

Sports, IP and Development

Dakar / November 3, 2015

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Summary

1. Sports as a tool to fostering development
2. The need for a regulatory framework
3. Who pays the bill?
4. Protection of stakeholders' investment
5. Sports and IP: a winning formula

1. Sports as a tool to fostering development

1.1. Variety of economic activities in the Sports Sector

1.2. Importance to economic and social development

1.3. [Some figures](#)

1.4. Government's role

2. The need for a regulatory framework

2.1. General principles

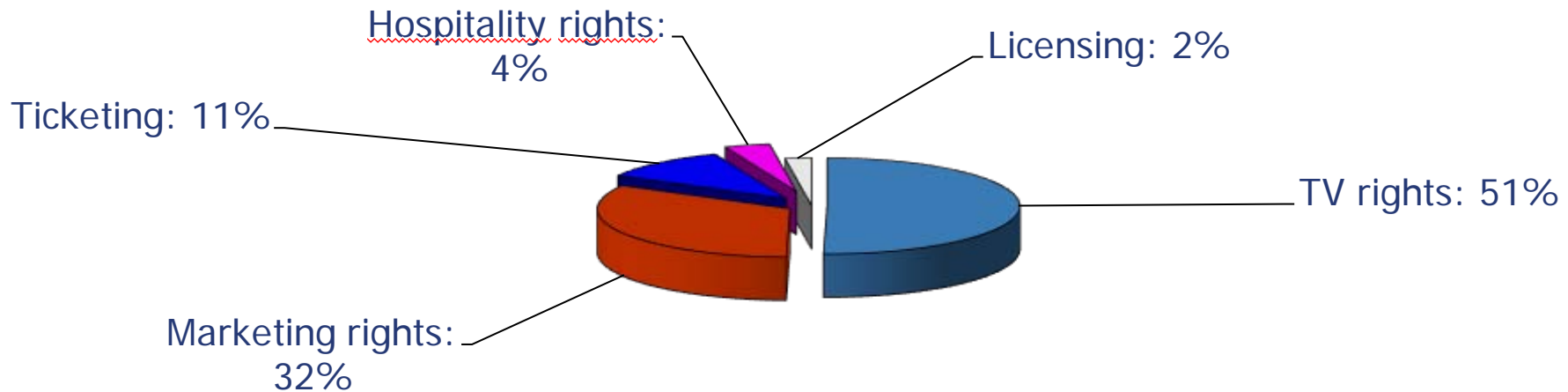
2.2. IP rules

3. Who pays the bill?

- Commercial partners
- Broadcasters
- TV commercial sponsors
- Hospitality services providers
- Products licensees
- The public
- Governments

3.1. Total revenue participation (Brazil FIFA WC 2014)

- TV rights: US\$ 2,428 million
- Marketing rights: US\$ 1,580 million
- Ticketing: US\$ 527 million
- Hospitality rights: US\$ 184 million
- Licensing: US\$ 107 million



Source: FIFA official website (www.fifa.com)

