

The Laws of the Game:

An online peer-reviewed law journal for emerging sports law professionals

(Cite as: *Laws of the Game*, ISSN: 2058-7244)

Volume 1, Issue 1

Article 2

From rags to riches: The rise and rise of the UFC (or will oversaturation lead to its downfall).

R Savage-West

Abstract

In 1993, the Ultimate Fighting Championship (UFC) promoted a “no holds barred” mixed-martial arts contest designed to answer the perennial combat sports fans' question - can a wrestler beat a boxer?

Considerable blood, sweat and (some) tears later, the UFC has turned into a multimedia corporate behemoth. This article will analyse the origins of the Ultimate fighting Championship and its continued struggle to gain mainstream acceptance and regulatory approval. In particular, the article will analyse how the UFC has shifted between subscription-based channels, event pay-per-view television, free-to-air shows and non-traditional media channels such as social media and user-generated content depending on how acceptable its product was deemed for the public.

The article will conclude by arguing that while UFC has expanded globally and now dominates the mixed-martial arts industry, the ever-increasing demand for high-quality events taking place against a backdrop of corporate respectability, may eventually alienate its core market and lead to an ultimately demise....

Keywords: *Ultimate Fighting Championship (UFC), Mixed-Martial arts (MMA), regulation, commercial, media*
[First submitted as part fulfilment of the degree of LLB hon, Staffordshire University]

Recommended Citation

R Savage-West, 'From rags to riches: the rise and rise of the UFC (or will oversaturation lead to its downfall?) (2015) 1 Laws of the Game 2

[Available at: www.staffs.ac.uk/lawsofthegame/]

INTRODUCTION

Just over a decade ago, the Ultimate Fighting Championship (UFC) was on the verge of bankruptcy and there were concerns as to whether the UFC should even exist,¹ let alone be broadcast on TV.² American politicians such as *Sen. John McCain* argued that the Mixed-Martial Arts (MMA) exhibited in historic UFC bouts was a “barbaric blood-sport” and sent letters to all 50 state governors asking them to ban it.

This article will review the Ultimate Fighting Championship’s rise from a real-life fight club to a mainstream sport, whilst also analysing how realistic the prospect of bankruptcy was. It will also examine how the UFC’s revenue is structured and consider both if the new T.V rights deal on *Fox Network* has any ramifications on the sporting industry and if it can help achieve their aim of achieving global dominance in the mixed martial arts industry and sporting community respectively.

THE BEGINNINGS OF MAINSTREAM ACCEPTANCE?

Arguably, at least in the outset, the UFC became a victim to cultural and societal determinism about what should constitute an acceptable (and lawful) fight. In western countries such as Europe and the United States, boxing was traditionally the leading combat sport. Fighters adhered to the Marquis of Queensbury rules (or a variant) and fights would consist of an exchange of upper-body blows that are halted when one fighter falls. However although boxing had many critics and there have been repeated calls for its prohibition,³ the leading English cases on consensual violence (*Attorney-General’s Reference (No.6 of 1980)*⁴ and *R. v. Brown [1994]*)⁵ continued to grant boxing an exception as a lawful sporting activity.

By contrast, at least within the UK, the inherent bastardization of the fighting styles that comprise mixed martial arts, means that the activity sometimes suffers from a stigma or lack of respectability, notwithstanding that many of the styles used (Judo, Taekwondo, Wrestling, Boxing etc) are Olympic Sports in their own right. Indeed, the earliest recorded occurrence of mixed or cross-disciplinary fighting can be traced back to the *Pankration* matches in 648BC at the 33rd Ancient Greek Olympics,⁶ while countries such as Brazil,⁷ China⁸ and Japan,⁹ can also claim proud traditions in mixed-fighting and no-holds-barred contests.

The modern form of UFC is heavily steeped in these MMA roots. Initially founded by *WOW promotions* (latterly *Semaphore Entertainment Group (SEG)*), as a Pay-Per-View (PPV) subscription show in November

¹ A Zhu, ‘Does a Ban on Mixed Martial Arts Competitions Violate the First Amendment?’ (2013) Harvard Journal on Sports & Entertainment Law [<http://harvardjisel.com/2013/04/does-a-ban-on-mixed-martial-arts-competitions-violate-the-first-amendment/>]

² K Iole, ‘UFC fights for German broadcast rights’ *Yahoo! Sports* (10 March 2010)

³ British Medical Association, ‘*The Boxing Debate*’ (London: British Medical Association, 1993); *Boxing: An update from the Board of Science* (London: BMA, 2008); see also A Sithampanathan, ‘Noble art of self defence or unlawful barbarism’ (2002) Ent LR 183; J Summerhayes, ‘Analysis: the legality of combat sports’ (2009) 7(3) WSLR 14; M Gunn & D Ormerod, ‘The Legality of Boxing’ (1995) 15(2) Legal Studies 181; J Anderson, ‘*The Legality of Boxing: A Punch Drunk Love?*’ (Routledge, 2010)

⁴ *Attorney-General’s Reference (No.6 of 1980)* [1981] QB 715, 719E (Lane LCJ)

⁵ *R. v. Brown* [1994] 1 AC 212

⁶ Essentially a mix of boxing and wrestling

⁷ See for example: the Gracie academy in Rio de Janeiro and the *vale tudo* (anything goes) matches

