

Toward an Impasse: An Examination of the Negotiations Behind the Inclusion of the United States Olympic Committee in The Olympic Programme

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Personally, I have deplored on more than one occasion, the idea of financial considerations being introduced into Olympic affairs. For the first time serious arguments have been provoked and I do not like it! The IOC itself has no desire to build up a fund. It is concerned only with its cost of operation. It recognizes that the NOCs probably, have a valid claim for money generated by the Games, since they produce and finance the teams that make the Games.

Avery Brundage
President,
International Olympic Committee
11 September 1967¹

Back in 1959, at the age of ninety-eight, the Baroness de Coubertin recalled to the then aspiring Olympic historian John Lucas that her husband had spent all of his money and much of her own inherited family fortune on maintaining the operations of his Modern Olympic Movement.² The fact that for well over the first half century of its history the International Olympic Committee (IOC) had existed on a “shoestring” budget, should come of no surprise. The financial incapacity of the IOC to implement and support worthy Olympic-related projects plagued numerous IOC presidents³ Avery Brundage, having

risen to the position of IOC President, conceded that the IOC “never had enough money to do the useful work it could be doing if it had a larger staff.”⁴ When told of the IOC budget for 1955 and the projected shortfall of 14,000 Swiss Francs, he stated “we cannot go on like this.”⁵

Today, with the insurgence of vast revenues generated through the sale of television broadcast rights⁶ sponsorships, licensing, ticket sales, coins and philatelic programmes, the financial instability that existed within the IOC is difficult to imagine. However the image found in the words of one media commentator is clear, “if there are no sponsors, there are no games.”⁷ Instead of barely scraping by, the IOC has found itself in the midst of a financial windfall, generating in excess of 2.5 billion US dollars for the 1993- 1996 quadrennium.⁸ The presence of marketing revenue has at times, however, strained relations among the leaders of the IOC, National Olympic Committees (NOCs), and International Federations (IFs).

This paper aims to shed some light on the development of commercialization within the Modern Olympic Movement and the IOC’s worldwide sponsorship programme known as TOP (The Olympic Programme). The central focus involves an examination of the negotiations between the IOC, the United States Olympic Committee (USOC), and ISL Marketing Aktiengesellschaft (ISL) which brought about the inclusion of the USOC in the TOP agreement signed on 28 May 1985.⁹

Early Commercial Development

The general concept of linking commercialism and international sport is older than the Modern Olympic Movement itself. However, when one focuses on the origins of commercial exploitation of Olympic insignia and institutions, it is its founder, Pierre de Coubertin, who may have inadvertently established the precedent, albeit very different from today’s standards. Attempting to offset his mounting personal underwriting of the costs associated with producing the *Olympic Review*, Coubertin enticed Benedictine Brandy into buying a full page advertisement of its product in a 1902 October issue.¹⁰ It has not been determined how much Benedictine Brandy paid for this privilege, “but

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one can be assured that the usually cash-strapped Coubertin was an appreciative soul for this windfall,”¹¹ as I am sure the Baroness was.

By 1902 the Olympic Games had experienced financial benefits derived from the exploitation of commercial factors. The 1896 Olympic Games, in fact, were funded by sales of stamps, tickets, commemorative medals, and program advertising. Kodak became one of the first multinational companies to capitalize on an association with the Olympic Games when it advertised its products in the official souvenir results book of the Athens Games.¹² The Games, however, might have never been realized without the generosity of George Averoff, a wealthy Greek businessperson resident in Alexandria, who provided the money necessary for the restoration of the ancient stadium originally constructed by Herodes Atticus during the reign of Hadrian.¹³

The commercial exploitation of the Olympic Games began soon after, as local entrepreneurial interests in the host nations began to capitalize on the public’s emerging Olympic enthusiasm. The Games of the second Olympiad were held in conjunction with the Paris Universal Exhibition, and the third Olympiad in 1904 with the St. Louis Exhibition,¹⁴ after it was generally agreed that the Games might add lustre to already gigantic celebrations.¹⁵ Though the 1906 intercalary Games in Athens avoided this association, they were staged to appease Greek frustrations over IOC refusal to accept Greece as the permanent site of the Olympic Games.¹⁶ The Fourth Olympiad, despite misgivings by Coubertin, continued the relationship between commercial interests and the Olympic Games by linking them with the Franco-British Exhibition inaugurated in London on 26 November 1906.¹⁷

By this time the IOC had become aware that the title “Olympic Games” had been freely utilized by the IFs for their respective competitions. This abuse prompted Coubertin to request that efforts be undertaken to persuade the IFs to avoid all further use of the title in the future.¹⁸ The success of the Games of the fifth Olympiad in Stockholm two years later, again prompted greater attention by the IOC to the protection of the title “Olympic Games.” At the 1913 IOC General Session meeting in Lausanne members were told to investigate if the title was used in their respective countries and, if discovered, immediately

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protest. One such abuse between organizers of an athletic meeting in Chicago, who had decided to call them “American Olympic Games,” was noted. In this instance, the organizers, responding to protests from American IOC members, decided not to use the title. The IOC, recognizing the growing necessity to protect the title, established the following guidelines: “the title ‘Olympic Games’ could only be used in connection with the IOC’s Olympic Games and the intermediate Athens Games taking place between the Games of the third and fourth Olympiad.”¹⁹

Determined to make the IOC’s 20th anniversary of the Modern Olympic Movement celebrated at the Sorbonne monumental, Coubertin greeted the delegates with some fifty flags, each bearing his newly designed five interlocking rings of blue, black, red, yellow and green set against a white background,²⁰ a design that the world would eventually come to identify with all things Olympic.²¹ The Games of the seventh Olympiad on 14 August 1920 were the first in which athletes took the Olympic oath beneath the new Olympic flag with its five interlocking rings. These games also included the first public enunciation of the Olympic motto, *Citius, Altius, Fortius* (Faster, Higher, Stronger),²² a phrase suggested by French cleric, Père Henri Didon.²³

