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6th RGNUL National Sports & Entertainment Law Mediation Competition, 2024

GENERAL INFORMATION **Preliminary Round I**

29th-31st Mar 2024



**6th RGNUL NATIONAL SPORTS & ENTERTAINMENT LAW MEDIATION
COMPETITION, 2024**

**GENERAL INFORMATION: THE CLASH OF BRANDING PHILOSOPHIES:
INDIVIDUAL v. COLLECTIVE COMMITMENTS**

BACKGROUND

Michael Anderson, a globally acclaimed soccer sensation, has not only mesmerized fans with his exceptional skills on the field but has also become a sought-after figure in the world of endorsements. His prowess both on and off the field has elevated him to the status of a global sports icon, making him a valuable asset for Global Stars United (“GSU”).

Michael's marketability transcends his on-field performance, attracting numerous individual brand endorsement opportunities. These endorsements, spanning from sportswear to lifestyle products, showcase Michael's versatility and broad appeal. With each successful endorsement deal, Michael not only enhances his personal brand but also contributes to the financial success of GSU through increased visibility and brand association.

Simultaneously, GSU, recognizing the commercial potential of its players, has strategically negotiated advertising contracts that bind all players, including Michael, to participate in a specified minimum number of advertisements in a season. This collective commitment is designed to enhance GSU's brand visibility, foster fan engagement, and generate additional revenue through a unified promotional strategy.

DISPUTE

The dispute unfolded when one of Michael Anderson's individual brand endorsements, promoting a product focused on environmental sustainability, sent a message directly opposite to the values and messaging promoted by GSU in its advertising campaign. Michael endorses a line of electric vehicles, emphasizing their contribution to reducing carbon emissions and promoting environmental sustainability. On the other hand, GSU, in its collective advertisements, has been emphasizing a commitment to community engagement and traditional values. GSU's ads emphasize community engagement and traditional values, highlighting their commitment to local events, cultural heritage, and family-oriented activities. This stark contrast in messaging has sparked a conflict between the athlete and the club, leading to potential reputational harm and a threat to terminate Michael's contract.

The club contends that Michael's personal endorsement has not only caused reputational harm but also violates the collective commitment made by all players to align with the club's image and messaging. The advertising contracts entered into by GSU and its players did not explicitly define the scope of personal endorsements, leading to ambiguity and contrasting expectations.

Michael Anderson argues that the absence of specific contractual provisions regulating personal endorsements gives him the freedom to choose endorsements aligned with his personal values. He asserts that his individual endorsements should be considered separate from the collective commitments made by the club and its players. Anderson insists that his personal brand reflects his values, and he should not be compelled to compromise on these principles.

As a response to GSU's threat to terminate his contract unless he disassociates himself from the opposite advertisement, Michael has expressed his intent to cease participation in club advertisements that do not align with his personal endorsements. This stance, however, has heightened tensions, and both parties are now at an impasse, seeking mediation to find a resolution to this complex dispute.

Monetary impact of the dispute:

- **Reputational Harm Estimate:** GSU estimates reputational harm to be in the range of \$2 million due to conflicting endorsements.
- **Potential Damages:** If the termination proceeds, Michael Anderson may face damages amounting to \$5 million, considering contractual obligations and potential loss of future endorsements.

In light of this contentious dispute, the parties have opted for mediation to address the conflict and find a mutually agreeable solution. The goal is to explore potential resolutions that balance the athlete's individual rights with the club's collective interests and establish clarity for future engagements.

Relevant Contractual Provisions:

1. The Player agrees that he will not either on his own behalf or with or through any third party undertake promotional activities in a Club Context nor exploit the Player's Image in a Club Context in any manner and/or in any Media nor grant the right to do so to any third party.
2. Except to the extent specifically herein provided or otherwise specifically agreed with the Player nothing in this contract shall prevent the Player from undertaking promotional activities or from exploiting the Player's Image so long as:
 - 2.1 the said promotional activities or exploitation do not interfere or conflict with the Player's obligations under this contract; and
 - 2.2 the Player gives reasonable advance notice to the Club of any intended promotional activities or exploitation.
3. The Player hereby grants to the Club the right to photograph the Player both individually and as a member of a squad and to use such photographs and the Player's Image in a Club Context in connection with the promotion of the Club and its playing activities and the promotion of the League and the manufacture sale distribution licensing advertising marketing and promotion of the Club's club branded and football related products (including the Strip) or services (including such products or services which are endorsed by or produced under licence from the Club) and in relation to the League's licensed products services and sponsors in such manner as the Club may reasonably think fit so long as:
 - 3.1 the use of the Player's photograph and/or Player's Image either alone or with not more than two other players at the Club shall be limited to no greater usage than the average for all players regularly in the Club's first team;
 - 3.2 the Player's photograph and/or Player's Image shall not be used to imply any brand or product endorsement by the Player; and
 - 3.3 PROVIDED that all rights shall cease on termination of this contract save for the use and/or sale of any promotional materials or products as aforesaid as shall then already be.