⁸ W Acevedo & M Cheung, ‘*A Historical review of Mixed Martial Arts in China*’ (2010) 19(3) Journal of Asian Martial Arts 31

⁹ See for example, Jake Shannon, *Say Uncle! Catch-as-can wrestling and the roots of ultimate fighting, pro-wrestling and modern grappling* (ECW Press, 2011)

The Laws of the Game:

An online peer-reviewed law journal for emerging sports law professionals

1993, the first UFC fights were billed as a “no holds barred” contest that could answer the perennial combat sports fans' question - can a wrestler beat a boxer?¹⁰

"That show was only supposed to be a one-off. It did so well on pay-per-view they decided to do another, and another. Never in a million years did these guys think they were creating a sport"¹¹

However, with early UFC rules allowing head-butting, weight classes, low-blows and head stomps it is perhaps unsurprising that the bouts attracted pejorative labels such as “*human cockfighting*”.¹² Competitors would fight till “*knockout, submission, doctor's intervention, or death!*”

“When the UFC first came out it marketed itself as a two men enter, one man leaves, almost like they were marketing it as a fight to the death, that it was a blood sport, which was great for the first few PPVs, people watched for that reason. But that strategy would bite them in the ass.”¹³

Indeed the early forms of the UFC allowed and even promoted, all notions of bad sportsmanship - only biting and eye-gouging were forbidden. However it was this amplification of and the visceral, raw nature of the violence (kicking a man when he's down, hitting him in the groin, and choking) that led to its popularity amongst a predominantly young, male demographic.¹⁴ As a result, early UFC fights could be horrifying. For example, Tank Abbott, an ill-tempered, 270-pound street fighter, knocked out his hapless opponent (John Matua) in 15 seconds. Then, before the referee could intervene, Abbott struck the unconscious Matua in the head, provoking a seizure.¹⁵

Concerns about the nature of the activity and its long-term viability eventually led to the sale of the business for \$2 million dollars in January 2001 to the current UFC President, Dana White and a company (Zuffa LLC)¹⁶ controlled by two Station Casino Executives, Frank & Lorenzo Fertitta:

"My attorneys told me I was crazy because I wasn't buying anything, I said, I'm getting the most valuable thing that I could possibly have which is those three letters: UFC. That is what's going to make this thing work. Everybody knows that brand, whether they like it or they don't like it, they react to it."¹⁷

Although in these formative years, *Zuffa* lost money at an incredible rate, the UFC steadily rose in popularity. Realising the potential financial implications of trying to continue without state approval, Zuffa in collaboration with the Nevada State Athletic Commission, endeavoured to change the UFC's rules, particularly in relation to safety and regulation. After adopting some modifications, UFC later became sanctioned in Nevada and gradually re-branded itself as a sport rather than a spectacle¹⁸ to the extent that

¹⁰ M Van Bottenburg & J Heilbron, 'De-Sportization of Fighting Contests: The Origins and Dynamics of No Holds Barred Events and the Theory of Sportization' (2006) 41 *International Review for the Sociology of Sport* 259

¹¹ J Strickland, 'How the Ultimate Fighting Championship Works' (How stuff works, 2012) (online) [<http://entertainment.howstuffworks.com/ufc4.htm>]

¹² RJ Szczerba, 'Mixed Martial Arts and the evolution of John McCain' *Forbes* (3rd April 2014)

¹³ Jim Genia, Telephone Interview by Andrew Doeg (5th November 2012) – cited in: A Doeg, '*Outside the Cage: The campaign to destroy Mixed Martial Arts*' (2013) University of Central Florida, Electronic Theses & Dissertations

¹⁴ JJ Brent & PB Kraska, 'Fighting is the most real and honest thing' (2013) 53(3) *British Journal of Criminology* 357

¹⁵ UFC 6: 'Clash of the Titans'

¹⁶ UFC Company Profile (Inside View) [<http://www.insideview.com/directory/zuffa-llc/>]

¹⁷ 'Lorenzo Fertitta Talks Buying UFC With Fighter's Only Mag', *Fighters Only* (3rd March 2009)

¹⁸ BS Maher, 'Understanding and Regulating the Sport of Mixed Martial Arts' (2009-10) 32 *Hastings Comm & Ent LJ* 209

The Laws of the Game:

An online peer-reviewed law journal for emerging sports law professionals

even Senator McCain has accepted that UFC "has grown up"¹⁹ (although there are still regulatory issues in a number of jurisdictions, particularly New York).²⁰

FREE OR PAY-PER-VIEW?