The IOC continued its reactive policy of identification and protest to protect the growing number of Olympic symbols. At the 1921 IOC General Session Meeting in Lausanne, Elias Y. Juncosa from Barcelona informed the delegates that the title “Olympiad Catalan” had been changed to “Jeux Catalans.”²⁴ One year later at the Paris Session Charles H. Sherrill, IOC member to the United States, requested that the IOC officially forbid the use of the words “Olympics” and “Olympiad.” Prompted by Sherrill’s request Coubertin conceded with regret that this was legally impossible; the IOC could only discourage their use.²⁵ The following resolution was carried June 7th, as a result of Coubertin’s admission:

Le CIO considérant l’abus quotidien qui se fait de mots “Olympique” et “Olympiade” et les plaintes qui s’élèvent de tous côtés à ce sujet, appelle attention de tous sur le fait qu’il est absurde historiquement d’attribuer le qualificatif Olympique à

des concours qui se sont ni quadriennaux ni mondiaux et que, d'autre part, techniquement, le terme Olympiade s'applique à un intervalle de quatre années de calendes et ne saurait être employé pour désigner un concours'.²⁶

A circular letter was then sent out to all NOCs and IFs explaining to them the necessity of maintaining strict adherence to the IOC resolution.²⁷ Information regarding the Olympic emblem was also distributed to all NOCs as a proactive measure in hopes of stopping its misuse. France and Hungary reported to the 1923 IOC General Session in Rome that they had already acquired legal protection of the emblem in their respective countries.²⁸

In 1925 Henri de Baillet-Latour was elected President by the IOC when the founder of the Modern Olympic Movement, Pierre de Coubertin, retired. The title of Honorary Life President of the Olympic Games was bestowed on Coubertin that same year in Prague.²⁹ Unfortunately 1925 also saw misuse of the word "Olympic" grow rapidly due to its considerable utility for promoting national prestige and local commercial growth.³⁰ Baillet-Latour, at both the 1925 General Session in Lisbon and the Executive Committee Meetings in Paris, reported that they had identified six new cases of abuse, including Olympic Games for Women and The Worker's Olympic Games.³¹ Members from these organizations were informed by the IOC that the word "Olympic" was property of the IOC and that its use was forbidden.³²

The first legal challenge to the IOC's and NOC's collective authority over the use of Olympic words, emblems and rings centered around Helms Bakeries of Los Angeles and the 1932 Olympic Games.³³ Helms Bakeries had won the contract to supply the Olympic Village with bread. However, following its "official" association with the 1932 Los Angeles Olympics it continued to capitalize on its premier product, Helms Olympic Bread, the packaging of which brandished the distinctive Olympic insignia. At the time, no Los Angeles or American Olympic Officials confronted bakery owner Paul H. Helms on his indiscretion. By 1938 the activities of Helms had caught the watchful eye of Avery Brundage, president of the USOC.

Brundage reacted by forwarding a note of protest to William R. Schroeder, Managing Director of Helms' downtown office in Los Angeles.³⁴ William May Garland, IOC member for the United States, received a copy.³⁵ On October 14, 1938, Garland wrote Brundage expounding on an "immeasurably fine American citizen," Paul H. Helms, and asking him to reconsider his view.³⁶ Brundage responded five days later, firm in his position that anyone who respected the Olympic movement would not use the Olympic insignia for personal financial gain.³⁷

Over the next ten years Helms continued to capitalize on the Olympic insignia, expanding into billboard and radio advertising. Brundage considered this a desecration of all Olympic traditions and when it came up for discussion at an American Olympic Association (AOA) meeting in New York City he reacted in predictive fashion. On 18 December 1948, Brundage wrote John Jewett Garland, who had succeeded his father as an IOC member, asking if anything could be done to stop Helms' "violation of Olympic principles, which has reached the proportions of an international scandal."³⁸

In mid-1949 Brundage brought the issue to the attention of USOC Legal Counsellor John T. McGovern. Brundage also wrote to others voicing his displeasure with Helms' abuse of the Olympic insignia. Brundage's displeasure soon came to the attention of Helms. On 6 July 1949, Amateur Athletic Union (AAU) official J. Lyman Bingham wrote Brundage of Helms' "considerable displeasure" on learning of Brundage's writing campaign.³⁹ Bingham continued:

Mr. Helms stated that he had been prevailed upon and was in a position to make use of the Olympic insignia on a national basis; that he was mad enough at one time to actually put some such plan into operation, but now he had definitely decided to continue his activities to Southern California and that he would definitely promise not to take advantage of his copyright in the other states. The weakness in the position of the Olympic Committee at the present time is that they

accepted his \$10,000 in 1948 with practically no strings attached being fully aware at the time of the manner in which he has capitalized upon the Olympic insignia ever since 1932.⁴⁰

Brundage was not alone in his battle; the IOC was taking steps itself to ensure protection of the Olympic words and symbols. The IOC strongly recommended that all NOCs pay great attention to this question in their respective countries, and further asked NOCs to apply for juridical protection of the Olympic words and symbols. In the cases where Olympic words and symbols were being utilized for athletic events that in no way concerned the Olympic movement, or for commercial purposes, the NOCs were asked to react energetically to stop said use.⁴¹

On 9 September 1949, Brundage gamed needed support for his steadfast position from then IOC President, Johannes Sigfrid Edström, in the form of a letter to John Jewett Garland. Edström instructed Garland to lodge a protest with Helms Bakeries over the commercial use of the Olympic five ring symbol and the Olympic motto. Edström concluded his letter with the admonition that Los Angeles would never get another Olympic Games as long as the outrage continued.⁴² Further support came from the legal opinion of the law firm Cook, Beake, Miller, Wrock & Cross in a letter to John McGovern. In it they wrote:

