Intellectual Property of Russian Professional Football as an Object of Management System in Virtual Space: Main Provisions of a Business Model

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Abstract
In terms of the development of intellectual property market in virtual spaces, of Russia's preparations for the FIFA World Cup 2018 the questions of the business model of the Russian professional football acquired research relevance. The study poses and solves five research tasks: 1. To generate the main provisions of objects of intellectual property of the football club for managing in the real and virtual spaces; 2. To justify the need for specific and versatile regulation of intellectual property objects; 3. To show the turnover of the Russian market of professional football; 4. To justify the need of regulation the relationship of football to the income (profits) in the legal form; 5. To develop the main provisions of the business model of Russian professional football. General scientific methods of theoretical and empirical knowledge; the evaluation methodology of management of objects of intellectual property. In the study are developed: the main principles of the business model of the Russian professional football on the basis of a management system of intellectual property in the real and virtual spaces; institutional provisions of the business model. Practical results may be used in the practice of sports management for the Russian professional football.

Keywords
professional football, virtual space, objects of intellectual property

1. Introduction
Intellectual property protection—of both industrial property and copyrights—in the sphere of Russian sport is still at the stage of formation. Under Russia’s preparing for the World Cup 2018, the Russian market of professional football faces the risk of flurry around patenting any improvements of Olympic sports, which is due to the lack of intellectual property management system in the real space, and loss of huge income associated with the researched intellectual property management system in the virtual space.

2. Method
The work investigated the activity of leading foreign Football Clubs (FC): English (Arsenal, Chelsea, Manchester United), Spanish (Real Madrid, FC Barcelona), Italian (Juventus, ACMilan, Inter Milan), German (Bayern, Dortmund Borussa), Russian professional teams as a part of “Russian football Premier League” (FC “Zenit”, “Rubin” and “Spartak”) (Note 1). In the study period 2012-2015 we used the following methods (Table 1).
Table 1. Research Methodology

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RFU-All-Russian public organization “Russian Football Union”; RFPL-Non-commercial partnership “Russian Premier Football League”; UEFA-Union of European Football Associations.

The turnover of the Russian professional football in the virtual space are calculated as the aggregate data in the following areas: bookmaking, involving on-line betting; the broadcasting on the air; broadcasting; general sponsorship as part of merchandising.

For the formation of the business model of the football organization, the authors developed a methodology for assessing the management of intellectual property in the football club, which is as follows: (1) the definition of what constitutes intellectual property, corporate image of the football club; (2) determining the value of tangible and intangible assets of the football club. We proceed from the position that the value of the football club is the sum of the value of intangible and tangible assets, where the value of the latter is the sum of the value of intellectual property and the corporate image of the football club (Note 2); (3) the evaluation of the data in the following format: the higher the resulting index, the more successful is the management of intellectual property in the football club; (4) in the case of identical indicators in the indices we must use the data on the value of the football club in monetary value: a higher place in the ranking of the football club receives the more value the company as a whole.
2.1 Theoretical Background and Hypotheses

The study used the following groups of sources, grouped by authors on critical issues of the research subject.


2) In the field of the turnover of the market of professional football in the virtual space used scientific and practical sources (journals, articles with a sports theme): Astafjev (2012), Frolow (2013), Watzke (2014).


4) For the development of the business model of football organization in real and virtual spaces used the works by: Laier (2007), Kashina (2015), Karanik (2015), Kiselev (2015), Travis (2015), the group of official websites of football clubs “Rubin”, “Zenit”. The authors put forward following five hypothesis that reflects the essence of the studies reviewed above, in relation to the object, the subject of this paper.

Hypothesis 1: In the football organizations, the terms “the intellectual property management” and “the management of corporate image” are interrelated with the allocation of specific and generic objects management in each of the subsystems for real and virtual spaces.

Hypothesis 2: The system of intellectual property management in football organizations in the virtual space based on: the regulation in real space of the specific objects and the generic objects in real and virtual spaces at the same time.

Hypothesis 3: The positions of the football organization to the profit (income) is the principal in establishing its business model, which is reflected in the legal form of the organization.

Hypothesis 4: The Volume of the market of intellectual property in the Russian professional football are formed as a set of volumes of the markets for intellectual property in real and virtual spaces based on specific types of competition in the virtual space with taking account of the intellectual property management: bookmaking (including online betting); the broadcasting on the air, broadcasting; General sponsorship as part of merchandising.

Hypothesis 5: The business model of professional Russian football is based on theoretical, economic, institutional provisions of the intellectual property market in real and virtual spaces, which serve as controllers: the management system of objects of intellectual property; the statistics of professional football as a part of sports; the social responsibility of professional football.

Five research hypotheses are grouped in the following structural areas of research: theoretical (Hypotheses 1, 2); economic (Hypothesis 4); institutional (Hypothesis 3); the business model of football
organization (Hypothesis 5); the findings and results of the study are presented according to the hypotheses.