For any sport wishing to grow its audience, the key decision to be made is how best to market and distribute its content. After the seminal Australian case of *Victoria Park Racing v. Taylor*,²¹ (which impacted the regulation of events in English common law by holding that there are no rights in an event itself),²² an event owner has had to work hard to protect their commercial ownership rights, either through controlling access or through the monitoring of exploitable intellectual property rights such as trademarks, naming rights, social networking, video-gaming rights and media rights (TV, Radio and mobile highlights packages).²³

In relation to broadcasting, these rights can be divided into broadly three different markets and the UFC has experimented with all three:

- Subscription-based pay-TV,
- Pay-Per-View (PPV)-TV,
- and free-to-air TV.²⁴

Within the subscription-based pay-TV sector, companies like Sky²⁵ have altered the relationship between sports and TV as consumers are being forced to pay premium prices to watch the highest standard of sports available.²⁶ In 2007, *Setanta Sports* attempted to establish a foothold in the subscription-based TV market by winning two of the six *Barclays Premier League* packages available in the blind-bidding auction.²⁷ Importantly, Setanta also had exclusive coverage to show UFC events within the UK and other countries. However, when Setanta went into receivership in 2009,²⁸ the UFC's revenue, international exposure and global expansion plans were all affected. Given that BT Sport, have now taken over Setanta's (and latterly ESPN's) mantle as the main competitor to BSkyB's dominance in Premier League football broadcasting, it should perhaps come as no surprise that they have recently announced a new three-year 400 programming-hour deal with the UFC to broadcast its events in the UK.²⁹

¹⁹ see (n12)

²⁰ L Shelechi, 'Say Uncle: New York's Chokehold over Live Performance of Mixed Martial Arts: Whether Combat Sports are Protectable Free Speech and How Much Regulation is Appropriate for Inherently Dangerous Sports' (2013) 33 *Loyola of Los Angeles Entertainment Law Review* 205

²¹ *Victoria Park Racing v. Taylor* [1937] HCA 45, (1937) 58 CLR 479.

²² US case law established there's a property right in sports as per the case of *Pittsburgh Athletic CO v. KVQ Broadcasting Company* 24 F Supp 490 (WD Pa 1938)

²³ See for example: S Green, 'UFC sues video game company over alleged trademark infringement', *Las Vegas Sun* (10th December 2010)

²⁴ BV Rompuy & K Dondurs, 'The EBU's Eurovision System Governing the Joint Buying of Sports Broadcasting Rights: Unfinished Competition Business' (2013) 9(1) *Competition Law Review* 7

²⁵ M Sweney, 'BSkyB to be rebranded as Sky after takeover of European sister companies' *The Guardian* (13th November 2014)

²⁶ IS Blackshaw, SJ Cornelius & R Siekmann, *TV Rights and Sport: Legal Aspects* (T.M.C. Asser Press, 2009)

²⁷ D Geey & M Karim, 'The latest Premier League broadcasting auction: Setanta's demise, competition issues and piracy' (2009) *Entertainment Law Review* 241

²⁸ J Robinson, 'Setanta thought it had a sporting chance. It lost.' *The Guardian* (28th June 2009)

²⁹ GA Davies, 'UFC confirm three-year 'landmark deal' with BT Sport in UK and Ireland' *The Telegraph* (7th May 2013)

The Laws of the Game:

An online peer-reviewed law journal for emerging sports law professionals

The problem that UFC faces is that their 'traditional' broadcasting model is based very much on PPV, indeed, every pay-per-view UFC event has been released onto DVD (or more recently Blu-ray) for repeat viewing. This reliance on a limited revenue-stream could potentially raise a number of issues for the sport. The first relates to the sustainability of this model. If regulatory approval is doubtful or problematic, as was the case during the McCain 'prohibition era', then a lack of events will have a disproportionate effect on finances. Indeed, it has been suggested that without these revenues, the Fertitta's may have simply cut their losses and the UFC wouldn't be here today. Taking that argument into account, *UFC 40*³⁰ was a particularly critical event in the sport's revival as it was the opportunity for Zuffa to showcase their new celebrity-influenced model.³¹ As it was, the event was purchased three times more than UFC's previous best and received mainstream attention from massive media outlets such as *ESPN*³² - something that was previously unfathomable for mixed martial arts.

However some analysts³³ believe that rather than the newer style of Pay-per-view being the saviour of the business, it was only the UFC decision to step outside of PPV broadcasts and into mainstream television that actually saved the company from bankruptcy. Perhaps one of the best examples of this argument is illustrated by *The Ultimate Fighter (TUF)* series. Although the Ferrittas' initial idea for the series was rejected by networks, it was subsequently picked up by *Spike TV*³⁴ at the cost of handling the production themselves. The show became an instant success and culminated with a finale that not only does President Dana White credit for saving the UFC,³⁵ but that is consistently ranked as one of the top fights in the modern MMA era.³⁶

This dichotomy has led to a tension (which mimics the similar debate in English cricket over the rights to the 'Ashes')³⁷ between exclusive content sold to subscribers on the Pay-per-view platform, and the increased public exposure and awareness of the sport generated through free-to-air or cable broadcasting. While undoubtedly the most valuable commodity to Zuffa was their 7-year deal with *FOX Network* worth an estimated \$700 million,³⁸ it is also a truism that television voraciously eats content. Under the network deal, the bulk of the UFC events air on Fox Sports 1 or 2, with the broadcast network carrying four UFC brawls per year, live fights, pre and post shows, countdown shows, UFC Unleashed, UFC Primetime, the UFC Knockout series, Best of Pride, weigh-in specials, and much more original content from extensive Zuffa archives. The agreement also provided for the development of robust mobile and authenticated online offerings to exploit a vast array of digital platform rights alongside supplementary taped and live Programming on other FOX cable channels, including FX, Fox Deportes and its FSMG channels.

