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Golf world tees up for battle in court between PGA Tour, Saudi-backed series

A recently launched golf series backed by Saudi Arabia has the men's professional golf world in an uproar.

The new LIV Golf International Series, helmed by retired golf legend Greg Norman, awarded the biggest total purse in golf history at its first event in London in June, with \$4 million going to the winner. Multiple elite pro golfers, notably Phil Mickelson, have opted to play in the lucrative LIV events. But other top players, including PGA Tour star Rory McIlroy, are calling out LIV Tour participants, citing Saudi Arabia's numerous alleged human rights violations and habit of "sportswashing" to improve its image.

Where does this leave sponsors? Some brands quickly withdrew their support for golfers who join the LIV Golf tour, while others haven't. Meanwhile, a federal investigation into alleged antitrust violations by the PGA Tour could decide the future of pro golf competition.

LIV Golf is bankrolled by the Public Investment Fund, a Saudi financial government investment entity and one of the largest sovereign wealth funds in the world. LIV Golf named Norman CEO in late 2021, according to Golf Digest.

LIV Golf established the LIV Golf Invitational, a tournament series that started in June, with five of the tour's eight events being held in the United States. Each event consists of three rounds, a total of 54 holes. As Norman has explained, "LIV" is the Roman numeral for the number 54, the number of holes to be played at each event. It's also a golf score Holy Grail. To achieve a 54 score, a golfer would have to hit a birdie — one stroke less than par on a hole — on every hole on a par-72 course.

And then there's the money. Each of the first seven events will award a total of \$20 million in individual prize money,



SPORTS MARKETING PLAYBOOK

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with an additional \$5 million to be divvied up among the top three teams. The final championship event will award \$50 million to 12 teams, with \$16 million going to the winning foursome. By comparison, the Masters and PGA Championship each offered purses of \$15 million apiece in 2022.

It's not surprising that some big names joined the LIV Golf Invitational, including Mickelson, the winner of 45 PGA tour events, and top 50 players including Dustin Johnson, Brooks Koepka, Louis Oosthuizen and Kevin Na, among others.

However, human rights groups, including Amnesty International UK, have protested against LIV Golf, pointing out Saudi Arabia's alleged human rights violations, particularly regarding women and political dissidents. Critics say Saudi Arabia is engaging in "sportswashing" to improve its reputation by investing in popular athletic events and organizations.

The Saudis' recent purchase of British soccer team Newcastle United and its launch of the Saudi Arabian Grand Prix Formula One racing event in 2021 have also been criticized as moves to improve the country's image, especially in the West.

The PGA Tour took a stand in June when it indefinitely suspended 17 golfers who played in the first LIV Golf event and another seven golfers who played in a subsequent event in July. The PGA Tour said the golfers were suspended for playing in the rival series without submitting the proper conflict-of-interest event and media rights releases. The PGA Tour also maintains players must choose between competing in PGA Tour events and LIV Golf events. Some players, including Johnson and Na, have resigned from the PGA Tour.

Norman, LIV Golf's CEO, told ESPN that he doesn't see why golfers can't compete in both PGA Tour and LIV events. So far, organizers of some major men's events seem to agree with Norman. The Masters, U.S. Open and The Open indicated they would let LIV Golf members play, said ESPN.

Some brands are weighing in on the controversy by ending their deals with golfers who choose to play for LIV Golf. Mickelson, for example, was dropped by sponsors KPMG, Amstel Light, Callaway and Workday. Royal Bank of Canada cut ties with Johnson and Graeme McDowell, while UPS dropped Oosthuizen and Lee Westwood.

At the same time, LIV Golf has not secured a broadcast partner in the United States. Currently, its events can only be watched on LIV Golf's website, Facebook, YouTube and streaming services in other parts of the world. The PGA Tour is in the first year of a nine-year agreement with broadcasters ESPN, CBS

and NBC, making it unlikely LIV Golf will air on those platforms.

Brands and potential broadcast partners on the fence should monitor proceedings claiming that the PGA Tour is trying to monopolize professional golf.

At the end of June, an attorney sued the PGA Tour in a Florida state court for

alleged antitrust violations. The proposed class-action suit claims that suspending golfers who play in the LIV Golf tournaments constitutes illegal, anti-competitive behavior in a free-agent marketplace. Then, in mid-July, the U.S. Department of Justice launched its own investigation of the PGA Tour for possible

antitrust violations, reported the Wall Street Journal.

The anti-competition claims against the PGA Tour add new stakes to what started out as a golf world soap opera. Stay tuned to see what happens next and how the future of professional golf could be changed.