

Chicago Daily Law Bulletin®

Volume 162, No. 46

Serving Chicago's legal community for 161 years

Gentlemen, start your props! Drone racing on the horizon

An emerging, tech-based sport has captured the attention of drone enthusiasts who love racing the small, airborne vehicles and those who hope to make money by organizing competitions. Drone racing combines the high speeds, deft maneuvering and potential for dramatic crashes similar to NASCAR racing and downhill skiing (without the potential for serious injury) with the flashy technology of a video game.

But, will anyone watch?

Drones, also known as unmanned aerial vehicles or UAVs, are basically remote-controlled flying robots. The U.S. military has been using drones for decades to conduct pilotless air strikes in war zones around the world, and new commercial uses for drones are emerging all the time.

Amazon.com announced in 2015 that it's working on a new delivery service powered by a fleet of automated drones. Drones are also used for aerial photography, search and rescue missions along with surveillance and exploration.

Drones are also popular with people who enjoy flying small, remote-controlled aircraft. As more people became involved in informal drone racing, organized drone sports were the next natural step.

As professional sports leagues go, the Drone Racing League is very much in its infancy. Following a July 2015 pre-season race in Yonkers, N.Y., the league announced its first official season would commence this year.

The six-race season opened Feb. 22 at SunLife Stadium in Miami Gardens, Fla. Dates for the next four races and the world championship have not been announced yet, according to the

SPORTS MARKETING PLAYBOOK



**DOUGLAS N. MASTERS
AND SETH A. ROSE**

Douglas N. Masters is a partner at Loeb & Loeb LLP, where he litigates and counsels clients primarily in intellectual property, advertising and unfair competition. He is deputy chairman of the firm's advanced media and technology department and co-chair of the firm's intellectual property protection group. He can be reached at dmasters@loeb.com. Seth A. Rose is a partner at the firm, where he counsels clients on programs and initiatives in advertising, marketing, promotions, media, sponsorships, entertainment, branded and integrated marketing, and social media. He can be reached at rose@loeb.com.

league's website.

Pilots fly their drones by remote control while wearing goggles that display a real-time, first-person view video feed from a camera onboard the drone. Races are being staged at large venues like stadiums and warehouses, where drones zip through three-dimensional courses at up to 120 miles per hour.

According to the league, courses are set up so that pilots must navigate their drones through narrow hallways and tunnels, fly up and down flights of stairs, negotiate tight turns and avoid obstacles.

With bright, colored lights to delineate the courses and differentiate the drones, league events are being compared to racing video games, and the tiny vehicles competing at high speeds likened to pod racing from "Star Wars."

A league race has three rounds—qualifying, semifinal and final—with each round comprised of multiple heats. Races are scored based on finishing time and completion of checkpoints with points awarded

to the top-finishing pilots. Those with the most points go on to the world championships.

What differentiates a professional sports league from an amateur organization is money from fans willing to pay to become engaged with the sport, money from investors willing to pay to support the sport and money from sponsors that believe that there is a way to monetize their association with the sport and its participants.

Generally, where the fans are is where the money is. So this begs the very real question:

Will anyone watch the Drone Racing League's races?

The league has drawn several high-profile financial backers to get the league up and running, including Stephen M. Ross, the owner of the Miami Dolphins, who kicked in \$1 million through RSE Ventures, the sports and entertainment venture capital firm he co-founded. Quartz (the global digital media outlet owned by Atlantic Media Co., the publisher of The Atlantic), CAA Ventures (the venture capital group for talent agency Creative Artists Agency) and Hearst

Ventures (the investment arm of media giant Hearst Corp., which owns stakes in cable networks including ESPN, television stations, newspapers, magazines and websites including BuzzFeed), have also provided funding. Having major backers from the sports, entertainment and media sectors certainly can't hurt the league's marketing prospects.

Then, there are the technical problems, the most concerning of which has forced the league to scrap live audiences, at least for now. The league told Quartz it needs to resolve problems with the quality of the video feed between the drone and the video goggles that allows the pilot to fly the drone.

Currently, the league is only producing and posting videos of the races after events. The league is also building drones for each pilot, which is somewhat of a departure from other racing organizations like NASCAR, which doesn't give vehicles to drivers but does impose strict vehicle specifications in an effort to level the technical playing field.

So far, the league has recruited fewer than 20 pilots to compete (the website lists 17) experienced (some call themselves obsessed) drone pilots. From their extremely brief bios on the league website, the pilots appear to be an international group while most are from the U.S., their ranks do include a pilot from New South Wales, Australia, one from Brazil and one (a woman) from Mexico City. Most appear to have picked up the sport as a hobby in the last few years, although a couple seem to work for drone manufacturers or retailers.

The league has a form on its website to apply to become a pilot, requiring basic information (name and e-mail), a "showcase

video” and a personal statement on why the applicant wants to become a league pilot. The league website doesn’t provide any information on requirements for joining as a pilot.

Not having live races certainly impacts fan engagement. Part of the appeal of watching individual sports is being able to root for top athletes and favorite personalities.

Because the pilots control the tiny vehicles remotely, and the attention is on the drones not the players, it remains to be seen if the pilots will be able attract their own followings the way athletes in other sports do. The issue is somewhat the same as in video gaming, and if gaming

provides any insight, the future looks good for drone pilots who go by names like Rekrek, Legacy, UmmaGawd and KittyCopter (one of only two female pilots in the league).

The New York Times reported in 2014 that professional gaming, also known as e-sports, rivals traditional sports in terms of fans, prize money and star players. Tournaments have sold out arenas and attracted big-name sponsors like American Express.

Top-tier gamers can earn millions of dollars and a legion of fans. According to The Economist, e-sports generated \$194 million in revenue around the world in 2014. Almost all of

the league pilots have some social media presence, generally personal Facebook or Twitter, although a few have professional websites, YouTube channels and sponsors.

Like their top counterparts in e-sports, social media-savvy drone pilots with their own YouTube channels and a flair for video production can notch millions of online views.

The league isn’t the only drone racing organization, but it’s probably closest to being in the mainstream. The Aerial Sports League, which evolved out of informal meet-ups of drone racing enthusiasts, stages drone races, also called rodeos, often in conjunction with events like

comic book conventions and the International Consumer Electronics Show in Las Vegas this January. A separate drone racing competition is also in the works called the 2016 Drone Worlds, to take place over six days in October in Hawaii.

The Drone Racing League is set to capitalize on the growing interest in drone racing and to create a framework for drone pilots to compete that is modeled on traditional sports leagues.

The league is also actively reaching out to investors, recruiting pilots and troubleshooting technical issues along the way. Time will tell whether the such drone leagues fly with fans and sponsors.