³⁰ J Jeremiah, 'From Shows to Shoots: How Ken Shamrock's WWF career saved the UFC', (online) [<http://www.cagesideseats.com/2010/7/26/1586490/from-shows-to-shoots-how-ken>]

³¹ 'Big John McCarthy details early UFC days' *MMA Sentinel* (August 2011) (online) [<http://crooklynscorner.com/2011/08/big-john-mccarthy-details-why-he-decided-to-write-his-book/>]

³² J Hall, 'Lesnar manhandles Mir to retain title' *ESPN* (11th July 2009) (online) [<http://sports.espn.go.com/extra/mma/news/story?id=4321346>]

³³ See for example: K Iole, 'Fox's UFC debut is White's dream come true' *Yahoo! Sports* (November 7th 2011)

³⁴ A channel aimed at men that can loosely be characterised as consisting of sex, sports and violence: G Walton & L Potvin, 'Boobs, Boxing, and Bombs: Problematizing the Entertainment of Spike TV' (2009) 2(1) *Spaces for Difference: An Interdisciplinary Journal* 3

³⁵ S Hernandez, 'History in the Making: Forrest Griffin and Stephan Bonnar save the UFC at The Ultimate Fighter Finale' *MMA Mania* (30th March 2011) (online) [<http://www.mmamania.com/2011/3/30/2079969/history-in-the-making-forrest-griffin-and-stephan-bonnar-save-the-ufc>]

³⁶ J Snowden, 'Modern Era: The 14 Best MMA and UFC Fights of the New Millenium' *The Bleacher Report* (31st October 2014) (online) [<http://bleacherreport.com/articles/2251003-modern-era-the-14-best-mma-and-ufc-fights-of-the-new-millenium/>]

³⁷ P Smith, 'The Politics of Sports Rights: The Regulation of Television Sports Rights in the UK' (2010) 16(3) *Convergence: The International Journal of Research into New Media Technologies* 316

³⁸ UFC. (2011). UFC Announces TV Deal with Fox (online) [<http://m.uk.ufc.com/news/ufc-on-fox-announcement081811/>]

The Laws of the Game:

An online peer-reviewed law journal for emerging sports law professionals

It is these digital rights and the UFCs approach to content marketing, in particular the company's embracing of the fans' desire for "all access" content that is perhaps one of the biggest factors in the modern popularity of the UFC. The official UFC Facebook³⁹ and Twitter⁴⁰ accounts regularly publish videos, pictures, articles and other UFC content to millions of fans on these two sites alone.⁴¹ To further encourage this informal networking, Dana White created an incentive-based social-media program that, every quarter, monetarily rewards the fighter(s) who made the most of social media.⁴² The UFC's branded channel on YouTube,⁴³ also builds excitement about upcoming events by creating a series of video blogs featuring Dana White, previews of the fight, highlight reels and interviews. Leading up to each PPV fight, the UFC also produces a show entitled UFC Primetime which documents the two main-event fighters during their training camp and creates a three-episode series about who the fighters really are. This type of long-form content has essentially created a 90-minute advertisement (available on the FX channel and on the UFC's YouTube channel) for the fight. The UFC's decision to provide free streaming on Facebook of their preliminary fights was also particularly innovative at generating an increased coverage and buzz.⁴⁴

Continuing this renewed buzz from the public for easier access to more content, in late 2013, the UFC launched their own subscription based network. Labelled 'UFC Fight Pass',⁴⁵ this channel allows both casual and hard-core fans alike 'unlimited and unrivalled' access to a gallery of historic fights, interviews, and exclusive content such as the new seasons of The Ultimate Fighter and up to 10 exclusive events broadcasted exclusively on the network. All of this can be purchased for a monthly sum of \$9.99 per month, which for the UFC, represents maximizing all possible assets for as much revenue as possible.

"We're not looking at this as the answer to help drive our business as a main revenue source, this is merely a complimentary product, made for the most avid fan who wants to have more content than a network television can handle"⁴⁶

Due to the initial success of the network, especially when compared to a rival competitor who launched a similar product within the same timeframe,⁴⁷ the UFC have been actively promoting it more, even flirting with the idea of putting bigger named fighters on the network in the hope of continuing the trend of success. However, the biggest problem with content (whether available digitally, or through free-to-air television) is that the UFC doesn't historically, have significantly large live gates to generate enough revenue per event and this has undoubtedly, throughout 2014, diluted the fights available for purchase through PPV. The UFC therefore have to use a risk/reward scale to carefully decide which fighters to promote and which bouts that customers will pay money to see, such as offering multiple title fights or personal feuds to

³⁹ [<https://www.facebook.com/UFC>] at the time of writing has 16,144,768 likes

⁴⁰ @ufc [<https://twitter.com/ufc>] at the time of writing has 2.17 million followers

⁴¹ Indeed Dana White himself has around 2.97 million followers and in 2013 was named by *Sports Illustrated* as 45th in the 50 most powerful people in sports

⁴² Although it is also worth noting that a number of controversies involving UFC fighters particularly surrounding the use of homophobic slurs and the denigration of women highlight the dangers of unfiltered social media (see for example: www.unfitforchildren.org)