2.2 Theoretical Positions: A Conceptual Framework

The proposed work understands “football” as one of the leading global markets of team professional sports—sports leagues, the business model of which is based upon: (a) the intellectual property management system in real and virtual spaces; (b) management system at macro-, meso- and micro-levels, which is acting under the norms and rules of FIFA (Note 3) and UEFA at macro-level, Russian Football Union (RFU), Russian Premier Football League (RPFL) at meso-level (Note 4) [under Russia conditions] (Bich & Chedvik, 2010; Pascal, 2015). A business unit of the professional football market is a professional football team (micro-level of management) (Note 5). The object of this research is the football organization on micro-, meso-levels: football club, RPFL, RFU accordingly.

The work understands “virtual space” as a complex of social relations arising during using the electronic computer networks, referring to the information processed with computers, and informational services rendered with computers and computer networks i.e., the complex of relations, which are only possible via the computer and other means of communications (Mazurina, 2011) (Note 6). Under the economy virtualization in general, and sports markets in particular, the types of on-line competition in sports are: e-commerce (electronic commerce, or Internet commerce) (Note 7), merchandising (selling sports attributes, other means of individualization of a football organization and its titular sponsors), management of arenas (as an object of management in virtual space due to the large share of digital tools in this process: automatized access control, sms-informing about the booking, etc.), betting (Makarov, 2003). Intellectual property in the management of a football club, classified by the authors in the following areas of management: a) industrial property, confidential documented information, copyright; b) corporate image of the football club (Joshua, 2014); c) the real space; d) the virtual space are formed into two groups of components to manage in real and virtual spaces: specific intellectual property; directly components of the system of intellectual property management and control system of the image of the football club; universal intellectual property (or dual use). The intellectual property management system in football is understood as a unity of methods (techniques) in the sphere of intellectual property management in real and virtual spaces, elaborated for the short-, medium- and long-term periods basing on the universal and specific management indicators. The differentiation of the intellectual property management techniques in real and virtual spaces is based on the following specific features of these types of competition: (1) close relation between intellectual property management in real and virtual spaces; (2) specific types of competition in virtual space, based on the objects of dual purpose (i.e., objects of intellectual property directly in the management system and in image management of a football club): merchandizing, e-commerce, betting, arena management.

The authors conducted a review of patents in the Russian sport, professional football during the period 1993-2001 in the following areas of patenting: 1. Technique of forming the border line for players placement when making penalty and free kicks in sports games (Note 8). 2. Technique of making a penalty kick by a footballer (Note 9). 3. Technique of preventing the damage of equipment of traumas on stadiums (Note 10). The result of this work are the following conclusions: (a) the object of industrial law in professional football are technical solutions for solving problems in the areas of maximizing sports results, entertainment football games, safety of players; (b) the issue of necessity of control over the use rights of the patentee and—in general—implementation of such control is possible by developing of the business model of professional football based on the management of intellectual
property in the real and virtual spaces (Note 11). This conclusions allows to judge about the broad possibilities in the sphere of patenting in football, which poses the issue of control over using the rights of patent and copyright holders in real and virtual spaces, which is especially topical on the eve of the World Cup 2018 in the Russian Federation.

The legal field of management of individualization means (trademarks, names) in the real space, as a part of industrial property, allowed to identify the following critical areas, which should be regulated in order to develop the virtual space of professional football: (1) existence of professional sports clubs with the same name, which sometimes have no patent for the trademark, but have different logos (Note 12); (2) existence of professional and non-professional sports clubs with the same name, which have similar trademarks (Note 13). Regulation of the legal issues in the real space of individualization means management is, according to the authors, a part of institutional provisions of the management system of intellectual property objects in football.

3. Results

3.1 The Economic Provision of Business Models

3.1.1 System of Intellectual Property Management in Real and Virtual Space

The Russian system of football leagues consists of four levels, which are rules by four organizations: the All-Russia public organization “Russian Football Union” (RFU), Non-profit partnership “Russian Football Premier League” (RPFL), Non-profit partnership “Football National League” (FNL), Association “Professional Football League” (PFL), All-Russia public organization “Amateur Football League” (Note 14) (AFL) (Note 15). The supreme authorities in football management in Russia are Conference of RFU and Executive Committee of RFU. Particular segments of football industry are regulated by the committees and commissions of RFU. The competitions in three divisions are organized by RPFL, FNL and PFL, which manage the intellectual property objects reflected in the official websites of these organizations (Note 16). Almost all large sports leagues have internet canals for matches broadcasting, for example, NFL and NHL. Table 2 shows the Russian system of football leagues from the viewpoint of analysis of the implemented business model in the sphere of intellectual property objects management in real and virtual spaces.

Basing on the analysis of Table 2, it is obvious that at the moment of research in the Russian professional football only one of the four objects of dual purpose was managed (Note 17), namely—management of trademarks, brand names (logos, emblems) and other means of individualization. Here “management” is “non-profit usage” of the objects of intellectual property; the other three types from the group of objects of dual purpose, or eight from the group of intellectual property and corporate image of a football club in the Russian professional football are not identified, as they are intangible assets and are not included into the management system in both real and virtual spaces (Table 2) The intangible assets in virtual space, including bookmaking, broadcasting, merchandizing in professional football management are revealed in the analysis of this market turnover (Table 3). The obvious reasons for this situation are the following critical points unsolved in the methodological, normative-legal and institutional aspects, which were revealed by the authors during the research: 1. Lack of competition identification in the form of sports bets (including in football) as one of the kinds of competition in virtual space, based on the objects of intellectual property management. Hence, the turnover of bookmaking business of professional football as a part of sport was not found by the authors (Note 18) (Sunder, 2000); 2. Lack of documents of strategic, normative character, in which the bookmaking business should be taken into account when forming the profit part.

