

## RULE 40 ADVERTISING GUIDELINES RETURN FOR THE 2018 WINTER OLYMPICS, CREATING HEADACHES AND CHALLENGES FOR WINTER OLYMPIANS AND THEIR SPONSORS

As the world's greatest athletes train and compete for the honor of representing their countries in PyeongChang, the International Olympic Committee (IOC) and the United States Olympic Committee (USOC) have been making preparations of their own, publishing updated Rule 40 Guidelines for athletes and sponsors concerning advertising during the upcoming Winter Games.

### UPDATED RULE 40

First implemented for the 2016 Summer Olympics in Rio, the updated Rule 40 Guidelines permit advertisers who have sought waivers to run marketing programs in the United States that feature Olympic athletes during the traditional blackout period beginning nine days before the Opening Ceremony (February 1, 2018) through three days after the Closing Ceremony (February 28, 2018). In order to receive a waiver, advertisers must submit creative concepts for USOC approval prior to August 1, 2017 and begin running their campaign no later than October 1, 2017.

### THE RIO EXPERIENCE

For Rio 2016, this timing requirement created many challenges for advertisers and athletes. Large marketers like Under Armour, with a year-round portfolio of athlete endorsers, signed hundreds of athletes

### THE BOTTOM LINE

Just as the thrilling victories and agonizing defeats of the 2016 Summer Olympics in Rio have receded into memory, preparations are already under way for the 2018 Winter Olympics. Advertisers looking to leverage Olympic athletes during PyeongChang 2018 need to proactively put plans in place by:

- >> identifying potential athlete endorsers early and assessing their likelihood of making Team USA;
- >> developing campaigns that will resonate irrespective of whether the athlete ultimately makes the team;
- >> submitting initial creative concepts by August 1, 2017; and
- >> launching campaigns prior to October 1, 2017.

Following the conclusion of the PyeongChang Games, we expect that athletes will continue to argue for more substantive changes in the Rule 40 Guidelines, with endorsement data from a full cycle of Summer and Winter Games to back them up.

to endorsement contracts and were able to build campaigns around high-profile athletes, such as Michael Phelps, without being an official USOC sponsor. But for many marketers and athletes alike, however, the timing

requirements proved too challenging, since many athletes did not even qualify for Team USA until after the campaign start deadline had passed.

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## THE PYEONGCHANG CHALLENGE

These challenges are even more pronounced for the 2018 Winter Olympics in PyeongChang. With NHL hockey players currently scheduled to sit out PyeongChang 2018, there are fewer athletes that are “locks” to make Team USA and fewer high-profile names. Many U.S. athletes will not qualify for Team USA until January 2018. For marketers, the risks of signing an athlete to an endorsement agreement and launching an entire campaign around that athlete by October 1, with no assurance that the athlete will even make the team, will likely prove too great a risk.

As a result, the prime beneficiaries of the relaxed rules are likely to remain those high-profile athletes who already have significant endorsement portfolios, such as Lindsey Vonn and Shaun White. Athletes who have not crossed over into the general cultural consciousness and whose notoriety is dependent on their Olympic performance will likely be once again left out in the cold.

## FOR MORE INFORMATION

James L. Johnston  
Partner  
212.468.4867  
[jjohnston@dglaw.com](mailto:jjohnston@dglaw.com)

or the D&G attorney with whom you have regular contact.

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Davis & Gilbert LLP  
212.468.4800  
1740 Broadway, New York, NY 10019  
[www.dglaw.com](http://www.dglaw.com)

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