



Coke flies the flag—officially

determined to use the law to protect their interests. FIFA, the world football authority, which is organising this year's World Cup in Germany, will use contract law. Tickets are actually revocable licences between the event venue and the spectator—and the terms and conditions (which no fan ever reads) ban such things as ticket give-aways or attending *en masse* in clothing emblazoned with unauthorised logos. Thus if hordes of fans turn up at one of the games this summer carrying Pepsi drink-tumblers or wearing Google caps, they may have to hand them over or be barred entry to protect the real sponsors—Coke and Yahoo!

In fact, FIFA is already hard at work. On February 8th it trumpeted that it had won an injunction against Burger King Israel, barring it from holding a contest to give away tickets and travel packages to the World Cup in Germany this summer; only official sponsors (in this case, McDonald's) can run promotions with tickets and World Cup trademarks. So far, FIFA has gone after more than 1,200 infringement cases in 65 countries.

This week Britain's House of Lords began debating the anti-ambush-marketing provisions in the London Olympics Bill, which among other things would prohibit uses of terms like "gold", "summer" and "2012" in advertisements by non-sponsors, that "seek to create an unauthorised association" with the games. Critics of the Olympic legislation regard it as an outrageous breach of free speech. Marina Palomba of the Institute of Practitioners in Advertising, says that if the legislation is passed, it could even be used to block non-sponsors from basic business communications, such as trying to woo visitors to London to see the games. In this way, policies meant to support sponsorship start to look like anti-competitive protectionism, says

The fertility business

Cupidity

NEW YORK

A baby-booming business

THERE is no better time than the commercial orgy that is Valentine's Day to consider the baby business. So with impeccable timing, Debora Spar, a Harvard Business School professor, has just published a fascinating book exploring how "money, science and politics drive the commerce of conception".

Happily, this is not an attempt by the management profession to reduce baby-making to strategic alliances and stretch values. But in "The Baby Business" (Harvard Business School Press) Ms Spar does take seriously the idea that there is enormous demand for better ways of creating children coming from those who find that the old-fashioned way does not work—or gives them too little control over the screaming end-product. This demand is creating a spectacular increase in supply of techniques, technologies and businesses that span everything from the egg to the mother.

Fertility treatment is a business with more than 1m customers and revenues of \$3 billion a year in America alone. Top-quality eggs—from a female HBS student, say—cost about \$50,000. A surrogate mother costs about \$59,000. Guatemala generates around \$50m a year by exporting babies at around \$25,000 a time. These businesses thrive, in part, because they are in a global industry that is regulated nationally, which leaves huge loopholes to be exploited by the customer willing to travel.

Thus, the Cryos International Sperm Bank in Denmark is the world's largest

exporter of sperm (no news yet on whether an Islamic boycott has hurt business). Guatemala's baby exports are facilitated by comprehensive, but permissive, adoption laws. And America has become a global centre for fertility treatment, because—unlike in, say, Britain—the industry is largely unregulated.

Ms Spar, however, believes in the need for better regulation. She argues that governments confuse four different models of the baby market—the "luxury model" (buying a baby is like buying jewellery); the "cocaine model" (it should be banned); the "kidney model" (donation okay, trading not); and the "hip-replacement model" (some subsidy, some private supply). Instead, she wants governments to agree on regulations that curb abuses, but allow the market to function. However, given the political and ethical issues that the baby business raises, such a global consensus seems, well, inconceivable.



The teddy costs extra

Boris Uphoff, a lawyer with McDermott Will & Emery in Munich.

One can sympathise with the needs of the organisers and their sponsors. The costs of putting on sporting events like the Olympics or the World Cup are huge. The budget for the Winter Olympics in Turin is €1.2 billion (\$1.4 billion) for the games—with an extra €2.5 billion in infrastructure costs to be picked up by the hosts. Generally, sponsorship represents around 35% of revenues, with broadcasting accounting for slightly more than half and the rest from ticket sales and licensing—or, in the last resort, taxpayers. In London in 2012, total costs are estimated to be £4 billion (\$7 billion), and big sponsors will be expected to cough up more than £50m apiece.

The sums spent on sponsorship are soaring. The 1998 FIFA World Cup brought in around €60m; this year it will garner €700m and the 2010 event in South Africa

(where anti-ambush-marketing legislation is already being implemented) is expected to bring in €1 billion. "There is a moral argument that the World Cup is like summer—it comes and it goes—and it must therefore belong to everybody. FIFA's philosophical policy is 'no'. Somebody has to invest a lot of money. And that is FIFA, supported by countries and cities, to build streets and stadiums and pay security costs," explains Gregor Lentze of FIFA.

It sounds fair enough. But football supporters, already enraged by the number of tickets doled out to sponsors rather than real fans, may object if they find themselves as extras in somebody else's corporate video. ■

Correction: In the "Face value" column of January 7th we stated that McDonald's advertising slogan "i'm lovin' it" was created by the Publicis group. In fact its creator is Heye & Partner, based in Munich and part of DDB Worldwide Communications.