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of professional football budgets at meso- and micro-levels (RFU, RPFL, football clubs) with allocation of taxes adequate to the turnover of the bookmaking business; 3. Lack of constructive relations between RFU and “Telesport” Close Corporation, as these organizations implement opposite views on the key issues of football management. Hence, the turnover of “Telesport” Close Corporation in the sphere of broadcasting in approximate figures for RFU and RPFL is not identified by the authors (Note 19); 4. Lack of the register for account and control over the rights for Internet broadcasting of matches: hence the list of companies, having rights for broadcasting, is chaotic, which influences the analysis of turnover of this market (Table 3).

3.1.2 The Turnover of the Market of Professional Football

Having researched the issue of intellectual property management in the real space of the Russian professional football (2014-2015), the authors revealed the following features:

(1) Patenting, carried out in 1993-2001 according to the Civil Code of the Russian Federation, takes place in the Russian professional football (Civil Code of the Russian Federation, 2013). But the lack of statistical data of the Federal Agency of the Russian State Statistics (Rosstat) testifies to the lack of scientific techniques of the intellectual property management in football and sports in general. These techniques should be aimed at collecting and analyzing the basic data on the sport in Russia and its regions; (2) the legal field in the sphere of intellectual property management is nowadays not regulated by the appropriate organizations (Russian Football Union, Russian Premier Football League), which is based on the features of management during the Soviet period. Therefore, it is necessary to determine the size of the Russian market of professional football. The turnover of the Russian market of professional football in the virtual space are calculated as the aggregate data in the following areas: bookmaking, involving on-line bets; the broadcasting on the air, broadcasting; general sponsorship as part of merchandising (Table 3) (Štrumbelj, 2014).

In the authors’ opinion, the professional football market in virtual space, which comprises annually more than US-$1.8 bln., requires more distinct, unambiguous rules for the companies-players, which generate intellectual property in real and virtual spaces (Table 3). The initial level for introducing these rules is the management system of professional football at meso- and micro-levels, answering the following key questions: organizational-legal form, attitude of a football organization to income as the basic provisions of the management system in real space, allowing to manage the large income of the virtual space basing on the intellectual property objects management. The program document reflecting these rules should be the “Strategy of professional football development”, unlike the existing “Strategy Football 2020”, which, in the authors’ opinion, states but does not solve the managerial tasks of the professional football. In particular, the stated but not solved managerial tasks, related to the topic of research, are the following:

- attitude of football organizations to the income not listed in the Section “Development of commercial activity of the football subjects”;
- attitude of professional football to betting, in the Section “Normative-legal and resource provision of implementation of the programs and projects of ‘Strategy’ Football 2020”;
- using scientific methods of gathering statistical information in the Section “Elaboration of the united informational-analytical system…”; “Social responsibility of football”;
- detailization of the (corporate) social responsibility in relation to addiction to betting and computer (football) games with elements of reality in the Section “Social responsibility of football” (Strategy, 2014).
3.2 Institutional Provisions the Business Model of Football Organization

The football clubs competing in the club tournaments of UEFA 2012/2013 are of three groups of organizational-legal forms: -the first group of organizational-legal form of a football club, connected with the commercial component (58%) (Note 20); -the second group is mixed, consisting of Association (32%) (Note 21); -the third group is unconnected with the commercial component (10%) (Note 22). The Russian football organizations characterized by the third group of legal football clubs, unrelated business activities, where the main source of financing are state-owned companies and regional authorities. It is known that 79% of income in the UEFA Champions League, the legal form which is connected with the commercial activity or mixed, account for the television rights, the regulation of which is carried out in real and virtual spaces. Fundamental for the study of the attitude of the football organization to the profit (income) is a comparative analysis of legal documents at the macro-meso-micro-levels in real and virtual spaces of UEFA, RFU, RFPL (Maderer, 2015; Pascal, 2015).

3.2.1 Comparative Analysis of the Normative-Legal Regulation of the Intellectual Property Objects in Real and Virtual Spaces of UEFA, RFU, RPFL

The carried out analysis of the charter documents of sports leagues at macro- and meso-levels: UEFA, RFU, RPFL, FNL, PFL and a program document of RFU “Strategy of football development in the Russian Federation” (Strategy Football 2020) in the aspects of the researched business model of professional football basing on the intellectual property management system in real and virtual spaces and management at macro-, meso- and micro-levels, has revealed the following two critical areas:

1. Attitude of a football organization at meso- and micro-levels to the income (profit) (Maderer, 2015; Dietl & Schweizer, 2015). The Charter of the European Football Confederation states the specific goal “to provide that the sports values always prevail over commercial interests”; however, the goal “to redistribute the income created in football” is also described in detail in the section of the organization’s financial reporting (Ustav UEFA, 2014). In the Russian professional football, RFU and RPFL in their charter documents distance themselves from the issue of incomes; using the sports attributes is stipulated only with non-commercial purposes (Table 1). Basing on and developing the ideas by Beech, Chadwick (2010), the authors believe that the charters of non-commercial sports organizations does not allow to obtain and distribute profit in the way it is done on commercial organizations (Table 3). Solving this task is exclusively in the sphere of understanding the professional football organization as a commercial or non-commercial company. If the football organization constructs its business model as a commercial organization, than the dominant issue is building the business strategy and achieving specific business indicators, in particular, in segments: broadcasting; matches; commercial component (retail trade, merchandizing, sponsors, mobile applications) (Note 23).