⁴³ [<https://www.youtube.com/user/UFC>] at the time of writing has been viewed more than 547,885,883 times and boasts more than 1,766,642 subscribers)

⁴⁴ For an excellent analysis of the UFC Social Media approach, see also: M Radmanovich, 'A Social Media Plan for the Ultimate Fighting Championship' (2012) UNLV Theses/Dissertations/Professional Papers/Capstones. Paper 1475

⁴⁵ "UFC launches UFC Fight Pass" (UFC, 28 December 2013) [<http://fr.ufc.com/news/ufc-launches-ufc-fight-pass-on-ufc-tv>]

⁴⁶ *ibid*

⁴⁷ "WWE Network one week free trial" (WWE, 24 February 2014) [<http://www.wwe.com/inside/wwe-network-to-launch-feb-24-26174061>]

The Laws of the Game:

An online peer-reviewed law journal for emerging sports law professionals

headline (or co-headline) pay-per-view cards.⁴⁸ The UFC also needs to be wary of their finances in the present moment and be prepared to take a short term hit due to the cost and continual development of this network, especially as they continue to purchase more rights to air rival companies events or expand their historical content available to subscribers.

It is similarly worth considering whether the landmark Fox deal actually represents a double-edged sword for the company, especially when one considers the ever growing amount of events the UFC put on yearly due to its international expansion plans. With the amount of high profile injuries, fights and events cancelled⁴⁹ in recent times due to injuries to headlining stars, could the public demand for more action and more fights actually be hurting the company due to the demand for more platforms for their fighters to perform on?⁵⁰

MERGERS, MONOPOLIES AND GLOBAL EXPANSION

Some critics claim the UFC will never be able to compete in terms of revenue with other more established sports such as the NFL, NBA or the Premier League. Internationally however, over a sustained period of time, this goal is not an impossibility. Analytically, the UFC could already be said to be following the same footsteps that the *National Football League (NFL)* and *National Basketball Association (NBA)* took when they attempted to become institutionalised in the mainstream. Indeed, just as the NFL consumed their main competitor; the *AFL* in 1970, and the *NBA* absorbed the *ABA* in 1976 to become the premier basketball organisation in the world, so the UFC has purchased and/or absorbed its main rivals: *PRIDE Fighting Championships*, *World Extreme Championship* and *Strikeforce*.

The on-going talks about expanding the UFC model into further countries⁵¹ could potentially draw more revenue for the UFC in some of these lesser known markets. If the UFC can break into these with profitable gates, the UFC will be making revenue from international events, completely separate from the America-based events. Advertising revenue and the amount of sponsorship options would also increase substantially along with the benefits of international television deals that the UFC can obtain.

As Zuffa is a privately held company, they do not have to file annual reports to the public and any information that is released is filtered to benefit the UFC so the figures do need to be viewed in this light. It has however been suggested that the UFC has a 58/42 mix in regards to its revenue income,⁵² with 58% of the UFC's revenue being drawn from PPVs. These are the big money earners for the UFC and the company

⁴⁸ While there is an argument that some of this consumer demand is fixed and some viewers will purchase any PPV content, even for 'lesser' or 'journeyman' fighters, there is also research to suggest that demand will increase for certain weight-classes, types of fight or scheduling preferences for holiday weekends: S Tainsky, S Salaga & CA Santos, 'Determinants of Pay-Per-View Broadcast Viewership in Sports: The Case of the Ultimate Fighting Championship (2012) 27 *Journal of Sports Management* 43

⁴⁹ For example: UFC 176 was cancelled in August 2014, UFC 151 was similarly cancelled in September 2012: G Cruz, 'UFC 176 cancelled after Jose Aldo's injury' *MMAFighting.com* (8 July 2014) (online) [<http://www.mmafighting.com/2014/7/8/5882543/ufc-176-canceled-after-jose-aldos-injury>]

⁵⁰ Tim Burke makes an interesting argument in a blog post 'The UFC: Too much of a good thing' on *BloodyElbow.com* that although there is a headliner for each PPV event, the market feels oversaturated (27 March 2014) (online) [<http://www.bloodyelbow.com/2014/3/27/5554192/ufc-fox-ppv-oversaturation-fight-pass-cookie-monster>]

⁵¹ At present, the UFC has expended globally by promoting events in Canada, Eastern & Western Europe, the Middle East, Australia and finally Mexico.

⁵² See for example the analysis of the figures carried out by *MMA Payout*: [<http://mmapayout.com/2014/10/sp-downgrades-zuffa-llc-from-bb-to-bb/>]

takes every effort to ensure that each fight draws as much revenue as it can. Indeed, statistics show that seven of the ten most popular PPV events in 2010 were UFC fights (the other three were boxing).⁵³ The other 42% is thought to come from products such as sponsorship deals, TV deals, merchandising items such as DVDs, T-shirts, games, toys, as well as downloads from UFC's library of past bouts, and endorsements. Each of these aspects in turn acts as a promotional tool to drive fans to purchase more pay-per-view events or draw in more TV viewers. From UFC 71, the sport has also increasingly seen an influx of online gamblers wagering on UFC events. As well as additional betting-related revenue, this platform brings increased fan participation, higher attendance rates and fighter & event sponsorship. Indeed it is not by chance that the growth of the UFC can be traced side-by-side with the growth of the gambling industry. One could go even go as far as to suggest that the reason the UFC holds as many events as it does in Nevada is due to the huge amount of revenue they can make through the legality of the gambling industry in that state.

