legislative powers and the protection of fundamental rights. Under the Seventh Schedule of the Constitution, “betting and gambling” fall under the State List, granting individual states the authority to legislate on such matters. This has resulted in diverse and sometimes inconsistent laws across different states regarding online gaming and related activities. At the same time, fundamental rights such as the right to freedom of speech and expression under Article 19(1)(a) and the right to practice any profession or carry on any occupation under Article 19(1)(g) are relevant in the context of e-sports. Competitive gaming, content creation, and streaming can be seen as forms of expression and professional activity. However, these rights are subject to reasonable restrictions, including those related to public order, morality, and legality of gambling activities. Therefore, the constitutional framework attempts to balance individual freedoms with regulatory concerns, particularly when e-sports intersects with issues of betting or wagering.

#### **Key Legislations**

India’s legal framework governing e-sports has undergone a significant transformation with the enactment of the “The Promotion and Regulation of Online Gaming Act, 2025”, which now serves as the principal legislation governing the online gaming sector, including e-sports, online social games, and prohibited online money games. This landmark statute establishes, for the first time, a comprehensive national legal framework aimed at promoting legitimate digital gaming sectors while prohibiting exploitative monetary gaming models. The Act reflects the Government of India’s attempt to balance innovation, industry development, public welfare, and national security concerns in the rapidly expanding gaming ecosystem.

A major contribution of the 2025 Act is the formal statutory recognition of e-sports as a legitimate competitive activity. The Act defines e-sports as organized online games played in competitive individual or team formats under predefined rules, where outcomes are determined solely by skill-based factors such as physical dexterity, mental agility, strategic thinking, and similar competencies. It further requires that such games be recognized under the national sports governance structure and registered with the designated authority. By doing so, the legislation clearly separates e-sports from gambling-oriented gaming activities and grants it a lawful and development-oriented identity within India.

The Act also places a developmental obligation on the Central Government to promote e-sports through policy support, infrastructure creation, and institutional development. It authorizes measures such as framing standards for tournaments, establishing training academies and research centres, introducing incentive schemes, encouraging entrepreneurship in gaming technology, and integrating e-sports with broader sports policy initiatives. This marks a policy shift from passive regulation to active promotion of e-sports as part of India’s digital economy and sporting future.

Another important feature of the legislation is its classification framework for different forms of online games. The Act distinguishes among e-sports, online social games, and online money games. Online social games are recognized as recreational or educational games without wagering elements, while online money games are broadly defined as games involving deposits, fees, or stakes with an expectation of monetary gain. Crucially, such online money games are prohibited irrespective of whether they involve skill, chance, or a combination of both. This broad prohibition substantially changes the earlier legal reliance on the skill-versus-chance doctrine for monetary online gaming.

The law imposes stringent prohibitions on offering, facilitating, advertising, or financially supporting online money gaming services. Banks, payment gateways, financial institutions, and intermediaries are prohibited from processing transactions related to such services. Advertising of online money games through any media, including digital and influencer channels, is also banned. These provisions demonstrate the legislature’s concern regarding addiction, fraud, money laundering, youth exploitation, and public health risks associated with monetary gaming platforms.



To implement the Act, provision has been made for the creation of an Authority on Online Gaming. This regulatory body may classify games, determine whether a platform constitutes an online money game, register legitimate categories of games, issue directions, handle complaints, and enforce codes of practice. The establishment of such an authority fills a long-standing institutional gap in India's gaming regulation and introduces a centralized governance mechanism for the sector.

The Act also contains robust enforcement provisions, including imprisonment, substantial monetary fines, blocking powers for unlawful services, search and seizure authority, and liability for companies and responsible officers. Repeat offences attract enhanced punishments. Certain offences are designated as cognizable and non-bailable, reflecting the seriousness with which unlawful online money gaming is treated under the new regime.

