



# Sport Update

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## **Alcohol marketing, communications and sponsorship codes of practice launched**

Mary Wallace, Minister of State at the Department of Health and Children launched the new Alcohol Marketing, Communications and Sponsorship Codes of Practice (Codes) on 1 July 2008. The Codes are intended to control the level of alcohol advertising across all media in Ireland in response to concerns about the impact of alcohol advertising on young people. Under the new Codes, there is a ban on the sponsorship of any sporting competitions, leagues, events or competitors (individual or team) of any form (local or national) by alcohol companies where participants in the sports event are under 18 or where more than 25% of the audience (actually attending the event or viewing it via broadcast) is under 18. Events sponsored by alcohol companies must have specially trained staff, prominent "responsible drinking" messages and freely available water and soft drinks.

In relation to event venues with a capacity of more than 10,000 (including stadia) only 25% of the advertising space available in such a venue may be permanent alcohol branded advertising. Where the 75% adult audience threshold is not met or where the event features participants below the age of 18, the stadium operators and sporting bodies are to make reasonable efforts to remove or cover alcohol branded advertisements.

The revised Codes have immediate effect for new contracts from 1 July 2008 and for all existing contracts by 1 October 2008 and, although not legally binding, will be monitored and reviewed by the Alcohol Marketing Communications Monitoring Body which will be appointed by the Minister for Health and Children. The Codes will run for a two year period up to the end of June 2010.

Meanwhile, across the Irish sea, Diageo may not be a sponsor at London 2012 because of concerns over linking sport with alcohol. A potential sponsorship deal worth £60 million is reportedly on the table but organisers are concerned that the deal would clash with Government promises that the Olympic Games would have a beneficial effect on the health of the nation. It is possible that Diageo could serve as a lower-tier sponsor instead. Other top-tier sponsors include Adidas, British Airways, BT, EDF Energy and Lloyds TSB.

## **And now a word from our sponsors...**

Nike and Adidas took centre court at the Wimbledon tennis championship last week when Novak Djokovic played on centre court wearing a pair of Nike shoes despite having a five-year sponsorship deal with Nike rival Adidas. Djokovic complained that the Adidas shoes had put him at a disadvantage in a previous match on a grass court and Adidas said he could use the Nike trainers as long as the famous Nike swoosh was removed along with any other Nike branding. Adidas agreed to this in light of its long relationship with Djokovic and his value to the company. It appears that Adidas did not require Djokovic to remain tight-lipped, turning a generous sporting gesture into an ace for Nike. Nike, however, is losing off the court. Its shares have fallen 9.1% in their biggest drop since September 2001. Part of the drop is attributed to the fact that the company is spending more on marketing for the soccer European Championships and the Olympic Games than it is generating in sales. Nike is also at the centre of a legal action launched by UK-based sports events management company, Human Race, for its use of the Human Race title for a series of 10 kilometre races being staged by Nike around the world. The Human Race, the event management company, is managing the triathlon competition at the 2012 Olympic Games in London and organises other triathlons and running races in southern England.

FA Premier League club, Aston Villa, has announced a shirt partnership deal with Acorns Children's Hospice for the 2008-2009 season. The charity's logo will be displayed on Aston Villa's shirts for free for next season. This is the first deal of its kind in the Premier League although it has occurred in other countries. FC Barcelona has never had a commercial shirt sponsor and is currently in partnership with Unicef in a deal which includes a €1.5 million annual donation to the charity. Top Argentinean club Boca Juniors also displays the Unicef logo on its shirts.



In the largest naming rights deal yet to be completed in this country, the Point Depot will be renamed the O2 when it re-opens in December 2008. O2 customers will be able to avail of fast track access to events at the venue which will hold up to 13,000 people when completed.

The biggest indoor sports hall in Germany is now subject to a ten year naming rights deal with Lanxess, a chemicals company. The arena will be known as the Lanxess Arena in a deal worth reportedly €1.5 million per year. German soccer club, Borussia Dortmund has signed a five year extension to its naming rights deal with the Sugnal Iduna Group. Sugnal Iduna Park - what a lovely name for a stadium!

Rabobank was last week ordered to pay Danish cyclist Michael Rasmussen close to €700,000 in damages for firing the cyclist with immediate effect. Rasmussen was expelled by his team while leading the Tour de France with four stages remaining after it was discovered that he had lied regarding his whereabouts while training in violation of his obligations under the World Anti-Doping Code and cycling's anti-doping rules.

Thanks largely to sponsorship, increased attendances and television sales, the sports market is continuing to grow globally with a predicted growth of 37% in the next four years, bringing its value to \$141 billion by 2012. Major events such as the Olympic Games in 2008, along with soccer's World Cup in South Africa in 2010 are the main catalysts for this growth. It is also expected that the UK sports market will outperform the US sports market. While soccer continues to dominate in Europe, the Middle East and Africa, cricket maintains its hold in the Asian Pacific.