During their revival period, the UFC also began to license a number of products, for example, the *Round 5 Corporation* created action figures of UFC fighters including Rich Franklin and Anderson Silva. Zuffa also granted *THQ* (and subsequently *EA games*) the commercial rights for their respective console games. This proved to be a shrewd source of generating revenue for the company as it allowed fans and casual gamers alike the chance to become involved in the sport. The UFC's ability to generate money through commercial sponsorship is however somewhat limited by their desire for mainstream acceptance and their broadcasting deal with the Fox Family network. For example, sponsorships relating to firearms, knives, weapons or hunting have been banned and at UFC 142, in the preliminary bouts, guns and ammunition sponsors were noticeably absent from both fighter banners and shorts. While *The Gun Store* has been a great sponsor for many fighters, it falls into that "immature company" sponsorship area. Where certain sponsors are great for getting a promotion off the ground, a violent-sport-with gun-related-sponsors is perhaps a little unsettling and their future exclusion is not really a bad thing. That said, it is worth considering that even the current roster of UFC sponsors may lead to future ethical issues if the UFC wished to broaden their international market or customer base. In particular, advertisements from tobacco, alcohol or gambling related companies may lead to future issues for the sport, particularly given the negative spotlight being cast on these industries internationally.⁵⁴ The UFC has also recently encountered problems relating to individual fighter sponsorships and these perceived (or financial) barriers may continue to be an issue for the UFC moving into 2015.⁵⁵

CHALLENGES THAT LAY AHEAD

In conclusion, the future looks bright for the UFC. Already the proud owner of around 90% of the mixed martial arts community, the market should continue to grow coinciding with the global expansion already in place. Indeed, following the recent announcement of a Fox network event being held in a stadium for the

⁵³ S Tainsky, S Salaga & C Almeida Santos, 'Determinants of Pay-Per-View Broadcast viewership in sports: the case of the Ultimate Fighting Championship' (2012) 27 *Journal of Sport Management* 43, 44

⁵⁴ R Massey, 'Beginning of the end for sports sponsorship by alcohol brands in the UK?' (2010) *Entertainment Law Review* 153; A Garde & N Rigby, 'Going for gold - should responsible governments raise the bar on sponsorship of the Olympic Games and other sporting events by food and beverage companies?' (2012) *Communications Law* 42

⁵⁵ See an interesting and provocative take on the issue by Luke Thomas at *MMAfighting.com*:

[<http://www.mmafighting.com/2014/2/21/5433524/actually-fighter-sponsorships-are-the-ufcs-problem>]

first time in Sweden,⁵⁶ the emphasis on foreign markets could be the key for 2015.⁵⁷ It is however worth noting that the 2014 expansion plan in 2014 did not live up to the expectations of some people due to key injuries occurring at inopportune times and a number of lacklustre Pay-Per-View events. The challenge for the UFC is to create more stars which can be used to increase revenues and create a sustainable platform for future growth. Since 2012, there have been few fighters that have caught on as a "box office hit" and this is reflected in the declining PPV buys.⁵⁸ Arguably, this is not due to the lack of talent within the UFC, but rather a lack of promotion for these fighters (whether from the UFC⁵⁹ or from a lack of home-grown support of the fighters themselves).

Getting back to basics and providing the best available fights on PPV is of the utmost importance for the company in 2015⁶⁰ as no matter how many subscribers are using their network, the paying public (that have to pay upwards of \$55 for an event) want to be assured that they are spending their money on the best exclusive fights that the UFC can provide.

Talent alone doesn't fill seats...

⁵⁶ Ken Pishna, 'Alexander Gustafsson vs. Anthony Johnson: Headlines UFC on Fox 14 In Swedish Stadium' (MMA Weekly, 14 November 2014) (online) [<http://www.mmaweekly.com/Alexander-Gustafsson-Vs-Anthony-Johnson-Headline-Ufc-On-Fox-14-In-Swedish-Stadium>]

⁵⁷ However this is not without problems, the UFC's sponsorship of the 2015 European Judo Championships in Glasgow and the perceived incompatibility of European Judo Union (EJU)'s values and the UFC has potentially severely dented the legitimacy of the activity: [the official EJU announcement can be found at: <http://bit.ly/1FbgawC>]

⁵⁸ C Dundas, 'UFC PPV Numbers Show Company Struggling to Adjust to Life Without GSP, Silva' *Bleacher Report* (13 May 2014) (online)

<http://bleacherreport.com/articles/2062331-ufc-ppv-numbers-show-company-struggling-to-adjust-to-life-without-gsp-silva>

⁵⁹ For example some UFC fighters (such as Uriah Faber) are stuck on the Preliminary Cards of a PPV rather than as the main event

⁶⁰ C Dundas, 'UFC's Early 2015 Schedule Could Go a Long Way to Silencing Critics, If It Holds' *Bleacher Report* (29 November 2014) (online)

