

MLB Countersuing Anheuser-Busch Over Deal with NFL

Written by Maury Brown
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When Anheuser-Busch filed suit against league for breach of contract renewal in early November, it caught many by surprise. A-B has been long-time MLB cornerstone sponsor of the league. baseball was reneging on renewing their longstanding agreement, which expires on Dec. 31 of 2010. Anheuser-Busch claims that MLB is now asking for considerably more than what was agreed upon during a meeting between MLB execs Bob DuPuy, Tim Brosnan, MLB Properties' head of sponsorship, and David Peacock the President of A-B during the 2009 All-Star Game in St. Louis.

Now, MLB Properties has responded saying that an "April Letter of Intent" of intent between MLBP and A-B is non-binding. The court filing by MLBP goes on to say, "In that April Letter of Intent, both parties expressly recognized that they would need to negotiate a definitive "Promotional Rights Agreement" containing all of the terms and conditions necessary to grant A-B the promotional rights it sought from MLBP. The April Letter of Intent also provided that A-B would not receive those key promotional rights until the parties finished and signed the definitive Promotional Rights Agreement. The parties never negotiated and executed such a definitive Promotional Rights Agreement because, just days after the signing of the April Letter of Intent, A-B reneged on its promise to MLBP that was the very foundation of the transaction contemplated by the parties."

The countersuit by MLB Properties centers on the brewing giant keeping MLB as A-B's top, number one sports property in the U.S. Seven business days after the meeting between MLB's execs and Peacock A-B announced a lucrative deal with the NFL to make Bud Light the Official Beer of the NFL, bumping Coors Light from that position. The deal is reportedly worth \$1.2 billion over six years. MLBP is claiming that due to that deal that is "unprecedented in size and scope" will make "it impossible for A-B to fulfill its promise to continue to make MLBP its top, number one sports property in the U.S."

This could possibly turn into more than a lover's spat, with MLB seeing themselves scorned for the NFL as MLBP is claiming that A-B has embarked on a campaign to attempt to bully MLBP into an agreement.

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“That campaign has included, but has not been limited to, A-B’s asserting that it has a binding agreement with MLBP when it has none, the sending of threatening letters to other beer companies to scare them away from doing business with MLBP, the filing of this meritless lawsuit without even the courtesy of advance notice to MLBP, A-B’s longstanding business partner, and the use of the press to publicize A-B’s false version of events in attempt to embarrass and intimidate MLBP.”

The countersuit is looking to the courts to say that there is no binding agreement between

MLBP and A-B for A-B to be MLBP’s exclusive malt beverage sponsor as of January 1, 2011, the day after the current agreement expires.

The chances of MLB Properties landing a different brewer as the Official Beer of Major League Baseball seems thin. Currently, A-B is the official sponsor of all but 4 of MLB’s 30 clubs.



Maury Brown is the Founder and President of the [Business of Sports Network](#) , which includes The Biz of Baseball, The Biz of Football, The Biz of Basketball and The Biz of Hockey, as well as a [contributor](#)

[to FanGraphs](#)

and

[Forbes SportsMoney](#)

.
He is available for hire or freelance

.
[Brown's full bio is here.](#)

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