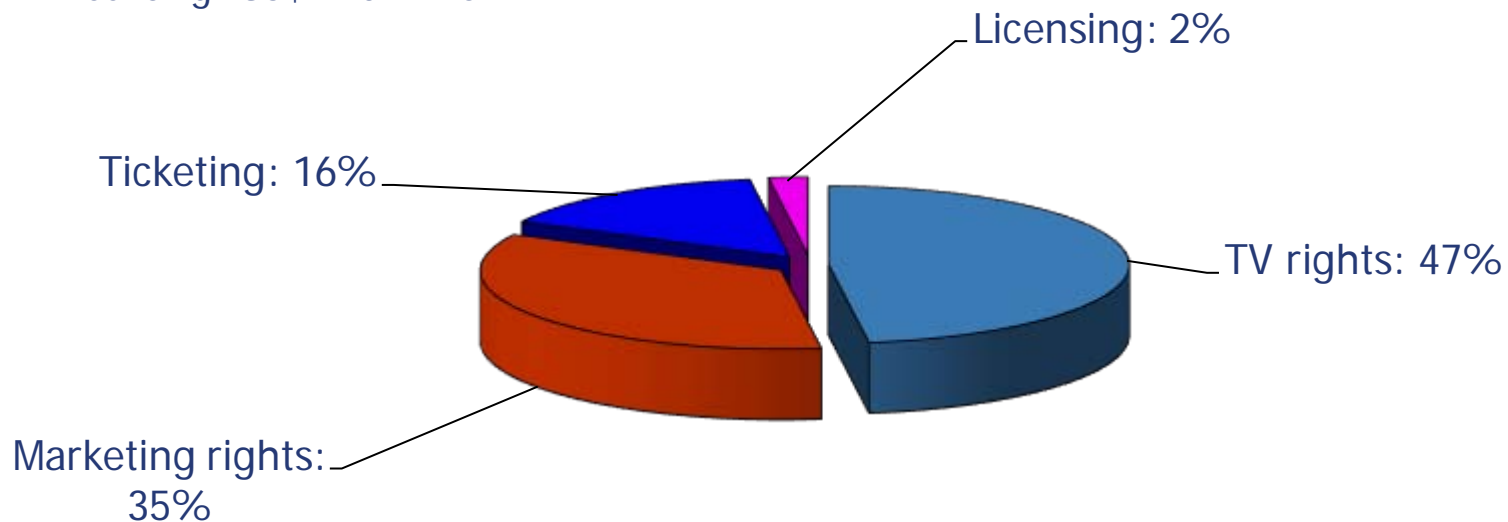
3.1. Total revenue participation (Olympic Games Vancouver 2010 and London 2012)

■ TV Rights: US\$ 3,850 million

■ Marketing rights: US\$ 2,788 million

■ Ticketing: US\$ 1,238 million

■ Licensing: US\$ 170 million



Source: IOC official website (www.olympic.org)

4. Protection of stakeholders' investment

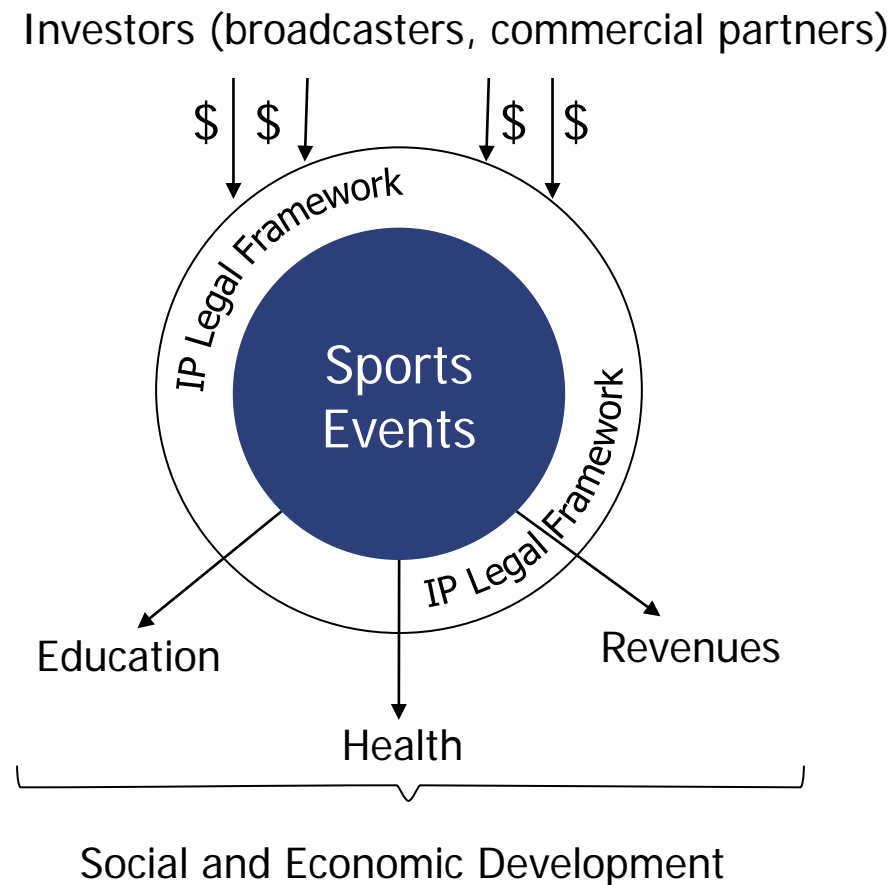
4.1. Event broadcast exclusivity

- Signal piracy
- The Internet
- New access – highlights

4.2. Products and brands

- Counterfeiting
- Unfair competition (e.g., ambush marketing)