If a football organization is developed as a non-commercial organization (Note 24), than the most significant is the social orientation, broadening the areas of responsibility in real and virtual spaces.

2. Intellectual property management in real and virtual spaces. The Charter of the European Football Confederation allocates a section “Media”, revealing the content of using the rights, exclusive rights in audiovisual and radio broadcasting. The charter documents of RFU and RPFL highlight the objects of the intellectual property, for which real space serves as the sphere of non-profit usage (Table 2). However, during the twenty years of RFU functioning, and fourteen years of RPFL functioning, the Russian professional football has not posed (identified) and solved the issue of the identical names of professional clubs as a heritage of the Soviet sport, which, according to the authors, forms the basis for the phenomenon of the Russian trademarks and brand names as means of individualization in football. Hence, in the authors’ opinion, is the merchandizing of football attributes, stated in Strategy “Football
as one of the planned financial sources of investment programs and development projects, is doomed to numerous suits of the professional clubs with identical names, if the issue is not solved systematically. Basing on the above-stated differentiation of the techniques of intellectual property objects management in real and virtual spaces, including their indispensable link with each other, we should ascertain the lack of regulating documents for the management of the latter in the virtual strategic space of the Russian football development for the period till 2020.

3.3 Business Model of Football Organization on the Basis of the Management System of Intellectual Property in the Real and Virtual Spaces

Based on the analysis of the value of the leading Russian and foreign football clubs in 2012 become apparent following provisions: (a) the average value of the Russian football clubs 8 times inferior to the average value of foreign football clubs; (b) the average value of foreign football clubs, the proportion of intellectual property is 26%, while for the Russian football clubs this value is 9% (Figure 1). Hence we can assume that 1% of the value of intellectual property in the average value of foreign football clubs is 27.1 million dollars US, for the Russian football clubs-3.5 million dollars US (Figure 1). Basing on the analysis of components of intellectual property and tangible assets, it is clear that the structuring of a budget of a football club in FC “Zenit”, “Rubin”, “Spartak” is carried out in the format of servicing their tangible assets, and acquisition/payments to the players (Note 25) (Figure 2). The results of the proposed research are: elaboration of institutional provisions of a business model of the Russian professional football basing on the management of intellectual property objects in real and virtual spaces, the management system of a professional football organization, which were divided by the authors into two blocks: the main and the additional (Table 4).

![Figure 1. The Value of Football Clubs, Intellectual Property Objects, Tangible Assets of the Leading Foreign and Russian Football Clubs in 2012](image)

AvValFFC—average value of the foreign football club, FC—footballclub;
AvValRFC—average value of the Russian football club, Value OIP—the value of the objects of intellectual property;
ValueFC—the value of the football club; Value TA—the value of the tangible assets.

Source: Gumerova, Shaimieva, 2014.

4. Discussion

The authors identified the following limitations when selecting and processing the data on the four areas, the period of this study 2012-2015: value of club brands in sports leagues of major sports; football leagues in Russia; the turnover of the market of professional football in the virtual space, including the turnover of the Premier League; the sources of financing and the legal form of football
clubs in UEFA club competition: (a) the lack of available (to the authors) the statistical pocketbook in (professional) sports in the aspect of research themes, in general; (b) the lack of available (to the authors) relevant information data, annual data over the study period at value of club brands in sports leagues (in the form of results of international, Russian ratings); (c) the lack of statistical data on the market of intellectual property objects in the Russian professional football in real and virtual spaces (Brad, Humphreys, 2010).

5. Conclusions
With respect to our five hypotheses we can make the following: (a) the provision regarding two sets of objects of intellectual property of the football club: specific and universal to manage in real, virtual space is formed; (b) the necessity of management of specific objects in the real space, universal objects-in real and virtual spaces is proved; (c) in the legal form of the Russian football organization regardless of whether the organization is (commercial or non-commercial) need to reflect: the company’s attitude to income (profit). Criteria of efficiency of management of the football organization stands to maximize of sports results through the management of intellectual property in the real and virtual spaces; (d) it is shown that the Russian market of professional football, the turnover is in a year about US-$1.8 bln., requires identification and regulation with regard to species competition in a virtual space on the basis of intellectual property objects: merchandising, management of arenas, Internet-Commerce, sports betting; (e) developed thirteen basic provisions of the business models of Russian professional football on the basis of a management system of intellectual property in the real and virtual spaces, management of a professional football organization, formed by the authors in two parts: mandatory and optional.


