

## Protecting Companies from Being Victims in the Next Ye Controversy

Kanye West's (aka Ye) [recent fall from grace](#) demonstrates the risks PR pros and marketers take when engaging with [celebrity talent](#). Decisions of [high-profile companies](#) to halt ties with Ye demonstrate the need for a strong, well-drafted [morals clause](#).

A morals clause is more than legal boilerplate; it is a vital consideration for PR pros when engaging endorsers and influencers. Communicators must understand how morals clauses work as they guide and represent companies and protect them from reputation damage and legal risk.

### History of Morals Clauses

Morals clauses certainly are nothing new; as early as 1921, film studios required actors to agree they would not engage in conduct that would offend the community or damage the studio's reputation.

As companies began to rely on celebrities for advertising and PR campaigns, morals clauses became an indispensable component of endorsement agreements.

Today, morals clauses are even more widespread since campaigns rely not only on celebrity endorsers but also on armies of [influencers and creators](#).

The events of the last five years show why morals clauses are so important. With the #MeToo movement came scores of allegations of sexual assault against high-profile celebrities. Marketers often needed morals clauses to cut ties with celebrities subject to such allegations.

Now, with social media becoming more prevalent (and divisive), celebrities have an ever-present platform to express their opinions, for better or worse. As such, PR firms [need to be vigilant](#) in reacting to celebrities whose public statements may harm their or their clients' brands.

#### About the Authors



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## Key Considerations for Morals Clauses

Most morals clauses prohibit the same types of conduct, including crimes of moral turpitude, activities likely to offend the advertiser's audience and bring talent or the advertiser into contempt, scorn, or ridicule, or otherwise damage reputation.

Recent events show how careful drafting of agreements can make all the difference in the value and enforceability of a morals clause.

## Include Past Conduct

*First*, morals clauses must apply to past conduct. Traditionally, morals clauses only applied to conduct that occurred during the term of the agreement. This made it difficult for marketers to terminate contracts in the early days of the #MeToo movement.

Recall celebrity endorsers like [Kevin Spacey and Bill Cosby](#) faced allegations from their conduct of years or even decades prior. Today, morals clauses must be drafted with retroactive effect, allowing termination for past transgressions.

## Immediate Action

*Second*, brands must be able to terminate immediately. Adidas drew widespread criticism for [taking several weeks](#) to finally cut ties with Ye after his anti-Semitic remarks, with some consumers boycotting the brand for failing to swiftly and decisively end the relationship.

Parties collaborating with influencers should be particularly wary of any edits from talent that might delay their ability to make the decision, such as a requirement that talent be found guilty of a crime before the company can terminate.

## Financial Hits

*Third*, termination should not result in a financial penalty to the company. When a company or organization terminates a talent agreement early, it loses out on much of the benefit of the contract, since talent's obligation to publicly tout the company is cut short.

The company should not be penalized for this termination by having to continue paying talent or allowing talent to keep all of the fees that he received.

A well-structured morals clause should allow the company or brand to reduce its payment obligations, or receive a refund of fees paid, for services not yet rendered or for the proportion of the term that was cut short due to termination.