



Panel calls foul play in Juventus-Nike deal

Tom Jones • Friday, 15 July 2016 (2 days ago)

A Geneva-seated UNCITRAL tribunal has said that Italian football club Juventus breached an exclusive sponsorship deal with Nike in the fallout of a 2006 match-fixing scandal which engulfed football in Italy.



Fabio Cannavaro playing for Juventus

In an award dated 1 July, a tribunal chaired by French arbitrator and ICC International Court of Arbitration president **Alexis Mourre** held that the Nike brand had been damaged by the club's conduct, but rejected most of its €80 million damages claim on the basis that it had already gained valuable exposure through the deal.

Juventus's €4 million counterclaim related to Nike's simultaneous sponsorship of rival club Inter Milan was also rejected.

The tribunal included Italian arbitrators **Massimo Benedettelli** (appointed by Nike) and **Paolo Montalenti** (appointed by Juventus). They heard from lawyers from the Milan office of DLA Piper and Amsterdam firm De Groot, on behalf of Nike, and from Turin-based independent practitioners on behalf of Juventus.

Juventus – one of Europe's premier football teams and winner of Italy's top division "Serie A" for the last five years – first entered into a sponsorship deal with Nike in 2001.

Under the agreement, Nike would be the club's exclusive sponsor for a 12-year period from 2003 to the end of the 2014/15 season.

Relations soured in 2006, after Juventus was implicated in the "Calciopoli" match-fixing scandal – which arose after a police investigation suggested a number of Italian teams were rigging games by bribing referees.

The Italian Football Federation responded to the allegations by relegating the club to Serie B, and stripping it of its previous two "Scudetto" titles for winning Serie A.

In the aftermath of the relegation, star players left the club including striker [Zlatan Ibrahimović](#) and defender [Fabio Cannavaro](#) (who won both FIFA player of the year and the Ballon d'Or in 2006). Others such as veteran goalkeeper Gianluigi Buffon and midfielder Andrea Pirlo remained.

Nike apparently considered terminating the agreement, but agreed to stay on as sponsor subject to revised terms. Press reports indicate the amount of sponsorship the brand provided was halved.

However, tensions rose in 2012 following Juventus's 28th Scudetto win. Nike refused to produce Juventus shirts with three stars – to symbolise 30 title wins – as it did not recognise the two titles of which the team had been stripped. As a result of the row, Juventus elected to wear t-shirts that did not bear a Nike logo.

From 2011 onwards, Nike told the tribunal members of Juventus repeatedly breached the team's "exclusivity obligations" by not wearing Nike clothing at public events or failing to mention Nike during kit launches.

After Nike unsuccessfully negotiated a renewal of the agreement in 2013, Juventus announced that it had entered into a new sponsorship deal with Adidas, effective from the start of the 2015/16 football season

In the arbitration conducted in English, Nike sought a declaration that Juventus had committed a number of breaches of the sponsorship agreement – including violating confidentiality provisions by disclosing technical features of new kit before it was launched; allowing third parties to sell competing products on its websites; and failing to make players wear Nike jerseys during its title celebrations in 2013.

Nike sought to recover the €40 million it had paid out in "base compensation" to Juventus throughout the period of the agreement, and a further €26 million to €39 million for "loss of brand exposure".

The tribunal agreed that Juventus had breached its duties of good faith and confidentiality through its conduct from 2011 onwards. However, it said Nike's attempt to recover base compensation and loss of brand exposure were "entirely duplicative" and it would consider only losses arising from the latter.

The tribunal continued that it was "convinced" that losses had arisen as a result of Juventus's breaches – but that these were only committed in the last two years of the agreement. By that time, Nike had received "most of the value expected" in terms of brand exposure.

The tribunal therefore only awarded Nike €1.5 million – equivalent to five per cent of base compensation over a two-year period. Juventus was also ordered to pay €550,000 towards the cost of arbitration and Nike's legal fees.

Juventus's own claim that, under the terms of the deal, Nike had to pay it more in sponsorship if it elected to simultaneously sponsor another Serie A team, was dismissed.

Disputes over sports sponsorship and media deals are becoming increasingly common, playing out in commercial arbitrations and before the Court of Arbitration for Sport in Lausanne. Match-fixing is also a hot issue, which was recently dealt with by CAS when it upheld a decision to ban Albanian football club Klubi Sportiv Skenderbeu from European competition following an investigation into match-fixing.

The court has also considered match-fixing in the context of tennis, upholding a lifetime ban against Austrian player Daniel Köllerer following allegations he invited other tennis players to fix matches between 2009 and 2010.

Nike European Operations Netherlands BV v Juventus Football Club SPA

Tribunal

- **Alexis Mourre** (France) (Chair)
- **Massimo Benedettelli** (Italy) (appointed by Nike)
- **Paolo Montalenti** (Italy) (appointed by Juventus)

Counsel to Nike

- DLA Piper

Partners **Gualtiero Dragotti** and **Stefano Modenesi** with lead lawyer **Federica Bocci** in Milan

- De Groot

Partner **Diederik de Groot** in Amsterdam

Counsel to Juventus

- Independent practitioners **Carlo Pacciani** and **Cesare Gabasio** in Turin