source: Gumerova, Shaimieva, 2014.
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<th>Level</th>
<th>League/divisions</th>
<th>Intellectual property objects in the management system of a football club: approach based on the business model</th>
<th>Organizations - heads of the level</th>
<th>Number of football teams</th>
<th>Characteristics of football teams</th>
<th>Real space in the charter, normative-legal documents: A. Objective of activity: relation to the profit-making in the organization’s activity; B. Mentioning of objects of intellectual property in the Charter</th>
<th>Virtual space of objects of intellectual property in the charter; betting in informational portal, Mentioning the on-line competition</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Non-profit partnership “Russian Football Premier League” (RPFL)</td>
<td>16 Professional football</td>
<td>A. …Premier League does not have profit making as the main objective B. 4.1 Premier League has a registered and stipulated by law official emblem, which is a trademark (service mark) according to the Certification of the Russian Federal Agency on intellectual property, patents and trademarks No 313763 (priority of 10 June 2003, date of registration 19 September 2006), flag, emblem for marketing events, audiovisual and other symbols 4.2 Premier League has the right to possess pennants, memorial medals, badges, diplomas and other special attributes. The status and samples of the attributes, as well as the way if using them, are stipulated by the General Assembly of the Premier League members 4.3 Premier League has the right for non-profit using, in the purposes stipulated by the Premier League Charter, of logos, names, official symbols and other attributes, images of all players in club uniform as one product (Ustav RFPL, 2001)</td>
<td>1. The necessity is stated to create a civilized market of intellectual property by forming a register of rights for broadcasting matches in the Internet for mass media 2. Official bookmaking office of RPFL is “Betting League” 3. “League-TV” Ltd -broadcasting of matches (TV+Internet)</td>
<td></td>
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</tr>
</tbody>
</table>
2 Non-profit partnership “Football National League” (FNL)

A. 2.3 Has no right for profit-making

B. 2.3.3 Acquisition of RFU commercial rights for all-Russia football competitions among the 1st division teams and their further marketing in the interests of FNL members, as stipulated by the Russian legislation

2.3.5 Attracting sponsors and partners of the all-Russia football competitions among the 1st division teams

2.3.8 Defining the list, organization of manufacturing and awarding of the memorial, official, prize and other attributes with the FNL emblem

2.3.10 Assistance in rendering consultative, informational, advertising, marketing and other services

4.1 FNL can have an emblem registered in the way stipulated by law, as well as stamps and forms with its name

4.2 FNL can have the memorial, official, prize and other attributes with the FNL emblem, as stipulated by the Russian legislation.

6.3.3 Not to distribute information constituting confidential information of FNL (Ustav FNL, 2011)

3 Association “Professional Football League” (PFL)

A. “The League is a non-profit organization”

1.14 The League does not consider profit making as the main goal of its activity and does not distribute the obtained profits between the League members

B. 1.10 The League has the right to possess an official emblem, registered as stipulated by the Russian legislation, a flag, an emblem for marketing, pennants, memorial medals, badges, diplomas and other special attributes

1.16 To carry out the entrepreneurial activity, the League, as stipulated by the Russian legislation, has the right to produce goods and services in compliance with the League goals, acquire and

Mentioning of on-line competition is not found in charter documents.

There is an error in the text.
market securities, property and non-property rights, take part in the economics unions and trust partnerships as an investor (Ustav PFL, 1995)

### III division (Note 26)

<table>
<thead>
<tr>
<th></th>
<th>All-Russia public organizations</th>
<th>Total</th>
<th>Semi-professional football teams, “Amateur Football League” (AFL)/Russian Football Union (RFU)</th>
<th>A. AFL has no objective of profit-making</th>
<th>B. AFL is a public non-profit association, whose activity is aimed at assistance to the development, propaganda and popularization of football in the Russian Federation</th>
</tr>
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<tbody>
<tr>
<td>4</td>
<td>4008</td>
<td></td>
<td>53158</td>
<td>A. RFU: the organization does not express relation to the obtained profit. Article 4 Objectives of RFU” among fifty RFU functions has function 49 acquisition of financial and other support for football development, from sources not prohibited by the Russian legislation... Article 62. Entrepreneurial activity of RFU RFU does not have the objective of profit making. RFU may carry out the entrepreneurial activity only if it helps achieving the charter objectives, for which it is created, in compliance with these objectives. The entrepreneurial activity is carried out as stipulated by the Russian Civil Code and other legislation acts of the Russian Federation</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Mentioning of OIP is not found in charter and normative-legal documents. There is a reference to LFLTV: трансляцияматчей</td>
</tr>
<tr>
<td>5</td>
<td>All-Russia public organizations</td>
<td>Amateur football</td>
<td>“Amateur Football League” (AFL)/“Russian Football Union” (RFU)</td>
<td>RFU: Mentioning management objects of intellectual property in virtual space is not found in the website. There is a logo, references to sponsors and partners</td>
<td></td>
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<tr>
<td>IV division (Note 27)</td>
<td>6-8</td>
<td>All-Russia public organizations</td>
<td>Amateur football</td>
<td>“Amateur Football League” (AFL)/“Russian Football Union” (RFU)</td>
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</tbody>
</table>

The obtained profit, including the profit from the entrepreneurial activity of RFU, cannot be redistributed among the RFU members and must be used only for achieving the charter objectives. B. RFU and the objects of intellectual property: among the RFU functions are the following: elaboration and implementation of educational and training programs in the sphere of football; 27. Free distribution of information about their objectives and activities; 28. Implementation and protection in compliance of the present Charter of the
rights for broadcasting of football competitions and other sports events via digital mass media, photographing of sports competitions and other sports events, recording their images and audio recordings, marketing and protection of other commercial rights, arising in compliance with the Russian legislation and other norms and rules in the sphere of football; 29. manufacturing and using of the memorial, official, prize and other attributes with the RFU symbols, football souvenirs, printed materials and attributes connected with the football competitions; 30. Publishing and printing activity, copying of recorded information, creating and publishing of methodological, sports-informational and other printed materials in the sphere of football, publications in the Internet, creating mass media and cooperation with the Russian and foreign mass media; 31. Organizing exhibitions, lectures, seminars, conferences, sessions, round tables, symposiums and other similar events; 32. Carrying out the advertising, including sponsor activity; 33. Production of films, TV programs and other audio-visual materials, other activity in the sphere of radio broadcasting and television (Ustav RFU, 1992).