We definitely feel that the United States Olympic Association has a legal and moral right to protect all the intangible elements and properties that are attributes of its name and symbol and it would be remiss for the good of the movement if it were not vigilant and aggressive in enforcing those rights.⁴³

With pressure mounting against Helms from many sides, Brundage's tenacious character drove him toward resolution of the stalemate. In a letter to Daniel J. Ferris, Brundage wrote: "He steals our insignia and builds up a fortune, then gives a few dollars to amateur sport and everyone thinks that he is an angel."⁴⁴ Helms, advised of Brundage's statement, informed John McGovern that such statements were inflammatory and his attorneys had advised him that he could proceed

legally against Brundage.⁴⁵

Within the IOC, the campaign that had begun in July 1949 against the ever increasing misuses of the Olympic words and symbols had to some extent been successful. The November 1949 *IOC Bulletin* (No. 18) published a list of cases that had been reported.⁴⁶ Interestingly, a case in the United States of America concerning a bakery that had supplied the Olympic athletes with bread was one of the offending cases identified. The Helms Bakery Company vs. the USOC had formally gained international attention within the Olympic family, much to the displeasure of Paul Helms.⁴⁷

On 21 December 1949, Brundage, accompanied by lawyers Richard E. Cross and Arthur M. Smith, met with Paul Helms and Paul Helms Jr. and their attorneys, G. E. McDowell and Albert J. Faries, for a luncheon meeting arranged by the senior Helms at the California Club in Los Angeles. Following lengthy discussions, focusing mainly on trademark issues, an agreement in principle was approved.⁴⁸ Upon their return to Michigan, Cross and Smith prepared and sent to Helms a typed draft of the proposed agreement approved "in principle" by all parties at the Los Angeles meeting.⁴⁹

Although they had reached an agreement in principle, subsequent questions arose which delayed the "final" conclusion of the lengthy case.⁵⁰ These questions concerned the use by Helms Bakeries of a red, white and blue shield in association with the word "Olympic" and the removal of the emblems from the building owned by Helms.⁵¹ A series of communications led to a final resolution of the lingering problems. An announcement on 5 July 1950 proclaimed the Helms case to have been settled.⁵²

This announcement turned out to be three years premature as attempts to maintain an association with the Olympic insignia by Helms continued to be noted.⁵³ One such attempt was a Trade-Mark application for the words "Olympic Winner."⁵⁴ Helms agreed to execute a formal abandonment of the application for registration to the Patent Office following objections by McGovern.⁵⁵ Finally, on 3 August 1953, McGovern wrote new IOC President Brundage that he had received a copy of formal surrender by Helms of all filed trade marks, as well as a sworn statement that no

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use of the emblem containing the word “Olympic” or “Official” would be made or intended in the future.⁵⁶

Amidst the conclusion of the Helms case, conflicts amongst the IOC, IFs and NOCs pertaining to the distribution of television money erupted following the modifications to Rule 49, the IOC’s policy statement on publicity.⁵⁷ The development of satellite technology in the early 1960s and the restrictions established on Olympic coverage had led to substantial increases in the value of Olympic television rights. However, Brundage, having already identified the value of revenues derived through the sale of television rights during his tenure as President of the USOC, was disturbed by the growing trend of the IOC toward continued commercialism. “I am not sure that we should ever get into business,” wrote Brundage, “but on the other hand we should not give millions of dollars away.”⁵⁸ Despite his misgivings, Brundage knew that in order to ensure continued cooperation of the IFs and NOCs with the IOC, an overhaul of the current method of allocating Olympic television revenues would be necessary. His attempts to ensure the cooperation of the IFs and NOCs opened the door for dramatic increases in the monies received by each through the sale of television rights for the Winter and Summer Olympic Games.

By 1974, under the leadership of Lord Killanin, some 98% of the IOC’s income was derived directly from the sale of television rights to the Olympic Games.⁵⁹ However it was not long before concerns began to develop within the IOC over their growing dependence on the revenues generated by the sale of television rights. It was decided that the IOC should establish a more diversified revenue base from which to operate and fund the Games, indeed, the entire operation of the Modern Olympic Movement.

Formation of the United States Olympic Committee

Early efforts within the United States to establish a formal association to oversee its participation in the Olympic Games were preceded by an organization known as the American Olympic Committee (AOC). Operating without benefit of a constitution or by-laws, the AOC and its predecessors had succeeded in directing America’s Olympic involvement from 1896 until the early 1920s. Composed entirely of influential

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men, their rules of procedure were the standards of gentlemanly conduct to which they all ascribed.⁶⁰ Many of its members aided in forming the AOA in 1921, none more so than Gustavus T. Kirby.⁶¹

As president of the AOC, Kirby called a meeting of its members on 4 December 1920 to discuss the ever-present problem of raising funds to support America’s Olympic effort. At that meeting Kirby continued his long standing call for the formation of a permanent Olympic committee, one which would operate in a more “businesslike” fashion:

The AOC may be and then again it may not be properly organized. Personally, I believe that it is not properly organized. I have always been of that belief. I believe that now is the time to perfect its organization so that before the next Olympiad we can proceed in a manner which will be more businesslike.⁶²

With these words, Kirby set in motion the necessary moves to form a new organization to oversee America’s Olympic participation.

There were several reasons for Kirby’s remarks at the December 1920 meeting, but none was as important as the increased financial need of the AOC to support the expanding American Olympic effort. The amount budgeted by the AOC for the 1920 Olympic Games was more than twice that budgeted for the 1912 Games in Stockholm. It was realized that the few benefactors that had in the past supported America’s effort, could no longer be expected to shoulder the increasing burden. In the future sophisticated marketing skills would need to be employed by the AOC if the mounting fiscal demands were to be met.

