

THE BUSINESS OF SPONSORSHIP

2012 Western Sponsorship Congress

*DON'T PLAY GAMES WITH YOUR SPONSORSHIP AGREEMENT
BE A WINNER!*

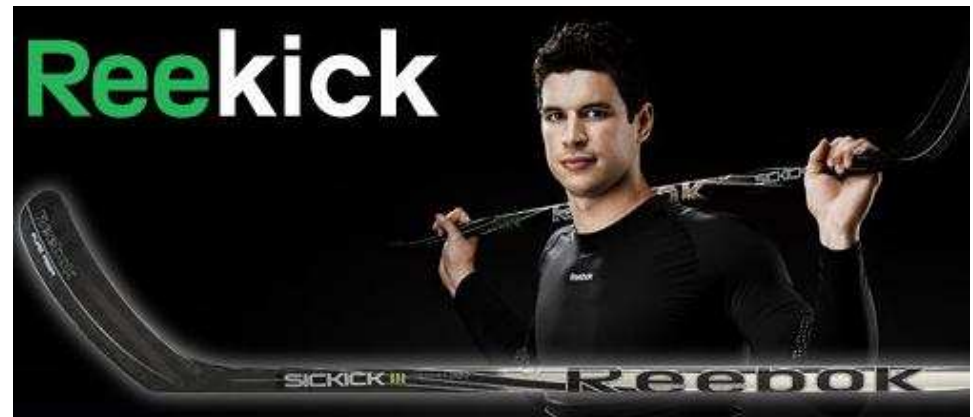


**Sharon Groom
Partner
McMillan LLP**



**Western
Sponsorship
Congress**

Sponsorship Successes



What Are My Options?



- ✓ Product placement
- ✓ Event sponsorship
- ✓ Sponsor an athlete or celebrity
- ✓ Sponsor a building



Choosing the Right Sponsorship Deal



- ✓ ROI
- ✓ Track record of person, event to be sponsored
- ✓ Link between target markets
- ✓ Alignment of philanthropic objectives
- ✓ Sponsor opportunity for exclusivity



Term Sheet



- ✓ Sponsorship opportunity
- ✓ Fee
- ✓ Term
- ✓ Exclusivity



Key Legal Issues



- Advertising Rights**
- Category Exclusivity**
- Trade-marks / Licensing**
- Merchandising Rights**
- Liability / Insurance**
- Sponsorship Fees**
- Ambush Marketing**



Grant of Rights



- ✓ Identify company/person granting the rights
- ✓ Description of event, person, building etc. being sponsored
- ✓ Territory



Sponsorship Status



- ✓ “Official Supplier” status
- ✓ Exclusive rights
- ✓ How to define the category



Trade-marks



Trade-mark Issues

- ✓ Which marks can be used?
- ✓ How can the marks be used?
- ✓ On which products?
- ✓ In what design form?
- ✓ Approvals
- ✓ Trade-mark markings or notices
- ✓ New intellectual property



TM

Trade-mark Licensing



- ✓ Licensing
- ✓ Distinctiveness

S.50(1) of the *Trade-marks Act*

“...directly or indirectly controls the character or quality of the wares of services.”



Advertising Rights



- ✓ Right to create/review/approve advertising
- ✓ Signage and banners
- ✓ Placement of ads



Merchandising Rights



- ✓ Who can manufacture?
- ✓ Trade-marks
- ✓ Approval
- ✓ Profits



Broadcasting Rights



- ✓ Who owns and controls the broadcasting rights?
- ✓ Right of first refusal
- ✓ Rebate for low ratings
- ✓ Appear on opening and closing credits



Other Sponsorship Rights



- ✓ Entertainment privileges
- ✓ Product Displays
- ✓ Event photographs
- ✓ Contests
- ✓ Use of Sponsor's products and services



Management



- ✓ Parties' responsibilities
- ✓ Management of the facility
- ✓ Specific operations
- ✓ Regulatory requirements

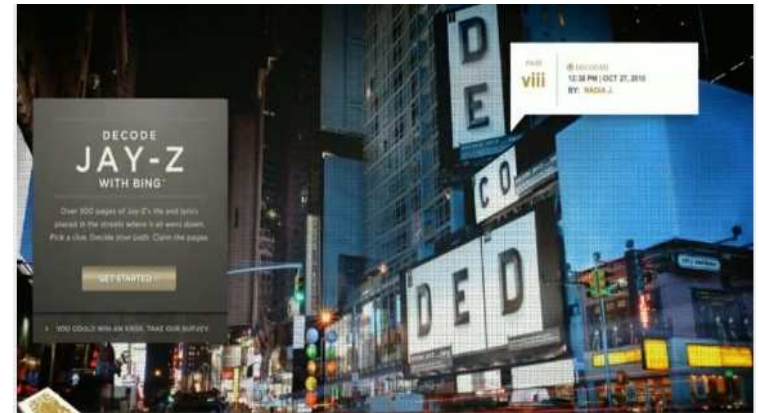


Image courtesy of Jeroen van Oostrom

Digital Platforms and Social Media



- ✓ Online advertising
- ✓ Custom mobile device applications
- ✓ Facebook pages
- ✓ Twitter feeds



Risks of Social Media



- ✓ Protection of IP
- ✓ Domain names
- ✓ Brand reputation



Risks of Social Media



- ✓ Data protection
- ✓ Confidentiality
- ✓ Defamation
- ✓ User-generated content



Consideration / Sponsorship Fees



- ✓ Fee or goods in kind
- ✓ Fees based on target levels
- ✓ Installments
- ✓ Long term arrangements



Representations and Warranties



- ✓ Attendance levels
- ✓ Length of event
- ✓ Advertising levels
- ✓ Funding
- ✓ Event standards



Representations and Warranties



- ✓ Property standards
- ✓ Quality and number of lessees
- ✓ Specific anchor tenants
- ✓ Timeliness of projects

FORUM de **MONTREAL**



SMCC
Sponsorship Marketing
Council of Canada
Conseil canadien
sur la commandite

Western
Sponsorship
Congress

Term, Option to Renew



- ✓ Term
- ✓ Right to extend or renew sponsorship
- ✓ Right of first refusal



Image courtesy of Jeroen van Oostrom

Termination



- ✓ Breach
- ✓ Change of ownership
- ✓ Insolvency
- ✓ Adverse Publicity
- ✓ Cancellation



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Liability



- ✓ Third party claims
- ✓ Indemnity
- ✓ Control of the defence



Insurance



- ✓ Who takes it out
- ✓ How much
- ✓ What risks



Ambush Marketing



What is it?

- ✓ Visa / 1992 Olympics
- ✓ Lululemon / 2010 Olympics



How to protect yourself

- ✓ Bavaria Beer / 2006 FIFA World Cup



Ambush Marketing



Budweiser 2012 “Playoff Payoff”

- ✓ Hockey Tickets For Life!
- ✓ Did not specify *which* hockey tickets
- ✓ Legal disclaimer in ads, packaging and promotional materials



The Rewards



Thank you

**Sharon Groom
McMillan LLP
181 Bay Street, Suite 4400
Toronto, ON M5J 2T3**

Phone: 416.865.7152

Fax: 416.865.7048

**Email:
sharon.groom@mcmillan.ca**



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