1. AFL—All-Russia public organizations Amateur Football League; FNL—Non-profit partnership Football National League; PFL—Association Professional Football League;
2. RPFL—Non-profit partnership Russian Football Premier League RFU—All-Russian public organization Russian Football Union.


Table 3. Turnover of the Professional Football Market as a Part of Sport in Virtual Space, Based on the Management of Objects of Intellectual Property (Approximate Figures)

<table>
<thead>
<tr>
<th>Turnover of the football market in virtual space</th>
<th>Turnover of “Russian Football Premier League”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of competition, mln. Year Income, US-$</td>
<td>Type of competition, Year Income of Income</td>
</tr>
<tr>
<td>Income, mio. US-$</td>
<td>“Betting of League” Ltd, RPFL,</td>
</tr>
</tbody>
</table>
### BOOKMAKING

<table>
<thead>
<tr>
<th>Year</th>
<th>Business Type</th>
<th>Revenue 2008-2012</th>
<th>Revenue 2012</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>Bookmaking business</td>
<td>1700-1800 mio. US-$</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>2008</td>
<td>Bookmaking business in football</td>
<td>*</td>
<td>*</td>
<td></td>
</tr>
</tbody>
</table>

### BROADCASTING: TV, INTERNET, MOBILE COMMUNICATION, RADIO

<table>
<thead>
<tr>
<th>Operator</th>
<th>Year</th>
<th>Revenue</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ntvplus.ru</td>
<td>2015</td>
<td>37 mio. US-$</td>
<td></td>
</tr>
<tr>
<td>NTV-Plus</td>
<td>2012</td>
<td>35 mio. US-$</td>
<td></td>
</tr>
<tr>
<td>Other operators within share revenues</td>
<td>2012</td>
<td>5 mio. US-$</td>
<td></td>
</tr>
<tr>
<td>IMG*</td>
<td>2012</td>
<td>5 mio. US-$</td>
<td></td>
</tr>
<tr>
<td>TV channel “100TV”</td>
<td>2012</td>
<td>2 mio. US-$</td>
<td></td>
</tr>
<tr>
<td>MTS</td>
<td>2012</td>
<td>7 mio. US-$</td>
<td></td>
</tr>
<tr>
<td>“Telesport” CloseCorporation</td>
<td>2013</td>
<td>≈20 mio. US-$</td>
<td></td>
</tr>
<tr>
<td>“Telesport”</td>
<td>2013</td>
<td>- mio. US-$</td>
<td></td>
</tr>
</tbody>
</table>

### RADIO BROADCASTING

<table>
<thead>
<tr>
<th>Operator</th>
<th>Year</th>
<th>Revenue</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sport-FM</td>
<td>-</td>
<td>*</td>
<td>-</td>
</tr>
</tbody>
</table>

### GENERAL SPONSOR***

<table>
<thead>
<tr>
<th>Operator</th>
<th>Year</th>
<th>Revenue</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOGAZ</td>
<td>2013</td>
<td>62 mio.</td>
<td></td>
</tr>
<tr>
<td>SOGAZ</td>
<td>2012</td>
<td>*</td>
<td>15 mio.</td>
</tr>
</tbody>
</table>

** TOTAL:**

| Per | 1819 mio. | * | 54 mio. | 69 ** |

* Data not available (company status; official data not available to the authors);
** Income is calculated as a total of the “Betting League” Ltd and Russian Football Premier League (RFPL) income, no data on bookmaking in football;
*** Is viewed as a constituent part of merchandizing, VGTRK—All-Russia State Television and Radio Broadcasting Company (Russian media holding).

Sources: Sukhotin, 2013.

**Table 4. Two Blocks of the Main Provisions of the Business Model of the Russian Professional Football**

<table>
<thead>
<tr>
<th>Block</th>
<th>Provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The management system of a professional football organization at meso- and micro-levels</td>
</tr>
<tr>
<td>2.</td>
<td>Intellectual property management system in real and virtual spaces</td>
</tr>
</tbody>
</table>
I. block: obligatory institutional provisions:

1.1 To define the status of the organization as “commercial sports (football) organization” or “non-commercial sports organization” for clubs at meso- and micro-levels. For the “commercial organization” to elaborate the program of transition to the selected status in medium-term period. For the “non-commercial organization” to reflect the relation to the organization’s income.

1.2 To define the organizational-legal form meeting the UEFA requirements. For the “commercial organization” to define the share of state structures participation, including in the form of joint stock companies, as maximum 10% of a football organization.