Following the formation of the AOA on 25 November 1921, numerous struggles developed between the two camps of the AAU and the National Collegiate Athletic Association (NCAA) and National Amateur Athletic Federation (NAAF) for control of the newly formed association. Suffice it to say, that throughout these struggles the AAU retained its position as the dominant body of control and influence on the AOA. Yet,

perhaps the most significant development that this new association brought to the American Olympic Movement was the “businesslike” atmosphere that Kirby desired. No longer would the crisis-laden financial chaos that plagued the AOC affect America’s future Olympic efforts.⁶³ As the AOA was called upon to face new financial crises, the structure established during the evolution of the Association did much to improve its planning and efficiency.

The AOA employed numerous techniques to acquire the money to finance its Olympic efforts. The sale of various promotional materials, such as buttons and stamps, was one of many early methods utilized to generate the income required and keep the Olympic Games on the minds of the American public. They also identified the nation’s broadcasting companies as a potential source of revenue. Avery Brundage went so far as to suggest to them in 1935 that they might be interested in covering the Olympic trials.⁶⁴ Although the trials for the 1936 Olympic Games were never broadcast, both the Columbia Broadcasting System (CBS) and National Broadcasting Company (NBC) indicated an interest in broadcasting the American Olympic trials for the 1940 Olympic Games. In exchange, both companies agreed to provide free air time to the AOA that could be used for its own publicity.⁶⁵ Unfortunately, no Olympic Games were held in 1940 and again in 1944 due to World War II. The new American Olympic committee, the United States of America Sports Federation, and later the United States Olympic Association (USOA), had to wait until the Olympic Games of 1948 staged in London to continue the progress established by the AOA.⁶⁶

Prior to the 1948 Olympics, Brundage, after realizing that it would cost \$120,000 to send an Olympic team to London, approached the American broadcast companies to see if they would be interested in buying the exclusive television rights to air the 1948 American Olympic trials. He was unsuccessful in his endeavour, but continued to pursue the networks, motivated by the possibility of acquiring additional revenue for the coffers of the USOA. A new law adopted in September 1950 by the 81st Congress of the United States, legally protecting for the USOA all things Olympic buttressed Brundage’s efforts.⁶⁷ Brundage was rapidly becoming infatuated by what television might offer the Olympic

Movement in terms of international exposure and monetary income. What he could not foresee was that he had opened a door that would leave an indelible mark on the future of the USOA and the Modern Olympic Movement. It would not be until 1961, when major constitutional revisions were made, that the name of the USOA was changed to the current designation of the USOC.

On 8 November 1978, Public Law 95-606 (The Amateur Sports Act) was enacted, specifically naming the USOC as the body for athletic activity in the United States directly relating to International Olympic Family athletic competition, including the sports on the programs of the Olympic and Pan American Games. More important for the future financial feasibility of the USOC was the public law, that not only protected the emblems of the IOC and the USOC, but also gave the USOC exclusive rights to the words “Olympic,” “Olympiad” and “Citius, Altius, Fortius,” as well as to Olympic-related symbols in the United States.⁶⁸

The “Keystone” of TOP (The Olympic Programme)

If the revenues generated by the sale of television rights were the chief benefactor in rescuing the IOC from virtual insolvency, then the income derived from the TOP programme has been the saviour from dependence on a singular variable. The TOP Programme was originally created for the purpose of establishing a more diversified revenue base for the Games and the Modern Olympic Movement. As TOP participants, multinational corporations are: (1) permitted to advertise themselves as the exclusive worldwide Olympic sponsors and to associate the Olympic words and emblems with their product on a worldwide basis, (2) receive exclusive marketing rights and opportunities within their designated product category, and (3) receive preferential treatment in the development of marketing programmes with the IOC. In addition, each TOP sponsor receives exclusive hospitality opportunities at the Games, direct advertising opportunities and preferential access to broadcast advertising, on-site concession/franchise and product sale/showcase opportunities, as well as ongoing ambush marketing protection through a global advertising and public relation support programme in international print and electronic media.⁶⁹

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In November of 1982 Klaus Jürgen Hempel, Managing Director and Director of the Board, ISL, wrote Juan Antonio Samaranch, President of the IOC, extending his warmest greetings and those of ISL for the upcoming holiday season.⁷⁰ Enclosed with his greetings was a specially commissioned limited edition lithograph by Franz Borghese, a remarkable young Italian painter. Hempel also expressed his company's interest to expand its sports marketing activities beyond the world of World Cup Soccer, at the time its major client. Samaranch graciously responded on 17 December 1982, opening the door for future discussion between the IOC and ISL.⁷¹

It was not long before word of these negotiations reached the USOC and its marketing agency, Spencer Marketing Services of New York city. Muriel Cohen, Vice President of Spencer Marketing Services, dispatched a letter on 25 March 1983 to Mme. Monique Berlioux, Director of the IOC:

I read with great interest that International Olympic Committee intends to market its five-ring emblem. Our company has a long history of association with United States Olympic Committee, having developed their corporate marketing program for them.

I will appreciate if you will put us in touch with International Sports Leisure as we would like to arrange to meet with them, either here or in Switzerland.⁷²

By May of that same year, others had written Berlioux expressing concern over the "rumours regarding an agreement between the IOC and a certain company in Switzerland for the marketing of Olympic Symbols."⁷³ Berlioux's response outlined a decision by the Executive Board of the IOC made in New Delhi on 24 March 1983 to engage in further discussions concerning the area of the international marketing of Olympic symbols, and that the IOC would inform all NOCs in due course.⁷⁴

At the same time the discussions between ISL and the IOC became public, a draft agreement between the two

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parties had already been distributed within the IOC.⁷⁵ Shortly afterwards, Monique Berlioux sent a letter of intent to Horst Dassler of ISL stating that the IOC and ISL have "agreed to conclude a final agreement by 31 st December 1983 at the latest."⁷⁶ At approximately the same time, a closed-door meeting was convened with representatives of the IOC, ISL, the USOC, and the BOA.⁷⁷ Its purpose was to convince each NOC of the benefits of a worldwide marketing programme, and that they would not experience a decrease in revenues gained from their own marketing programs by agreeing to take part in the purposed TOP initiative. It was far from a pleasant encounter as each of the two NOCs had already implemented strong marketing programmes within their respective countries. The USOC, in particular, saw the IOC/ISL effort as an attempt to encroach on their territory, as most of the proposed multinational corporations to be approached were based in the United States.