[\[http://bleacherreport.com/articles/2273798-ufcs-early-2015-schedule-could-go-a-long-way-to-silencing-critics-if-it-holds\]](http://bleacherreport.com/articles/2273798-ufcs-early-2015-schedule-could-go-a-long-way-to-silencing-critics-if-it-holds)

BIBLIOGRAPHY

Cases (UK)

- *Attorney-General's Reference (No.6 of 1980)* [1981] QB 715
- *R. v. Brown* [1994] 1 AC 212

Cases (Other Jurisdictions)

- *Pittsburgh Athletic CO v. KVQ Broadcasting Company* 24 F Supp 490 (WD Pa 1938)
- *Victoria Park Racing v. Taylor* [1937] HCA 45, (1937) 58 CLR 479

Books

- Anderson J, *'The Legality of Boxing: A Punch Drunk Love?'* (Routledge, 2010)
- Blackshaw IS, Cornelius SJ & Siekmann R, *TV Rights and Sport: Legal Aspects* (T.M.C. Asser Press, 2009)
- Gardiner S, Boyes S, Naidoo U, O'Leary J & Welch R, *Sports Law* (4th edn, Routledge: London 2012)
- James M, *Sports Law* (2nd edn, Palgrave Macmillan 2012)
- Lewis A & Taylor J, *Sport: Law and Practice* (3rd edn, Tottell Press 2014)
- Shannon J, *Say Uncle! Catch-as-can wrestling and the roots of ultimate fighting, pro-wrestling and modern grappling* (ECW Press, 2011)

Journals

- Acevedo W & Cheung M, *'A Historical review of Mixed Martial Arts in China'* (2010) 19(3) *Journal of Asian Martial Arts* 31
- Van Bottenburg M & Heilbron J, *'De-Sportization of Fighting Contests: The Origins and Dynamics of No Holds Barred Events and the Theory of Sportization'* (2006) 41 *International Review for the Sociology of Sport* 259
- Brent JJ & Kraska PB, *'Fighting is the most real and honest thing'* (2013) 53(3) *British Journal of Criminology* 357
- Garde A & Rigby N, *'Going for gold - should responsible governments raise the bar on sponsorship of the Olympic Games and other sporting events by food and beverage companies?'* (2012) *Communications Law* 42
- Geey D & Karim M, *'The latest Premier League broadcasting auction: Setanta's demise, competition issues and piracy'* (2009) *Entertainment Law Review* 241
- Gunn M & Ormerod D, *'The Legality of Boxing'* (1995) 15(2) *Legal Studies* 181
- Maher BS, *'Understanding and Regulating the Sport of Mixed Martial Arts'* (2009-10) 32 *Hastings Comm & Ent LJ* 209
- Massey R, *'Beginning of the end for sports sponsorship by alcohol brands in the UK?'* (2010) *Entertainment Law Review* 153
- Rompuy BV & Dondurs K, *'The EBU's Eurovision System Governing the Joint Buying of Sports Broadcasting Rights: Unfinished Competition Business'* (2013) 9(1) *Competition Law Review* 7
- Shelechi L, *'Say Uncle: New York's Chokehold over Live Performance of Mixed Martial Arts: Whether Combat Sports are Protectable Free Speech and How Much Regulation is Appropriate for Inherently Dangerous Sports'* (2013) 33 *Loyola of Los Angeles Entertainment Law Review* 205
- Sithampanathan A, *'Noble art of self-defence or unlawful barbarism'* (2002) *Ent LR* 183
- Smith P, *'The Politics of Sports Rights: The Regulation of Television Sports Rights in the UK'* (2010) 16(3) *Convergence: The International Journal of Research into New Media Technologies* 316
- Summerhayes J, *'Analysis: the legality of combat sports'* (2009) 7(3) *WSLR* 14
- Tainsky S, Salaga S & Santos CA, *'Determinants of Pay-Per-View Broadcast Viewership in Sports: The Case of the Ultimate Fighting Championship'* (2012) 27 *Journal of Sports Management* 43
- Walton G & Potvin L, *'Boobs, Boxing, and Bombs: Problematizing the Entertainment of Spike TV'* (2009) 2(1) *Spaces for Difference: An Interdisciplinary Journal* 3
- Zhu A, *'Does a Ban on Mixed Martial Arts Competitions Violate the First Amendment?'* (2013) *Harvard Journal on Sports & Entertainment Law* [<http://harvardjssel.com/2013/04/does-a-ban-on-mixed-martial-arts-competitions-violate-the-first-amendment/>] <Last accessed: 13th November 2014>

