

FOOTBALL CLUB AND BETTING BRAND TIE-UPS: 5 CONSIDERATIONS

While the benefits of betting operators entering into sponsorship deals with football clubs are clear, there are a wide range of factors which merit consideration by both parties ahead of their signing on the dotted line, write **Tom Edmonds** and **Dhruti Gore** of Harris Hagan.

Although the current season has yet to come to an end (with some incredible outcomes potentially on the cards), football clubs may have already finalised their sponsorship arrangements for next season.

An increasingly large number of football clubs are entering into sponsorship arrangements with betting operators. Some of these take the form of shirt sponsorship agreements, but more commonly these are partnership arrangements permitting an operator to promote itself as an 'official partner' of a football club.

The key reason for a club entering such a partnership is the revenue. However, there are other peripheral advantages. For example, if the betting operator is very popular in another country where the football club currently has a low profile, this may raise the profile of the club, increase its fanbase and bring all the associated commercial benefits of that.

The obvious reason for a betting operator to enter into such an arrangement is to raise their profile via sponsorship and hopefully attract new customers. However, other benefits may also be significant. These include having access to the club's database for marketing purposes or being able to offer prizes on the operator's site which "money can't buy", such as meeting the club captain.

There are a wide range of factors that will need to be considered when signing such an agreement but we have highlighted some points below that both clubs and operators should consider.

1. Gambling licences

If the club is in the UK and the advertising will any way be accessible to a person

in the UK (whether offline, such as on pitch-side advertising boards, or online, such as on the club's website), it will be necessary for the betting operator to hold a licence from the Great Britain Gambling Commission ("GC"). Conducting such advertising without a GC licence could result in the operator and the club being liable for criminal offences under the Gambling Act 2005.

2. Illegal activity

From a club's perspective, it is important to ensure that the operator is not operating in any jurisdictions where it would be illegal to do so, thus exposing the club to the risks (including money-laundering offences) associated with receiving monies derived from illegal activities. These can be addressed by the club undertaking some due diligence on the activities of the operator and getting contractual protection in the form of appropriate warranties.

3. Sponsorship rights

This may seem like an obvious point, but it is important that an operator has considered carefully what sponsorship rights it wants before it starts negotiations. There may be an opportunity to negotiate a wide range of sponsorship possibilities, but such possibility may be lost if the betting operator only requests additional rights at the last minute.

4. Liability

This is not a point specific to agreements for betting partnerships but we emphasise that parties need to consider what each party's liability should be limited to, as we have seen contracts where

this fundamental point has not been considered in any kind of detail. The liability may be limited to the amount paid by to the football club under the agreement or the limit of the insurance of the respective party, though there may be good reasons for the liability of one or both of the parties to be higher.

5. Restrictions in specific leagues

There may be restrictions applicable to certain leagues which both operators and football clubs need to bear in mind. For example, due to SkyBet's sponsorship of the English Football League (the Championship, League One and League Two), which has recently been extended to 2019, clubs in the English Football League are extremely limited with regards to the sponsorship arrangements which they can enter into with betting operators. Although this is a downside for clubs, it may be seen as an opportunity for betting operators to strike long-term deals with clubs which are not currently in the English Football League but are likely to enter it soon (either by way of relegation or promotion).



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