Aware that for any worldwide marketing programme to be successful it must include the USOC, Jürgen Lenz, Marketing Department Managing Director for ISL, wrote Don Miller, Secretary General of the USOC on 14 June 1984:

The only major stumbling block remains the USOC which has of course major effect on the decision of most NOCs. Therefore I can not emphasize enough the importance of a rapid decision on a presentation date and conclusion of an agreement between USOC/ISL.

You will, of course, appreciate that ISL (and the IOC) are conscious of the responsibility that we have taken on when accepting this project and we do not wish to be burdened with the blame of the project not being realized only because the USOC is not joining in on the project.⁷⁸

Miller responded shortly after receiving the letter from Lenz. In his letter Miller outlined the general position of the USOC toward the ISL project, but added that due to the boycott situation developing around the 1984 Los Angeles Olympic Games they could expect no

immediate decision.

The concerns over the delays by the USOC were beginning to extend beyond the negotiations with ISL and the IOC. Particularly was this so with regard to the hosts for the 1988 Summer and Winter Olympic Games, Seoul, Korea, and Calgary, Canada. On 22 June 1984 Tae-Woo Roh, President of the Seoul Olympic Organizing Committee (SLOOC) wrote William E. Simon, President of the USOC, expressing his committee's hope that the USOC would soon conclude their negotiations with ISL. "We are anxiously waiting for the conclusion of these negotiations," Roh wrote Simon, "in order that we may finalise our trademark registration programme in the U.S., which is of key importance to the Seoul Olympic Organizing Committee."⁷⁹ A few days later Jürgen Lenz received a telex from William H. Wardle, Senior Vice President of Marketing for the Calgary Organizing Committee (OCO'SS) outlining the "difficult predicament" of OCO'88 "caused by the failure of ISL" to finalize the negotiations of its programme with the USOC.⁸⁰ Feeling the ever increasing pressure to conclude their negotiations, an angered Lenz fired back at Wardle, "your telex reply takes issue with our 'failure' to put the Int'l Programme together."⁸¹

Sensing the impending failure of ISL to negotiate an agreement with the USOC, Juan Antonio Samaranch dispatched a letter to William E. Simon appealing to him "to help the Olympic Movement as a whole by giving this matter" his "closest attention."⁸² Soon after, ISL made its first presentation to the USOC outlining the benefits of ISL's marketing programme to the entire Olympic Movement. In a nutshell, ISL sold the message: "there is in fact no valid reason for any NOC to decline to participate. ISL's marketing programme will provide a significant increase in income for all NOCS."⁸³ Although ISL appreciated the fact that at long last the USOC had given them an opportunity to present and discuss the IOC Worldwide Sponsorship Programme with various representatives of the committee, they were disturbed at the position taken by some USOC members. One member went so far as to suggest that the socialist countries be excluded from sharing in sponsorship funds generated from the programme.⁸⁴ Disgruntled at the limited progress made with the USOC, Jürgen Lenz wrote Samaranch once

again for help:

I am writing to you today to draw your attention to the fact that in regard to the IOC Marketing Programme we have reached an impasse because of the position the USOC is taking on this matter.

Up to today we have received either written approval, verbal agreement or letters of intent from the vast majority of NOCs. However, without the USOC consent we stand no chance of gaining unanimous agreement from all NOCs . . .

. . . Therefore, we kindly ask you to deliberate this new situation, created by USOC, with all its potentially grave consequences to the Olympic Movement with your Executive Committee.

Almost two months after ISL's presentation, Don Miller put forth a recommendation to approve the IOC/ISL proposal on the condition that the USOC receive "appropriate assurances of legal indemnification as well as a minimum monetary return" of at least an undisclosed percentage to be "derived from the gross revenues received worldwide from each sponsorship agreement approved by the USOC prior to distribution or deduction of any commission."⁸⁵ Negotiations were then undertaken to develop an outline for the proposed marketing agreement between the USOC and ISL. Finally, at the 148th meeting of the IOC Executive Session in Lausanne on 28 May 1985, amidst much celebration, the TOP agreement was signed by Juan Antonio Samaranch, representing the IOC, and Horst Dassler, representing ISL.⁸⁶

Conclusions

In its modern form no one can help but be impressed at the accrued wealth of the IOC, and its constituent Olympic family members. From the early steps toward commercialism, innocently taken by Pierre de Coubertin, to the awesome revenues generated by

television rights and TOP, the IOC has negotiated shrewdly to capitalize on all of its Olympic assets. Although the principle aims of the Olympic Movement remain unchanged, the IOC's marriage to commercialism has indelibly altered its administrative existence. Where once only leaders of sport tread, lawyers and marketing experts now walk the halls and foyers of the Chateau de Vidy in Lausanne in substantial numbers.

Although ISL did not create the concept of sponsorship, it was ISL that developed the structure of sponsorship as an orderly tool of marketing communications. Through its team of marketing, advertising and communications experts, ISL was able to introduce, develop, negotiate and implement, mostly through its own efforts and risk, the IOC's international sponsorship programme known as TOP. Yet, what do multinational corporations seek for themselves by joining TOP? The answer to this question is not as obvious as one might think. Research has indicated that expensive advertising programmes such as TOP, rarely have any direct impact on creating new markets. At best, they serve to protect existing markets from the advertising efforts of its competitors. Could this be the sole reason for the involvement of each of the nine multinational corporations who participated in TOP I? Obviously the answer to this question requires further research.