5. Sports and IP: a winning formula



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Some figures

Country	Sports contribution to the total GDP
Germany	1.5%
England	1.8%
Brazil*	1.9%
Australia	2.3%
New Zealand	2.8%

* Estimated for 2016

Source: The Brazilian Sports GDP (<http://www.pluriconsultoria.com.br/uploads/relatorios/PIB%20Esporte.pdf>)

Some figures

✓ Brazil (2007 – 2011)

Total GDP Growth: 4.2% annually

Sports GDP Growth: 7.1% annually

2012: Sports GDP relative to Total GDP: 1.6%

2016: Sports GDP relative to Total GDP: 1.9%

} 18.75%
increase

✓ Sports industry global revenue:

2009: US\$ 114 billion

2013: US\$ 133 billion

Source: The Brazilian Sports GDP (<http://www.pluriconsultoria.com.br/uploads/relatorios/PIB%20Esporte.pdf>)

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Commercial partner rights (FIFA WC)

- (i) Exclusive use of FIFA official trademarks with respect to its specific industry sector
- (ii) Display of its trademarks at all FIFA official events and in the publications, websites and ads of every tournament promoted by FIFA
- (iii) Promotion of exclusive events in the host country
- (iv) Preferential right to purchase media commercial sponsorships in every country where FIFA has sold broadcasting rights
- (v) Preferential right to purchase outdoor advertisements within 2km of the venue

Commercial partner rights (FIFA WC)

(vi) To purchase VIP tickets, have special boxes and to set up hospitality centers at the venue

OLYMPIC GAMES: similar to the World Cup

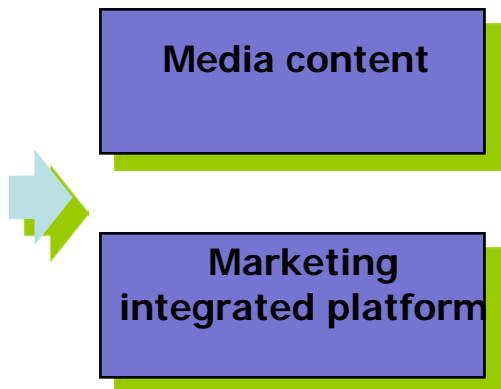
- Exception: There is no advertising available within the arenas and, as a consequence, via television broadcasting. Commercial partners must purchase advertisement slots from television broadcasters.

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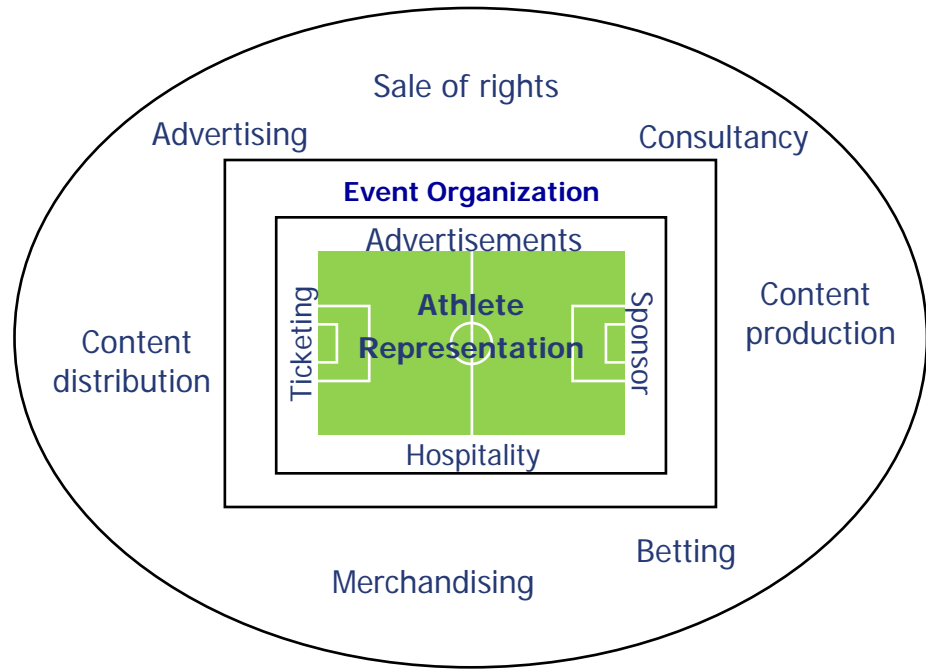
The relationship between Sports and TV