Although the 2025 Act is now the primary legislation, other laws continue to remain relevant. The Information Technology Act, 2000 still governs intermediary liability, cybersecurity, electronic records, and blocking procedures. Consumer protection laws regulate misleading advertisements and unfair trade practices. Intellectual property laws remain central because game publishers retain rights over game software, trademarks, and tournament licensing. Contract law continues to govern relationships among players, teams, sponsors, and event organizers.

### **Judicial Interpretations**

- In a constitutional democracy like India, governed by the principle of separation of powers, the judiciary plays a pivotal role in maintaining institutional checks and ensuring that the ideals enshrined in the Constitution are meaningfully realized<sup>1</sup>.
- Judicial pronouncements have played a crucial role in shaping the legal understanding of gaming and, by extension, e-sports in India. The judiciary has consistently emphasized the distinction between games of skill and games of chance. In landmark cases such as *State of Bombay v. R.M.D. Chamarbaugwala*, the Supreme Court held that activities predominantly based on skill are not considered gambling and therefore fall outside the scope of restrictive gambling laws.
- Subsequent judgments, including those relating to games like rummy and fantasy sports, have reinforced this principle. Courts have recognized that if success in a game depends primarily on skill rather than chance, it should be treated as a legitimate activity. This distinction is highly relevant for e-sports, as most competitive video games require a high degree of skill, strategy, and training. However, the absence of explicit judicial rulings specifically addressing e-sports leaves some ambiguity in its legal classification.

### **Role of Regulatory Bodies**

- The regulatory environment for e-sports in India involves both governmental and non-governmental entities. The Ministry of Electronics and Information Technology (MeitY) plays a key role in regulating online intermediaries and digital platforms, including gaming applications. It has introduced guidelines for online gaming, particularly focusing on due diligence, user protection, and grievance redressal mechanisms.
- On the industry side, organizations such as the Esports Federation of India (ESFI) have emerged as important stakeholders. ESFI promotes e-sports as a legitimate sporting activity and represents India in international competitions. However, its role is largely promotional and organizational rather than regulatory, and it does not possess statutory authority.
- Additionally, self-regulatory bodies and industry associations have begun to develop codes of conduct and best practices for responsible gaming, player welfare, and fair competition. Despite these efforts, the lack of a centralized and authoritative regulatory body dedicated to e-sports remains a significant gap.

### **Key Issues in Indian Context**

- The Indian e-sports sector faces several legal and regulatory challenges that hinder its growth and formal recognition. One of the primary issues is the lack of a clear and uniform legal definition of e-sports. The overlap between gaming and gambling creates confusion, particularly in states where strict anti-gambling laws are enforced. This ambiguity affects investment, sponsorship, and the overall development of the industry.

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<sup>1</sup> Pradipa Nath & Dr P.Lakshmi, From Restraint to Reform: The Role of Judicial Activism in Addressing Contemporary Legal and Social Challenges, *GLS Law Journal* Volume 7 Issue 2, July- December 2025



- Another major concern is the inconsistency in state laws, which leads to regulatory fragmentation. E-sports platforms operating across multiple states must navigate varying legal requirements, increasing compliance costs and legal risks. Taxation is also a contentious issue, with debates over the classification of online gaming services and the applicability of GST on entry fees and winnings.
- Player protection and contractual issues represent another area of concern. Many e-sports players in India lack formal contracts, job security, and legal safeguards. Issues such as unfair terms, lack of dispute resolution mechanisms, and absence of standardized employment norms are prevalent. Furthermore, concerns related to data privacy, cybersecurity, and online harassment are increasingly significant in the digital gaming environment.

#### **4. Legal Framework Governing E-Sports in the United States**

The legal framework governing e-sports in the United States is relatively advanced but highly decentralized, reflecting the broader structure of the U.S. legal system. Unlike jurisdictions that rely on centralized statutory regulation, the United States adopts a multi-layered approach involving federal laws, state regulations, and significant private governance by industry actors. E-sports is not regulated by a single comprehensive statute; instead, it is shaped by a combination of laws relating to gambling, intellectual property, labour, contracts, and data protection. This flexible yet fragmented framework has allowed the industry to grow rapidly while also creating certain legal ambiguities.

