

ANA LEGAL AFFAIRS CONFERENCE

WASHINGTON, DC - MARCH 2013

SPORTS LICENSING & SPONSORSHIPS PANEL DISCUSSION

A LEGAL CONSIDERATIONS CHECKLIST: *Some thought starters & questions to ask, consider, and ponder during your sponsorship discussions and negotiations.*

- **SPONSORSHIP RIGHTS – HOW EXTENSIVE ARE THEY?**
 - Are your rights global or domestic?
 - If domestic only, is the sponsorship one that extends internationally?
 - If so, who else is in your category that may try to activate globally?
 - Do your rights include access to the sponsorship launch activities and celebrations?
 - Do you have rights of first refusal/negotiation for any extended term?
 - Do your rights include any kind of “special” or “signature” event that is branded or owned only by your company?
 - What rights have been reserved?

- **EXCLUSIVITY – NEGOTIATING YOUR “BUBBLE”**
 - Do you have category exclusivity?
 - How broad is your category exclusivity?
 - Is the sponsorship entity familiar with your category?
 - Do any other sponsors’ categories come close or cross into your exclusivity bubble?
 - Have you affirmatively excluded your competitors?

- **HOW MANY OF YOUR BRANDS WILL YOU USE?**
 - Will your company focus on a core brand or leverage all its brands?
 - Are all your subsidiary brands included in the rights package?
 - Does your agreement take into account future acquisitions and mergers for the purpose of brand names?

- **TICKETING & HOSPITALITY**
 - Do you get tickets + hospitality with the sponsorship?
 - If not, do you get any first rights to purchase tickets prior to the public and competitors?
 - What category of tickets are you entitled to?
 - Are you locked into using a specific ticket vendor?
 - How limited is the hotel and hospitality inventory for the venue?
 - How far in advance do you need to lock down hotels and hospitality?
 - What considerations for FCPA and OFAC reporting are there in the handling of tickets and hospitality?

- **AMBUSH MARKETING – HOW TO PROTECT YOUR BRAND**
 - What contractual protections do you have against ambush marketing?
 - Does the sponsorship entity include legal remedies for ambush?
 - What are the procedures and take-down process for ambush marketing?
 - Is the sponsorship aware of your competitors?

- **SIGNAGE – LED RIGHTS – CONTINGENCIES**
 - Is there any on-field display or advertising at the venues?
 - If so, what rights do you get to that signage?
 - Will there be LED boards or Jumbotrons be used at any venues?
 - If so, what rights do you get to the signage? What is the duration of your messaging?
 - Will you have venue access for testing signage, especially LEDs?

- **TELEVISION RIGHTS**
 - Do any networks or broadcasters have exclusive broadcast rights?
 - Will the sponsorship entity facilitate broadcast rights?
 - Do you have any right of first negotiation for TV rights/exclusivity?
 - Will broadcast coverage include guaranteed minutes of LED signage (if any)?
 - Have your competitors previously used TV rights for ambush marketing?

- **USE OF ATHLETES, ASSETS & COLLATERAL**
 - Does your contract include rights to use or access training facilities or training camps?
 - Do you have access to athletes or their related associations?
 - Do you have access to other sponsors for cross-marketing opportunities?
 - What is the sponsorship's approval process (if any) for use of collateral?
 - Must all internal and external uses of collateral and communications be approved?
 - If so, what is the approval timeframe? Is there a "deemer" provision?
 - Are there published marketing/use of marks guidelines?

- **EMPLOYEE ENGAGEMENT – WHAT CAN THEY USE?**
 - Are your rights different internally and externally?
 - What rights do you need to foster employee engagement?
 - Will the sponsorship entity assist with launch activities?

- **WEBSITES & SOCIAL MEDIA – ARE THERE GUIDELINES?**
 - Does the sponsorship have a website?
 - If so, do all sponsors get equal placement on the website?
 - Is the sponsorship entity involved in social media?
 - Does it restrict sponsors' use of social media?
 - Are there any social media guidelines?

- **PREMIUMS – LICENSEES & SUPPLIERS**
 - Does the sponsorship entity have premium suppliers and licensees?
 - Are you required to use these suppliers for your collateral?
 - Can you acquire collateral from third parties?
 - If so, do you need to pay any royalties?

- **PRODUCT AND SERVICES PROCUREMENT BY THE SPONSORSHIP**
 - Does your category (industry) permit the procurement of your products or services by the sponsorship entity or by other sponsors?

- **ACCESS TO MEMBER LISTS**
 - Does your sponsorship include rights to the entities' members for marketing purposes?
 - Are there joint-marketing provisions and responsibilities for CANSPAM compliance?

- **CONTINGENCIES & MAKE GOODS – THE BOBBLE HEAD REPLACEMENT**
 - Does your contract include rights to event-day premiums or gifts?
 - If so, what contingencies are in place if the premium or gift is unavailable or must be replaced?
 - What “make-goods” are available if the sponsorship event is changed or cancelled?