Sport is:

- Universal
- Interactive
- Competitive
- Unpredictable
- A mass mobilizer
- Emotive
- Suitable for different media

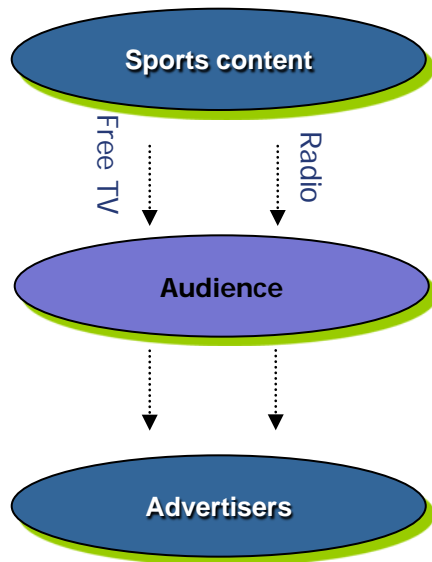


- TV
- Radio
- Internet
- Other media

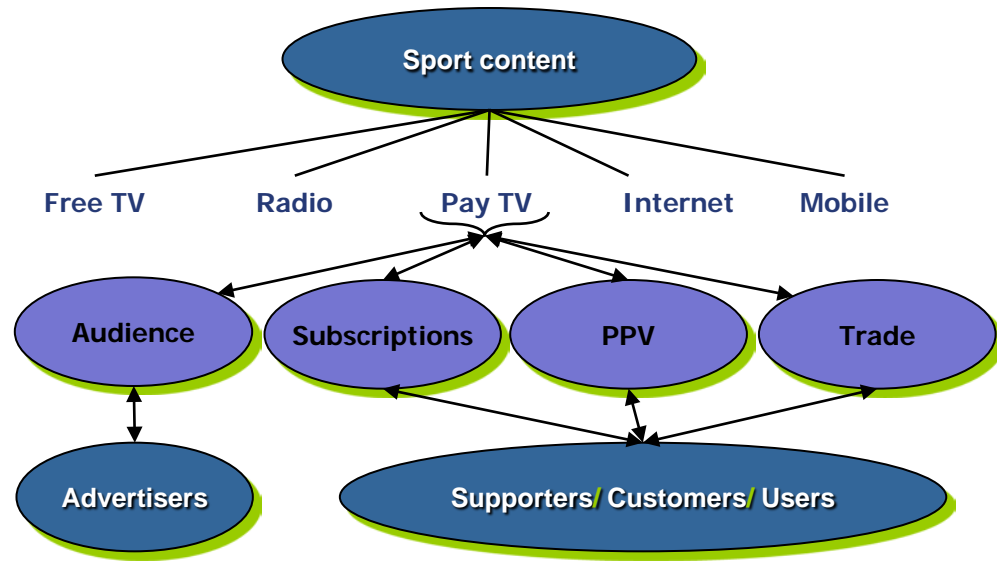


Sports as media content for TV

Old structure



New structure



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Brazilian government investment

- For the FIFA 2014 World Cup: **US\$ 5 billion***
- For the Rio 2016 Summer Olympics: **US\$ 1.675 billion*** (US\$ 1.06 billion from private sector partnership and **US\$ 592.5 million*** from public funds)

*Brazilian currency converted to the US dollar at the exchange rate as of September, 2015.

Sources: <http://transparencia.gov.br/copa2014/home.seam/>
<http://www.portaltransparencia.gov.br/rio2016/origem-dos-dados/matriz-de-responsabilidades.asp>

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