Lastly, it should be noted that although the USOC had signed an agreement with ISL to participate in TOP, it had reserved the right to enter into its own agreements with each of the multinational corporations who participated in the programme. As a consequence of such an agreement, the USOC receives its share of the monies derived from the TOP programme directly from each corporation.⁸⁷ Upon reflection of the USOC's participation in TOP I, George Miller, Secretary General of the USOC, wrote to Juan Antonio Samaranch to express his belief that the decision of the USOC to participate in the TOP I was the correct one.⁸⁸ What Miller said "next" would again embroil the ISL, IOC, and USOC in lengthy negotiations and often vitriolic confrontations before America's "Olympic arm" signed on as an endorser of the TOP II agreement. The "next" is the subject of another study.

Endnotes

1. Avery Brundage to Roger Coulon (Secretary, General Assembly of the International Sports Federations and President of the International Amateur Wrestling Federation), 11 September 1967, Avery Brundage Collection, 1908-1975 [hereafter cited as ABC], Box 207, University of Illinois, Champaign-Urbana. Although the original collection is located at the above location, the author has made use of the microfilm copy housed at the Centre for Olympic Studies [hereafter cited as COS], at The University of Western Ontario, London, Ontario, Canada [hereafter cited as UWO] .

2. John Lucas' interview with the Baroness de Coubertin was part of the early research for his doctoral dissertation, completed at the University of Maryland in 1962 entitled "Baron Pierre de Coubertin and the Formative Years of the Modern International Olympic Movement, 1883-1896." This same reminiscence by the Baroness has been recounted by other scholars. See Robert Knight Barney, "Golden Egg or Fools' Gold? American Olympic Commercialism and the IOC," in *Proceedings: Thirty-Third Session of the International Olympic Academy*, 1993, p. 123.

3. For elaboration of this discussion, see Barney, "Golden Egg or Fools' Gold? American Olympic Commercialism and the IOC," *Ibid*.

4. Avery Brundage to the IOC Executive Board (Armand Massard, David Lord Burghley, S.A.R. the Prince Axel of Denmark, S.E. Mohammad Taher, Miguel A. Moenck, and Count Paolo Thaon de Revel), 3 August 1955, ABC, Box 114.

5. International Olympic Committee [hereafter cited as IOC] General Session Minutes (Volume III 1948-1955), Paris (1955), p. 318 (translation by Wolf Lyberg), COS, UWO.

6. For a discussion of the "growing pains" experienced by the Olympic Movement between 1956 and 1972, see Stephen R. Wenn, "Lights! Camera! Little Action: Television, Avery Brundage and the 1956 Melbourne Olympics," *Sporting Traditions* 10 (November, 1993), pp.38-53; "An Olympian Squabble: The Distribution of Olympic Television Revenue, 1960-1966," in *Olympika: The International Journal of Olympic Studies*, Vol. 111-1994, pp. 27-47; and "Growing Pains:

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The Olympic Movement and Television, 1966- 1972,” in *Olympika: The International Journal of Olympic Studies*, Vol IV-1995, pp. 1-22.

7. See IOC: Marketing Department, “Olympic Sponsorship Remains Strong for 1994/96,” *Marketing Matters* 1 (1993), p. 1.

8. See International Olympic Committee: Marketing Department, *1995 Olympic Marketing Fact File* (Lausanne, Switzerland: IOC, 1995), p. 1.

9. IOC Executive Committee Minutes (Volume IV, 1981-1991), Lausanne (1985), pp. 177-178 (translation by Wolf Lyberg), COS, UWO.

10. See Barney, “Golden Egg or Fools’ Gold? op. cit, p. 127. For the original advertisement, see *Olympic Review*, October, 1902 (inside front cover page).

11. Ibid., p. 127.

12. For a general discussion of the Kodak company, see Pedro Hernádez, “Kodak: The Olympic Colour,” *Olympic Magazine*, May 1994, pp. 36-38.

13. For extended discussions, see Allen Guttman, *The Olympics: A History of the Modern Games* (Urbana-Chicago: University of Illinois Press, 1992), chap. 1. Also see IOC Marketing Department, “100 Years of the Olympic Movement / 100 Years of Olympic Marketing,” *Marketing Matters* 5, (1994), p. 1.

14. See Richard Gruneau and Hart Canatelon, “Capitalism, Commercialism and the Olympics,” in *Issues in Modern Olympic History: An Anthology*, Robert K. Barney and Scott G. Martyn, eds. (London: COS, 1994), pp. 206-216.

15. See Allen Guttman, op. cit., pp. 21-35.

16. Ibid., p. 27.

17. See Pierre de Coubertin, *Olympic Memoirs*, trans. Geoffrey de Navacelle (Lausanne: IOC, 1989), pp. 53-58. The exhibition was to play a minor role as Lord Desborough (W.H. Grenfell) made it clear that the Olympic Games were to occupy a predominant place. Coubertin commented in his *Olympic Memoirs* that this

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was a pleasant change from earlier expectations.

18. IOC General Session Minutes (Volume I, 1894-1919), Luxembourg (1910), p. 58.

19. IOC General Session Minutes (Volume I, 1894-1919), Lausanne (1913), p. 77. “American IOC members” is not intended to connote political affiliation, only country of origin

20. For a discussion of Pierre de Coubertin’s inspiration leading to the development of the five ring design and its symbolism, see Robert K. Barney, “This Great Symbol: Tricks of History,” *Olympic Review*, no.301, 9 November 1992, pp. 627-631, 641. The title “This Great Symbol” expressed by the author might seem to have been “pirated” from John J. MacAloon’s *This Great Symbol: Pierre de Coubertin and the Origins of the Modern Olympic Games* (Chicago: University of Chicago Press, 1981). Barney’s connotation of the term, however, refers to the five ring symbol; MacAloon’s phraseology, to the idea of the Olympic Games being re-established in modern times.

