

H-O-T-T-O-G-O: Supporting Brand Partnerships and Sponsorships Without Getting Burned

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A group of people in business attire are shaking hands in a circle, symbolizing partnership and collaboration. The background is blurred with warm, bokeh lights.

The Brand Relationship

The Brand Relationship

- Does the relationship make sense?
- For the sponsor:
 - Builds brand awareness
 - Entry into new markets, new audience
 - Expands brand reach and scope (local v. national)
 - Increase profitability / product sales
- For the organizer:
 - Connect with brands of interest
 - Reach new markets, new audience
 - Income from selling sponsorship benefits

The Brand Relationship

- Measuring the success of the sponsorship relationship
 - Return on investment
 - *The quantitative and tangible benefits that a sponsor gets from a sponsorship deal.*
 - Increased sales, market share, media exposure
 - Specific ratios for brand strategy
 - Return on objectives
 - *The qualitative and intangible benefits that a sponsor gets from a sponsorship deal.*
 - Increased brand awareness
 - enhanced reputation
 - Improved consumer loyalty
 - Measured with surveys, feedback, social media analytics, media coverage

A group of business professionals shaking hands in a circle, symbolizing agreement and collaboration. The background is blurred, showing a woman smiling in the center. The text "The Agreement" is overlaid in a blue, serif font.

The Agreement

The Agreement

- Sponsorship fee and valuations
 - How is it determined for the organizer?
 - Sponsorship properties – “ownable” events/experiences
 - Sponsorship assets
 - Does it comport with the sponsor spend?
 - Type of fee:
 - Fixed fee
 - In-kind
 - Indirect (media spend, co-marketing)

The Agreement

- Sponsor entitlements/benefits
 - How are they defined in the agreement?
 - Tangible v. intangible assets
 - Activations
 - Brand recognition
 - Merchandise
 - “Most favored nations” clause to ensure sponsor parity with other sponsors of same/similar level
 - Avoiding ambiguity / vague descriptions is a *must*

The Agreement

- Exclusivity
 - How is the scope of exclusivity defined in the agreement?
 - What is the scope of “competitor” or “competitive product”?
 - Limitations allowing organizer to offer more sponsorship rights v. limitations allowing sponsor more reach on exclusivity
 - Enforcing exclusivity
 - Protecting against ambush marketing

The Agreement

- Length of Sponsorship Term
 - One-off event
 - Season-long
 - Multi-year
- Renewal rights
 - Flexibility for Sponsor to opt out or renew at reasonable rates
 - Organizer desires to lock in sponsors and increase sponsorship fees as popularity/recognition/reach increase
 - Right of first refusal v. right of “first negotiation”

The Agreement

- Termination Rights
 - Breach of Contract
 - *Example:*
 - *Professional Bull Riders, LLC v. Perfect Blend International, LLC* (D. Colo. 2016)
 - Disparagement / Morals clauses (and “reverse” morals clauses)
 - *Examples:*
 - *U of L To Change Name Of 'Papa John's Cardinal Stadium'*
 - *Louisville Public Media, July 13, 2018*
 - *Adidas Terminates Ye Partnership, Gap Removes Yeezy Items Over Rapper's Antisemitic Remarks*
 - *CNBC.com, October 25, 2022*

The Agreement

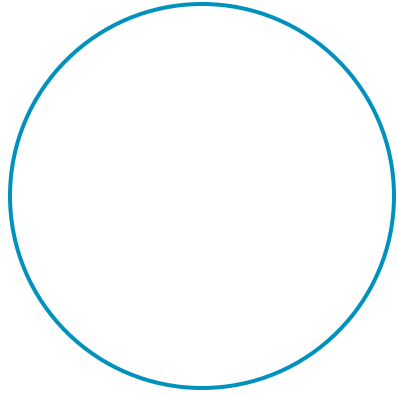
- Termination Rights
 - Force majeure
 - *UCLA Agrees to Settlement of More Than \$67 Million in Dispute with Under Armour*
 - *LA Times, July 29, 2022*
 - Cancellations/postponements

The Agreement

- Replacement Benefits (“Make Goods”)
 - Varying types of make-goods to attempt to provide similar or equivalent sponsor benefits
 - Key issues in negotiating:
 - Type
 - Timing
 - Value

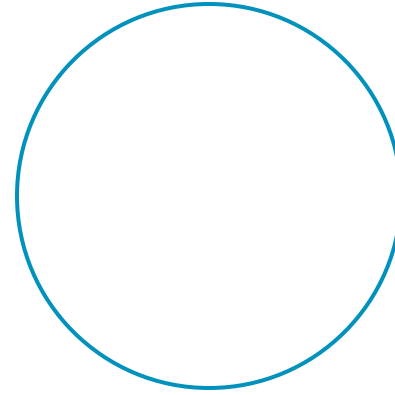


Questions?



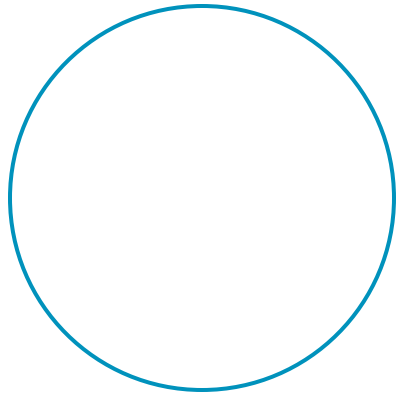
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thank you