Other Material

- Author uncited, 'Lorenzo Fertitta Talks Buying UFC With Fighter's Only Mag', *Fighters Only* (3rd March 2009)
- Author uncited, Big John McCarthy details early UFC days' *MMA Sentinel* (August 2011) [<http://crooklynscomer.com/2011/08/big-john-mccarthy-details-why-he-decided-to-write-his-book/>] <Last accessed: 13th November 2014>
- Author uncited, 'UFC launches UFC Fight Pass' (UFC, 28 December 2013) [<http://fr.ufc.com/news/ufc-launches-ufc-fight-pass-on-ufc-tv>] <last accessed 27th November 2014>
- Author uncited, 'WWE Network one week free trial' (WWE, 24 February 2014) [<http://www.wwe.com/inside/wwe-network-to-launch-feb-24-26174061>] <last accessed 27th November 2014>
- British Medical Association, 'The Boxing Debate' (London: British Medical Association, 1993)
 - *Boxing: An update from the Board of Science* (London: BMA, 2008)
- Burke T, 'The UFC: Too much of a good thing' (27 March 2014) [<http://www.bloodyelbow.com/2014/3/27/5554192/ufc-fox-ppv-oversaturation-fight-pass-cookie-monster>] < last accessed 27th November 2014>
- Cruz G, 'UFC 176 cancelled after Jose Aldo's injury' (MMAfighting.com, 8 July 2014) [<http://www.mmafighting.com/2014/7/8/5882543/ufc-176-canceled-after-jose-aldos-injury>] <Last accessed 27th November 2014>
- Davies GA, 'UFC confirm three-year 'landmark deal' with BT Sport in UK and Ireland' *The Telegraph* (7th May 2013)
- Dundas C, 'UFC PPV Numbers Show Company Struggling to Adjust to Life Without GSP, Silva' (*Bleacher Report*, 13 May 2014) [<http://bleacherreport.com/articles/2062331-ufc-ppv-numbers-show-company-struggling-to-adjust-to-life-without-gsp-silva>] <last accessed 27th November 2014>
 - 'UFC's Early 2015 Schedule Could Go a Long Way to Silencing Critics, If It Holds' (*Bleacher Report*, 29 November 2014) [<http://bleacherreport.com/articles/2273798-ufcs-early-2015-schedule-could-go-a-long-way-to-silencing-critics-if-it-holds>] <Last accessed 27th November 2014>
- Genia J, Telephone Interview by Andrew Doeg (5th November 2012) – cited in A Doeg, 'Outside the Cage: The campaign to destroy Mixed Martial Arts' (2013) University of Central Florida, Electronic Theses & Dissertations
- Green S, 'UFC sues video game company over alleged trademark infringement', *Las Vegas Sun* (10th December 2010)
- Hall J, 'Lesnar manhandles Mir to retain title' *ESPN* (11th July 2009). [<http://sports.espn.go.com/extra/mma/news/story?id=4321346>] <Last accessed: 13th November 2014>
- Hernandez S, 'History in the Making: Forrest Griffin and Stephan Bonnar save the UFC at The Ultimate Fighter Finale' *MMA Mania* (30th March 2011) [<http://www.mmamania.com/2011/3/30/2079969/history-in-the-making-forrest-griffin-and-stephan-bonnar-save-the-ufc>] <Last accessed: 13th November 2014>
- Iole K, 'Fox's UFC debut is White's dream come true' *Yahoo! Sports* (November 7th 2011) <Last accessed: 13th November 2014>
 - 'UFC fights for German broadcast rights' *Yahoo! Sports* (10 March 2010) <Last accessed: 13th November 2014>
- Jeremiah J, 'From Shows to Shoots: How Ken Shamrock's WWF career saved the UFC' [<http://www.cagesideseats.com/2010/7/26/1586490/from-shows-to-shoots-how-ken>] <Last accessed: 13th November 2014>
- *MMA Payout* [<http://mmapayout.com/2014/10/sp-downgrades-zuffa-llc-from-bb-to-bb/>] <Last Accessed: 13th November 2014>
- Pishna K, 'Alexander Gustafsson vs. Anthony Johnson: Headlines UFC on Fox 14 In Swedish Stadium' (MMA Weekly, 14 November 2014) [<http://www.mmaweekly.com/Alexander-Gustafsson-Vs-Anthony-Johnson-Headline-Ufc-On-Fox-14-In-Swedish-Stadium>] <Last accessed November 2014>
- Radmanovich M, 'A Social Media Plan for the Ultimate Fighting Championship' (2012) UNLV Theses/Dissertations/Professional Papers/Capstones. Paper 1475
- Robinson J, 'Setanta thought it had a sporting chance. It lost.' *The Guardian* (28th June 2009)
- Snowden J, 'Modern Era: The 14 Best MMA and UFC Fights of the New Millenium' *The Bleacher Report* (31st October 2014) [<http://bleacherreport.com/articles/2251003-modern-era-the-14-best-mma-and-ufc-fights-of-the-new-millenium/>] <Last accessed: 13th November 2014>
- Strickland J, 'How the Ultimate Fighting Championship Works' (How stuff works, 2012) [<http://entertainment.howstuffworks.com/ufc4.htm>] <Last accessed: 13th November 2014>
- Sweney M, 'BSkyB to be rebranded as Sky after takeover of European sister companies', *The Guardian* (13th November 2014)
- Szczerba RJ, 'Mixed Martial Arts and the evolution of John McCain' *Forbes* (3rd April 2014)
- Thomas L, *MMAfighting.com* [<http://www.mmafighting.com/2014/2/21/5433524/actually-fighter-sponsorships-are-the-ufcs-problem>] <Last accessed: 13th November 2014>
- UFC Company Profile (Inside View) [<http://www.insideview.com/directory/zuffa-llc>] <Last accessed: 13th November 2014>
- UFC. (2011). 'UFC Announces TV Deal with Fox' [<http://m.uk.ufc.com/news/ufc-on-fox-announcement081811/>] <Last accessed: 13th November 2014>¹¹