21. See IOC: Marketing Department, “Public Opinion of the Olympic Games,” *1995 Olympic Marketing Fact File* (Lausanne, Switzerland: IOC, 1995), p. 39. In November, 1993, research was conducted for the IOC, Organizing Committees of the Olympic Games [hereafter cited as OCOGs] and ISL Marketing AG [hereafter cited as ISL] by Sponsorship Research International in the United States, United Kingdom and Japan. Independent research agencies were used in each country - Goldstein Krall, Research Services Ltd. and IMR, respectively. This research shows that:

The Olympic Games are seen to hold an unrivalled position as the world’s top sporting event by over 80% of the sample, with a similar number agreeing that the Games stand for the highest levels of achievement. Although more than 80% of the respondents thought that the Games are a symbol of international co-operation, and three-quarters thought that they bring the world closer together, 88% believed that the Olympic Games are also a source of

national pride.

Awareness of the Olympic five rings symbol was extremely high, with an average 96% recognition across the three markets. There was 100% recognition in Japan, with 97% in the UK and 91% in the USA. The Wimbledon logo achieved the second highest level of total awareness on average with 87%, although in the USA, it was the NFL logo which gained the second highest awareness level with 88% recognition.

22. Pierre de Coubertin, *Olympic Memoirs*, trans. Geoffrey de Navacelle (Lausanne: IOC, 1989), p. 102. Coubertin notes in his *Olympic Memoirs* that Antwerp was brilliantly decorated. From the city centre to the stadium, the route was lined with Olympic flags. Everywhere one looked the five multicoloured rings and the motto, *Citius, Altius, Fortius* were prominently displayed.

23. See Allen Guttman, op. cit., p. 41. Although the association of the Olympic motto to P re Henri Didon is correct, Guttman’s contention that it was introduced at the nineteenth session of the IOC, held concurrently with an Olympic congress in Lausanne in 1921 is not supported by Coubertin. See Pierre de Coubertin *Olympic Memoirs*, op. cit., pp. 99-103.

24. IOC General Session Minutes (Volume II, 1920-1947), Lausanne (1921), p.105.

25. IOC General Session Minutes (Volume II, 1920-1947), Paris (1922), p. 107.

26. Ibid., pp. 107-108. The translator, due to the awkward nature of the French text, has offered a literary rather than a literal translation. Translated, the resolution reads: The IOC in view of daily abuse of the words “Olympic” and “Olympiad,” and of the complaints which arise from all sides of the subject, calls attention to the fact that it is absurd, historically speaking, to attribute the designation (qualifier?) Olympic to competitions which are neither quadrennial nor world-wide, and that moreover, the term Olympiad

technically applies to an interval of four calendar years and cannot be used to designate any (other?) competition.

27. Ibid., p. 108.

28. IOC General Session Minutes (Volume II, 1920-1947), Rome (1923), p. 113.

29. See Pierre de Coubertin, *Olympic Memoirs*, op. cit., pp. 127-130. Also see Comit  International Olympique, *Le Comit  International Olympique* (Lausanne, 1990).

30. Richard Gruneau and Hart Cantelon, “Capitalism, Commercialism, and the Olympics,” op. cit., pp. 265-275.

31. IOC General Session Minutes (Volume II, 1920-1947), Lisbonne (1926), p. 133. For the Executive Committee Meeting, see IOC Executive Committee Minutes (Volume I, 1921-1948), Paris (1925), p. 29.

32. This statement contradicts an admission of Coubertin’s at the 1922 Paris IOC General Session that the IOC could only “discourage” the use of the words “Olympics” and “Olympiad”.

33. For an extended discussion, see Scott G. Martyn, “Making Dough: The Helms Bakery Company vs. The United States Olympic Committee on the Issue of Commercializing Olympic Symbols, 1932 to 1953,” in *Issues In Modern Olympic History: An Anthology*, Robert K. Barney and Scott G. Martyn, eds. (London: COS, 1994), pp. 222-243.

34. William May Garland to Avery Brundage, 14 October 1938, ABC, Box 225.

35. Ibid.

36. Ibid.

37. Avery Brundage to William May Garland, 19 October 1938, ABC, Box 225.

38. Avery Brundage to John Jewett Garland, 18 December 1948, ABC, Box 225. John Jewett Garland replaced his father, William May Garland as the IOC member to the United States of America on 28 June

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1948. See IOC General Session Minutes (Volume III, 1948-1955).
39. J. Lyman Bingham (Assistant to the President of the Amateur Athletic Union of the United States) to Avery Brundage, 6 July 1949, ABC, Box 225.
40. Ibid.
41. IOC, "Protection of the Olympic Words and Rings: Notice for the National Olympic Committee," *IOC Bulletin*, no. 16 (July 1949), p. 20.
42. Sigfrid Edström to John J. Garland, 9 September 1949, ABC, Box 225.
43. Richard E. Cross to John T. McGovern, 13 September 1949, ABC, Box 225.
44. Avery Brundage to Daniel J. Ferris (USOC Member-at-Large), 27 September 1949, ABC, Box 225.
45. John T. McGovern to Avery Brundage, 18 October 1949, ABC, Box 225.
46. IOC, "About the Protection of Olympic words, emblems and rings," *IOC Bulletin*, no. 18 (November 1949), p. 20.
47. Ibid.
48. A description of the meeting and the agreement in principle was related in a follow-up letter to Brundage written by Arthur M. Smith. See Arthur M. Smith to Avery Brundage, 30 December 1949, ABC, Box 225.
49. Ibid.
50. Avery Brundage to Otto Mayer, 22 February 1950, ABC, Box 225.
51. Arthur M. Smith to Mr. C. E. McDowell (Attorney for Helms Bakeries), 24 February 1950, ABC, Box 225.
52. John T. McGovern to USOC President Avery Brundage, 5 July 1950, ABC, Box 225. President Emeritus Gustavus T. Kirby, USOC Officers, members