##### **Federal Legal Structure**

- At the federal level, there is no specific legislation exclusively governing e-sports. However, several federal laws indirectly influence the functioning of the industry. The U.S. Constitution provides the overarching legal framework, particularly in areas such as interstate commerce, intellectual property, and freedom of expression. The federal government primarily regulates aspects of e-sports that involve cross-border transactions, digital communication, and labour mobility.
- Federal agencies do not directly regulate e-sports as a sport; instead, their involvement arises in related domains. For example, immigration authorities play a significant role in granting visas to international e-sports players participating in tournaments. Similarly, federal trade and communications laws influence sponsorships, broadcasting, and digital streaming. The absence of a unified federal framework allows for flexibility but also results in reliance on existing general laws rather than sector-specific regulation.

##### **Relevant Laws and Regulations**

- A number of federal and general laws apply to e-sports in the United States. Gambling laws are particularly relevant, especially in contexts where betting is associated with e-sports events. The Unlawful Internet Gambling Enforcement Act of 2006 (UIGEA) restricts financial transactions related to unlawful online gambling but provides exceptions for games predominantly based on skill. This distinction is crucial for e-sports, as most competitive video games are considered skill-based activities.
- Intellectual property law plays a central role in the governance of e-sports. Game developers and publishers retain ownership over their games, including copyrights, trademarks, and licensing rights. This gives them substantial control over how games are used in tournaments and broadcasts. Labour and employment laws also apply to professional players, particularly in relation to contracts, wages, and working conditions, although many players are classified as independent contractors rather than employees.
- In addition, data protection and consumer protection laws are increasingly relevant due to the digital nature of e-sports. Regulations concerning online privacy, advertising standards, and fair business practices affect streaming platforms, tournament organizers, and sponsors. Contract law governs relationships among stakeholders, including player agreements, sponsorship deals, and media rights arrangements.

##### **Role of Regulatory and Industry Bodies**

- One of the most distinctive features of the U.S. e-sports framework is the prominent role of private entities in governance. Unlike traditional sports, where independent federations regulate competitions, e-sports is largely controlled by game publishers such as Riot Games and Activision Blizzard. These companies own the intellectual property rights to their games and therefore have the authority to organize leagues, set rules, and enforce disciplinary measures.



- In addition to publishers, professional leagues and tournament organizers play a crucial role in structuring the competitive ecosystem. These entities establish codes of conduct, player eligibility criteria, and dispute resolution mechanisms. Industry associations and advocacy groups also contribute to policy discussions, particularly in areas such as player welfare, diversity, and integrity in competition.
- The dominance of private governance allows for rapid innovation and adaptability but raises concerns about transparency, accountability, and concentration of power. Since there is no single overarching regulatory authority, the standards and rules may vary significantly across different games and leagues.

#### **State-Level Regulations**

- State governments in the United States have significant authority over issues such as gambling, consumer protection, and employment law. As a result, the regulation of e-sports-related activities varies across states. Some states have legalized and regulated sports betting, including betting on e-sports events, while others maintain stricter prohibitions.
- State-level variations are particularly evident in the treatment of online gaming and wagering. Licensing requirements, taxation policies, and compliance obligations differ from one state to another, creating a complex regulatory environment for operators and stakeholders. Additionally, state labour laws may influence player contracts, especially in relation to minimum wages, working conditions, and classification of workers.
- This decentralized approach allows states to experiment with different regulatory models but can also create challenges for nationwide operations. E-sports organizations must navigate these differences to ensure compliance across multiple jurisdictions.