1.3 To form the set of financial reports, procedure of assets management; to elaborate the provisions of financial discipline with presentation of information at the official website of a football organization: complete information for the “non-commercial sports organization”, and in compliance with regulating provisions for the “commercial sports organization”.

1.4 To elaborate the strategy of professional sports development, with specification of: for the “commercial organization” – target business indicators (matches; broadcasting; commercial component; for the “non-commercial organization” — broadened, detailed indicators in the sphere of social responsibility.

2.1 To introduce the notion of “objects of intellectual property in football for management in real and virtual spaces” as a unity of intellectual property objects and corporate image management of a football organization into the normative-legal documents of football organizations.

2.2 To elaborate the normative-legal application in the sphere of intellectual property objects specially for football, as the development of Part 4 of the Russian Civil Code; to form the set of normative documents regulating: (a) relations of football clubs in professional and non-professional sport in the sphere of identical names and rights for them, (b) norms in formatting trademarks in relation to script, language (Russian or foreign), number of classes according to the International classifier of goods and services, other signs, in order to minimize their confusion.

2.3 To introduce the regulating tools in the sphere of identical names of individualization means of professional football organizations. In particular, the authors’ variants are: (a) identification of the oldest professional clubs, basing on date of formation, differentiation of activity in professional and non-professional football, keeping their original name, fixed in the logo; (b) patenting of the identical names of clubs, with indication of a city, kind of sport, and fixing the list of protected classes according to the International classifier of goods and services; this group includes the clubs created after the formation of the oldest club till the date of adopting the appropriate regulating normative document; (c)
granting the oldest organization (basing on date of formation and owning the right) with the right to control the use of the existing identical names of clubs; (d) preventing the formation of new sports organizations with identical names without acquisition of an appropriate licence from the oldest organization.
2.4 To form the register of companies having the rights for TV-, video-, radio and other broadcasting of matches in short- and medium-term periods
2.5 To elaborate the normative-legal documents regulating bookmaking business as a constituent part of the income of a football organization. To define the volume of tax payments in bookmaking business basing on the analysis of foreign experience, adequate to the Russian scale of these business.
2.6 To use the indicators of the number of patents, licenses, copyright certificates when forming the ranking of football clubs within the Independent Football Ranking Agency (Note 28)

3. Statistics of professional football as a part of sport.
4. Social responsibility of professional football in real and virtual spaces.

II block: additional institutional provisions:

3.1 To form statistical base of football organizations, similar to that of Rosstat. In particular, the authors’ variants are: (a) identification of the oldest professional clubs, basing on date of formation, differentiation of activity in professional and non-professional football, keeping their original name, fixed in the logo; (b) patenting of the identical names of clubs, with
4.1 To define the (medical) indicators of addiction to betting and computer games with elements of reality; to train specialists for prevention and treatment of these addictions (taking into account the foreign experience)
4.2 To diagnose and prevent betting and computer games with elements of reality among football fans
indication of a city, kind of sport, and fixing the list of protected classes according to the International classifier of goods and services; this group includes the clubs created after the formation of the oldest club till the date of adopting the appropriate regulating normative document; (c) granting the oldest organization (basing on date of formation and owning the right) with the right to control the use of the existing identical names of clubs; (d) preventing the formation of new sports organizations with identical names without acquisition of an appropriate licence from the oldest organization. 3.2. To use the statistical base of football organizations for elaboration of the united informational-analytical system, and the functioning of Independent football ranking agency

Sources: Developed by the authors.

References


Notes
Note 1. It should be noted that the data on other Russian football clubs in this aspect are not available to the authors.
Note 2. The main restriction is the equality condition of the value of intellectual property to the brand value.
Note 3. Fédération internationale de football association—FIFA.
Note 4. In Russia this role since 2001 is played by the Russian Premier Football League (RPFL). Before 2001 the Non-commercial Partnership Russian Football Premier League, created on 27.08.2001, since 2002 organizes in the Russian Football Championship (before 2001 inclusively this was done by the Professional Football League).

Note 5. Other kinds of football, namely: non-professional (mass), youth football are not studied in the present research.

Note 6. The group of notions “virtual space”, “on-line space”, “virtual market space” are understood as identical.

Note 7. E-commerce is viewed as a sphere of economy, which includes all financial and trading transactions carried out via computer networks, and business processes connected with carrying out of such transactions.

Note 8. The patentee is Esaulov (priority of 20 May 1993). The essence of the patent is as follows: technique of forming the border line for players placement when making penalty and free kicks, defining the set distance from the ball (Dashyan, 2009).

Note 9. The patentee is Sidorov (priority of 3 October 1995). The essence of the patent is as follows: Technique of making a penalty kick by a footballer, when the kick is made into the lower half of a ball by the front part of a boot, while the ankle is moved up, thus rotating the ball (Dashyan, 2009).

Note 10. The patentee is Plugin (priority of 18 June 2001). The essence of the patent is as follows: Technique of preventing the damage of equipment of traumas on stadiums, including installation of seats on a support, with hydrophobic surface, installing fillers, alarm equipment and safety elements in the sectors (Dashyan, 2009).

Note 11. Therefore, the issue of protecting the developer’s intellectual property from being copied in professional football is local (in the row with the football clubs), not having its decision without the formation of a holistic business management model based on the management of intellectual property.