Meanwhile, the advertising industry in general continues to change. It is predicted that the internet will overtake television to become the UK's largest advertising medium this year with advertising revenue increasing by 26% and television advertising falling by 2.5%.

## You must select wisely...or at least fairly

A number of recent stories have centred on the ability of sporting bodies to select or not select those who participate in the sport at the highest of levels. The Irish Amateur Rowing Union ("IARU") found itself in the High Court recently facing a possible injunction for not selecting a rower for participation in a Polish regatta in the run-up to the Beijing Olympics. Seán Jacob argued that he performed badly at a Munich regatta due to poor health and that he was unaware that this was a test for participation in Poland. According to the IARU, Jacob had unsuccessfully appealed the decision to the International Rowing Committee. Jacob had refused to participate in arbitration. Ultimately, Ms Justice Mary Laffoy refused to grant an injunction because it was not possible to conclude at this stage, prior to a full hearing, that refusing an injunction would be unjust.

In a similar vein, two Australian cases have also made the news. An Australian kayaker, Luke Michael appealed to the Court of Arbitration in Sport (CAS) against the decision of Australian Canoeing not to select him for the Australian men's flatwater kayak team for the 2008 Beijing Games. CAS set aside the Australian Canoeing decision and referred the question of his nomination to the team back to a newly constituted Australian Canoeing Selection Panel for determination in accordance with the Australian Canoeing nomination criteria. Meanwhile the Australian Olympic Committee (AOC) has unanimously backed a decision to drop swimmer Nick D'Arcy from the team going to Beijing over his alleged involvement in a bar brawl. Previously the determination to drop him had been made by the President of the AOC but CAS ruled that, while the swimmer had brought himself into disrepute, this decision should have been made by the 15 member AOC Executive Committee, and not the President on his own. The AOC Executive Committee backed the President's decision and D'Arcy then appealed that decision to CAS which in turn upheld the decision of the AOC Executive Committee.

It isn't just athletes getting involved in such disputes. Last month a referee lost in his bid to obtain a Circuit Court injunction to force the FAI to allocate matches to him. The referee had not been selected to referee a match since criticism of his handling of a match in early May. In ruling that the injunction should not be granted, the court considered a previous decision by Mr Justice Frank Clarke that the court should not get involved in internal matters of sporting bodies. In that previous case involving the FAI and Limerick FC, Limerick FC sought an injunction to prevent the FAI from replacing it in the League of Ireland. The team was unsuccessful with Mr Justice Clarke saying it is not the role of the court to decide which clubs get a playing licence and that the FAI had made it clear to Limerick FC why it had failed to get a licence.



While sports organisations have a right to choose those who are to participate, particularly at a high level, there should be clear criteria set down and fair procedures must be followed. Similarly, sponsors may determine that an athlete is no longer the appropriate person to represent their product and this should be covered in all sponsorship agreements. Any action by a sporting team or body to remove an athlete prior to the end of his employment contract however must be taken using fair procedures and in accordance with the necessary contractual provisions.

## (Lots of) Euro Euros

MasterCard, one of the main sponsors for the Euro 2008 European Championships has reported that winning Euro 2008 was worth €113 million to Spain, with second-placed Germany earning over €59 million through prize money, sponsorship deals, television rights, growth in ticket and merchandise sales and tourism. Vienna, the host city for the final is expected to benefit to the tune of more than €100 million from the final alone, including at least €65 million from sales of food and beverages, merchandise and hotel accommodation. Longer-term benefits include an expected increase in tourism to Austria's capital city. Overall, host countries Austria and Switzerland are expected to have received a €470-million economic boost from hosting the competition, while the total economic impact of Euro 2008 is predicted to be €1.4 billion. Meanwhile, MasterCard carried out 220 separate promotions around the world on the back of the sponsorship, and had a large presence in so called "fan zones" where fans could gather to watch the matches on big screens. Promotions, run through the banks that issue the cards and the merchants that accept them, including one in which MasterCard users could enter a competition to win tickets to the final.

## Responsible eating

Forget Wimbledon. Forget Cork v Kerry. The real event of this weekend was in Coney Island. The 4<sup>th</sup> of July means eating hot dogs and in America it means eating LOTS of hot dogs. The Nathan's Hot Dog Eating Contest, which always takes place on the American Day of Independence, started in 1916 when four immigrants gulped down hot dogs to prove which of them was most "American". The winner that year was Irishman (!) James Mullen who won by eating 13 hot dogs in ten minutes. This year the contest went to a tie breaker (who can eat five hot dogs in the shortest time). Last year's champ, Joey Chestnut, held onto his title. It should be noted that the contest has been shortened by two minutes citing health concerns. For those of you playing along at home, Joey Chestnut consumed 19,000 calories in ten minutes. We at Beauchamps ask that you please eat hot dogs responsibly.

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