#### **Key Issues in U.S. Context**

- Despite its growth and relative maturity, the U.S. e-sports industry faces several legal and regulatory challenges. One of the primary concerns is the lack of a unified legal framework, which leads to inconsistencies and uncertainty. The reliance on private governance by game publishers raises questions about fairness, conflict of interest, and the absence of independent oversight.
- Player rights and employment status constitute another significant issue. Many professional players are treated as independent contractors, which limits their access to benefits such as health insurance, job security, and collective bargaining rights. Efforts toward unionization and standardization of player contracts are still in the early stages.
- The issue of gambling and betting on e-sports events is also complex, particularly with the expansion of legalized sports betting in several states. Ensuring the integrity of competitions and preventing match-fixing are critical challenges. Additionally, concerns related to data privacy, cybersecurity, and online harassment are increasingly prominent, given the digital and global nature of e-sports.
- Visa and immigration regulations further complicate participation in international tournaments, as players must meet specific eligibility criteria to compete in the United States. Lastly, the rapid pace of technological change continues to outstrip existing legal frameworks, necessitating ongoing adaptation and policy innovation.

#### **5. Comparative Analysis of India and the United States**

A comparative analysis of the legal framework governing e-sports in India and the United States demonstrates two distinct regulatory models shaped by different constitutional structures, policy priorities, and market traditions. With the enactment of the The Promotion and Regulation of Online Gaming Act, 2025, India has moved from a fragmented and uncertain regulatory environment toward a centralized statutory model that expressly recognizes e-sports and regulates the broader online gaming ecosystem. The United States, by contrast, continues to rely on a decentralized framework composed of federal laws, state regulations, and extensive private governance by publishers and tournament organizers. Both countries acknowledge the economic and technological significance of e-sports, yet their legal pathways differ substantially.

One of the most notable areas of difference is the overall legislative structure. India now possesses a dedicated national statute specifically addressing online gaming, including e-sports, online social games, and prohibited online money games. This gives India a more direct legislative foundation than before. The 2025 Act creates a unified national approach, reducing dependence on inconsistent state-level treatment of gaming activities. In the United States, there is still no single federal law exclusively governing e-sports. Instead, regulation emerges through a combination of general laws relating to

gambling, contracts, labor, intellectual property, and consumer protection, supplemented by state laws. Thus, India now reflects a codified sector-specific approach, whereas the United States retains a functional but fragmented system.

Another important point of comparison concerns the legal recognition of e-sports. In India, the 2025 Act expressly defines e-sports as organized competitive online games where outcomes are determined solely by skill-based factors such as strategic thinking, dexterity, and mental agility. This statutory recognition gives e-sports a clear lawful identity and separates it from wagering-based activities. In the United States, e-sports is widely accepted in practice as a legitimate commercial and competitive activity, but such recognition is largely market-driven rather than embedded in one comprehensive statute. Therefore, India now offers clearer formal recognition through legislation, while the United States offers practical recognition through industry development and commercial legitimacy.

The treatment of monetary gaming and gambling reveals another major divergence. India's 2025 law adopts a strict regulatory stance by prohibiting online money games involving deposits or stakes for monetary gain, regardless of whether such games involve skill, chance, or both. This marks a significant departure from the earlier heavy reliance on judicial distinctions between skill and chance. In the United States, gambling regulation remains state-driven, and many jurisdictions permit regulated sports betting or gaming under licensing systems. Some states may allow betting connected to e-sports events subject to local law. Accordingly, India emphasizes prohibition of online money gaming at the national level, whereas the United States generally favors controlled legalization depending on state policy choices.

Institutional governance also differs sharply. India's new framework provides for an Authority on Online Gaming with powers to classify games, register recognized categories, issue directions, address complaints, and support regulatory enforcement. This introduces centralized public oversight. In contrast, the United States relies heavily on private governance. Publishers such as Riot Games and Activision Blizzard frequently act as *de facto* regulators by setting competition rules, eligibility standards, disciplinary procedures, and league structures. India therefore leans toward statutory administrative regulation, while the United States remains more publisher-led and market-governed.