Note 12. In particular, the authors have found the following identical names in different kinds of Russian sports: “Dinamo”—8 teams in football, volleyball, handball; “Zenit”—2 teams (football); “Spartak”—11 teams (football, water polo, rugby, basketball, field hockey, floorball); “TsSKA”—3 teams (football, ice hockey, basketball).

Note 13. This is about the public organizations and professional football clubs—leading players in Non-commercial partnership “Russian Premier Football League”.

Note 14. Reduce “All-Russian public organization” LLC—is unacceptable due to the presence in Russian economic practice interpretation of LLC is “limited liability company”.

Note 15. The relations between RPFL and RFU are regulated by Part 3.2 of RPFL Charter: “…in relations with the Russian Football Union, Premier League follows the principles: Premier League admits that, according to FIFA decision, the Russian Football Union is the only organization in the Russian Federation authorized to completely control football in all Russian territory, represent the Russian football abroad; Premier League executes the decisions of the Russian Football Union in the issues related to the sphere of the Russian football management; the authorities on particular issues of the Russian football management, as well as the description of the rights and liabilities of the Premier League and its members related to these issues are stipulated by the Russian Football Union basing on the documents of FIFA and UEFA” (Ustav RFPL, 2008).

Note 16. The mass football development is controlled by Interregional football associations and regional football federations. They carry out various tournaments among amateurs, including schoolchildren, students, veterans, children’s sport schools.
Note 17. The unidentified objects of intellectual property from the group of objects of dual purpose are: management of the breeding club, fan-clubs management; brand management, informational portal management.

Note 18. By the authors’ assumption, the turnover of the bookmaking business cannot be calculated in the Russian professional football. The distribution of bookmaking companies by the number of betting points (units)/share in the Russian market (%) in 2013 was as follows: “F.O.N.” Close Corporation: 959/20; “Santorin” Ltd: 676/14; “Star Bet” Ltd: 444/10; “First International Bookmaking Company” Ltd—“Betting League”: 419/9; “Bookmaker Pub” Ltd: 378/8; other licensed bookmaking companies: 1857/39. The practice of the “Betting League” cooperation with RPFL (created in 2008 as RPFL partner) is developed in the following directions: interaction within the European “Early Warning System”; implementation of the joint TV project “Prognosis League” at “Our football” TV channel; launching of the broad supply for bets at the matches of the Russian World Championship in all bookmaking clubs “Betting League” for popularization of the Russian football among its guests. The official bookmaking company of RPFL, “Betting League” is represented in 85 Russian cities. It comprises 2000 employees. The activity is carried out in the traditions of English bookmaking companies, in strict compliance with the functioning Russian legislation, basing on the license No 6 of 08.07.2009, issued by the Federal Taxation Service of Russian Federation (“Betting League”, 2016).

Note 19. The main assets of “Telesport” Close Corporation, created in 1994, whose owner is supposedly Makarenko (former commercial director of RFU), are commercial rights of RFU: “Telesport” Close Corporation is an official commercial partner of RFU and RPFL, attracts sponsors for the football union, and is connected with it by a number of contracts signed at various times. The most recent was signed before the World Championship 2014 in Brazil. According to these contracts, “Telesport” Close Corporation owns a significant part of marketing rights of RFU, including TV broadcasting rights. The company attracted to RFU such sponsors as Adidas, Volkswagen, Huawei and others. The annual turnover of “Telesport” Close Corporation is estimated as dozens of million dollars, according to the information of the head of “Sportconcept” Ltd R. Rotenberg, which merged with “Telesport” Close Corporation in 05.2016 (“Betting League”, 2016).

Note 20. The first group of organizational-legal form of a football club consists of a sports commercial organization—22%; other commercial organizational-legal form—28%; organizations in demand at stock markets—8%.

Note 21. Analysis of “association” notion allows to attribute this organizational-legal form to a separate group—“mixed” i.e., the (non)-connection with the commercial activity is regulated separately in each association.

Note 22. The third group of organizational-legal form of a football club, not connected with the commercial component consists of a non-commercial organization—8%; organizations financed by the state—2%.

Note 23. “Strategy Football 2020” states the inefficiency of the existing business model of professional sport with active participation of state companies and regional authorities. The managerial task is set, which is creating the financial basis for football, to make it “independent of the state financing and a narrow group of sponsors”. However, the program document does not describe the specific tools for developing in this direction, namely: transition of the Russian football non-commercial organizations at meso- and micro-levels into the status of commercial ones, with appropriate changes in the charter and other normative-legal documents (Strategy, 2014).
Note 24. This situation is nowadays characteristic for the Russian football organizations at meso- and micro-levels.

Note 25. Understood as “total transfer cost of all players” according to Transfer Markt. De on 02.2012 (TransferMarkt, 2012).

Note 26. Russian Championship among amateur football clubs (III division) is an annual competition for non-professional football clubs.

Note 27. Russia Championship among amateur teams of regional football federations of the 4th division is a competition for non-professional football clubs at regional level. It is arranged as a national selection for the Regional Cup of UEFA.

Note 28. Within the Strategy “Football 2020” it is planned to elaborate the united informational-analytical system, which will be the basis for the Independent football ranking agency (Strategy, 2014).