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- of the Executive Board and associate counsel Judge Mahoney, Richard E. Cross, Arthur M. Smith, Pincus Sober, and Fred Steers.
53. Arthur M. Smith to John T. McGovern, 26 October 1951, ABC, Box 225.
54. Arthur M. Smith to John T. McGovern, 15 October 1951, ABC, Box 225.
55. Arthur M. Smith to John T. McGovern, 19 November 1951, ABC, Box 225.
56. John T. McGovern to Avery Brundage, 3 August 1953, ABC, Box 225. After becoming a member of the IOC in 1936, and Vice-President in 1945, Avery Brundage was elected President on 16 July 1952. See IOC General Session Minutes (Volume III, 1948-1955), Helsinki (1952).
57. *Olympic Charter* 1958 (Lausanne: IOC, 1958), pp. 29-30, IOC Archives, Lausanne, Switzerland. See also Stephen R. Wenn, "An Olympian Squabble: The Distribution of Olympic Television Revenue, 1960-1966," in *Olympika: The International Journal of Olympic Studies*, Volume III-1994, pp. 28-29.
58. Avery Brundage to the IOC Executive Board (Armand Massard, David Lord Burghley, S.A.R. the Prince Axel of Denmark, S.E. Mohammad Taher, Miguel A. Moenck, and Count Paolo Thaon de Revel), 3 August 1955, ABC, Box 114.
59. See Stephen R. Wenn, "Growing Pains: The Olympic Movement and Television, 1966-1972," in *Olympika: The International Journal of Olympic Studies*, Volume IV- 1995, p. 15.
60. For a discussion of the years prior to the establishment of the United States Olympic Committee, see the doctoral dissertation by Robert E. Lehr, "The American Olympic Committee, 1986-1940: From Chaos to Order," Pennsylvania State University, 1985, pp. 44-83.
61. Gustavus T. Kirby was born in Philadelphia, but moved to New York early in his life. He graduated as an electrical engineer from Columbia University in 1895, and from Columbia Law School in 1898. While

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in college he competed in track, football, fencing, and cycling. A lawyer by profession, Kirby was also involved as a partner in the American Art Association. Kirby was also an avid inventor and writer. He designed an electrical timing device for races and authored five books, one of which was his autobiography, entitled, *I Wonder Why?*

62. *Ibid.*, p. 79. See also American Olympic Committee Minutes, 2 December 1920, United States Olympic Committee Archives, Colorado Springs, Colorado [hereafter cited as USOCA], p. 14, as cited by Lehr.

63. *Ibid.*, p. 116.

64. *Ibid.*, p. 253. See also American Olympic Committee Minutes, 26 June 1938, USOCA, p. 158.

65. *Ibid.*

66. See Robert P. Watson, "Appendix B: The U.S. Olympic Committee," in John E. Findling and Kimberly D. Pelle, eds. *Historical Dictionary of the Modern Olympic Movement* (Westport, Connecticut: Greenwood Press, 1996), pp. 395-404.

67. IOC Executive Board Minutes, Lausanne, 13-14 March 1972, Annex 18. The law regarding the protection of the Olympic words and emblems was formally adopted by the 81st Congress of the United States of America and approved on 21 September 1950.

68. See Frank Zang, ed., *1992 United States Olympic Committee Fact Book* (Colorado Springs, Colorado: USOC, 1992), pp. 9-11.

69. See IOC: Marketing Department, "Public Opinion of the Olympic Games," *1995 Olympic Marketing Fact File* (Lausanne, Switzerland: IOC, 1995), p. 32.

70. Klaus Hempel to Juan Antonio Samaranch, n.d., ISL Marketing File, International Olympic Committee Archives, Lausanne, Switzerland [hereafter cited IOCA].

71. Juan Antonio Samaranch to Klaus Hempel, 17 December 1982, ISL Marketing File, IOCA.

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72. Muriel Cohen to Monique Berlioux, 25 March 1983, ISL Marketing File, IOCA.

73. Walther Tröger (Secretary General, Nationales Olympisches Komitee für Deutschland) to Monique Berlioux, 9 May 1983, ISL Marketing File, IOCA.

74. Monique Berlioux to Walther Tröger, 19 May 1983, ISL Marketing File, IOCA.

75. Draft contract between IOC and ISL, 20 May 1983, ISL Marketing File, IOCA.

76. Monique Berlioux to Horst Dassler, 26 May 1983, ISL Marketing File, IOCA.

77. Minutes of closed-door meeting, 1 May 1983, ISL Marketing File, IOCA.

78. Jürgen Lenz to Don Miller, 14 June 1984, ISL Marketing File, IOCA. A copy of the same letter was sent to Juan Antonio Samaranch the following day. See Jürgen Lenz to Juan Antonio Samaranch, 15 June 1984, ISL Marketing File, IOCA.

79. Tae-Woo Roh to William E. Simon, 22 June 1984, ISL Marketing File, IOCA. Carbon copies of this letter were also sent to Don Miller (USOC), Monique Berlioux (IOC), Klaus Hempel (ISL), and Horst Dassler (ISL/Adidas).

80. William H. Wardle to Jürgen Lenz, 3 July 1984, ISL Marketing File, IOCA.

81. Jürgen Lenz to William H. Wardle, 5 July 1984, ISL Marketing File, IOCA.

82. Juan Antonio Samaranch to William E. Simon, 14 June 1984, ISL Marketing File, IOCA.

83. See ISL, *SPONSORSHIP: A proposal to the National Olympic Committee*, Lucerne: Switzerland: ISL, 1984.

84. Jürgen Lenz to Don Miller, 5 August 1984, ISL/TOP I General File, IOCA.

85. Don Miller to Jürgen Lenz, 7 September 1984, ISL Marketing File, IOCA.

86. IOC Executive Committee Minutes (Volume IV, 1981-1991), Lausanne (1985), pp. 177-178.

87. Howard M. Stupp (Director of Legal Affairs, IOC) to Juan Antonio Samaranch and Raymond Gafner, 2 December 1985, ISL/TOP I General File, IOCA.

88. George D. Miller to Juan Antonio Samaranch, 1987, ISL/TOP I General File IOCA.