Player rights and contractual systems provide another useful comparison. In India, formalization of the e-sports sector under the 2025 Act may gradually improve institutional recognition, sponsorship confidence, and professional opportunities for players. However, standardized player contracts, dispute resolution systems, employment protections, and welfare norms are still developing. In the United States, player contracts, sponsorship arrangements, and commercial league systems are comparatively more mature, though disputes remain over independent contractor status, benefits, unionization, and bargaining power. Thus, the United States currently has a more developed professional ecosystem, while India is in a rapid transition phase.

Economic regulation and investment climate also show contrasts. India's explicit legal recognition of e-sports may attract domestic and foreign investment, encourage tournament infrastructure, stimulate startups, and support training institutions. At the same time, strict prohibitions on online money gaming may limit certain monetization models linked to wagering platforms. In the United States, a long-established venture capital ecosystem, media rights markets, sponsorship networks, and publisher-driven leagues have enabled faster commercialization. However, regulatory inconsistency across states can create compliance burdens.

In the area of technology regulation, both countries rely on broader digital laws for cybersecurity, platform accountability, privacy, and intermediary obligations. India continues to use laws such as the Information Technology Act, 2000 alongside the 2025 Act. The United States applies a mix of federal and state consumer privacy, cybersecurity, and digital commerce rules. Both jurisdictions face common challenges involving cheating software, match-fixing, underage participation, data misuse, and cross-border enforcement.

Despite structural differences, both nations share a common objective: encouraging innovation while minimizing social harms. India has chosen a state-led regulatory model with statutory clarity and centralized oversight. The United States has chosen a pluralistic model based on market growth, contractual governance, and decentralized legal controls. Each model has strengths and limitations. India benefits from clearer categorization and legal certainty, while the United States benefits from commercial flexibility and mature industry institutions.

## 6. CONCLUSION

The comparative study of the legal framework governing e-sports in India and the United States demonstrates the rapid transformation of e-sports from a niche digital activity into a major global industry requiring clear and effective legal governance. As competitive gaming increasingly influences technology, entertainment, employment, and international commerce, both countries have recognized the need to regulate and support the sector. However, their approaches continue



to reflect different legal traditions, institutional structures, and policy priorities.

India has undergone a significant regulatory shift with the enactment of the “The Promotion and Regulation of Online Gaming Act, 2025”. This legislation marks a historic milestone by creating a dedicated national legal framework for online gaming and by expressly recognizing e-sports as a legitimate skill-based competitive activity. The Act provides statutory clarity through the classification of e-sports, online social games, and prohibited online money games, while also establishing a mechanism for centralized oversight through an Authority on Online Gaming. In doing so, India has moved beyond its earlier fragmented model that depended heavily on outdated gambling laws, judicial interpretation, and inconsistent state-level regulation. The new framework has the potential to strengthen investor confidence, promote innovation, generate employment, and integrate India more effectively into the global e-sports economy.

The United States, in contrast, continues to operate through a decentralized and market-driven model. Although it lacks a single comprehensive federal statute specifically dedicated to e-sports, the industry benefits from a mature ecosystem supported by contract law, intellectual property law, labour regulations, consumer protection laws, and state-level gaming rules. Major publishers and tournament organizers exercise substantial governance functions, allowing the sector to evolve rapidly through private innovation. This framework has helped the United States emerge as one of the most commercially advanced e-sports markets in the world. Nevertheless, concerns remain regarding fragmented regulation, varying state laws, player rights, and the concentration of regulatory power in private hands.

The comparative analysis reveals that India now possesses stronger statutory clarity in sector-specific regulation, whereas the United States retains greater commercial maturity and institutional experience. India’s centralized legislative approach offers certainty and public oversight, while the American model offers flexibility and faster market responsiveness. Both systems, however, continue to face shared challenges such as data protection, cheating, match-fixing, taxation complexities, cross-border participation, and ensuring fair treatment of professional players

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