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[What Do Sports Endorsement Contracts Encompass?](#)

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Entering into a sports endorsement contract could pose its own unique challenges and qualms as counsel, agent and athlete seek to hammer out a relatively arm's length deal. Negotiating in good faith and knowing what client desires lay the foundation for the agreement while knowing how to offer client guidance, insight and expertise when needed seeks to forestall, to the extent foreseeable and possible, problems down the road while protecting the best interests of client. Let us, to some extent, further enlighten ourselves about sports endorsement contracts.

1. PUBLIC APPEARANCE CLAUSE

Depending upon among other things, the negotiating strength of the athlete and incentives involved, it would be prudent to limit or define public appearances the athlete is obligated to perform under the contract.

In addition, the following points are salient to note:

- **COMPENSATION OF EXPENSES FOR PUBLIC APPEARANCE:** Athlete and its representatives should negotiate compensation for expenses incurred as a direct/indirect result of such public appearances.
- **NUMBER OF PUBLIC APPEARANCES:** Athlete and its representatives should negotiate the number of public appearances usually between 2-6.
- **LENGTH OF EACH PUBLIC APPEARANCE:** It is also prudent to negotiate the length of each public appearance. Most probably, the athlete and its representatives would not desire to spend hours giving autographs and handshakes. Most probably, a three-hour autograph session should be the maximum given the physical and mental exhaustion on the player.



2. EXCLUSIVITY CLAUSE

Like any other entertainment contract, exclusivity is an extremely important point worth contemplating depending on negotiating strengths and weaknesses of the athlete. An exclusivity clause confers on the other party the exclusive right to use athlete's likeness, image and name in marketing and promotion of its products.

3. COMPENSATION CLAUSE

This clause deals with money and how much and in what forms the athlete is to be compensated.

- **BASE COMPENSATION:** This encompasses what the athlete receives for endorsing the company's products. Contracts could in fact vary for various players. The contracts could be product-based, whereby the athlete endorses a particular product and the base compensation is predicated and negotiated on such product. Currently, it might be harder for players to receive base compensation because of dwindling competition.
- **BONUSES:** Athletes could receive bonuses based on how much they are on the field and thus promoting the company's product. For instance, depending on the number of minutes a particular player spends on the field, bonus could vary from one play to another.

SALIENT CAVEAT

This article neither supplants the analysis or craftsmanship nor sophistication and complexities in drafting an Endorsement Contract. In fact, every contract, to a great extent, is unique given the financial strengths, needs and the circumstances of the parties involved.

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