



A project of the John S. and James L. Knight Foundation  
www.knightcommission.org

**Examples Applying Knight Commission Principles to  
NIL Opportunities for College Athletes**

April 3, 2020

The Knight Commission advanced guiding principles for the NCAA rules to allow college athletes the opportunity to earn compensation for the use of their name, image and likeness (NIL). Examples applying the Knight Commission's NIL Principle No. 4 are described below using fictitious Overbridge University's famous power forward Billy Gruff, nicknamed "The G-O-A-T," short for "Greatest of All Time." Green Shoes is Overbridge's shoe and apparel sponsor. Red Barn Shoes is the shoe and apparel competitor of Green Shoes.

**Knight Commission NIL Principle No. 4: Guardrails for NIL Rights.**

NIL rules must protect fair sports competition among institutions and be designed to permit only legitimate transactions between third parties and college athletes for use of their NIL. Rules must be put in place to avoid pay for play, impermissible benefits, and improper recruiting or retention arrangements (e.g., endorsement with a shoe company linked to future enrollment at a specific institution).

Specifically:

- a. Conferences, institutions, and their employees and independent contractors<sup>1</sup> must be barred from providing or arranging for compensation to college athletes and prospective college athletes for the use of their NIL, including through group license deals.
- b. NIL arrangements must be broadly consistent with fair market value, with the new governing entity providing oversight and an approval process.
- c. Institutions and conferences must not allow the commercial use of their trademarks and logos by or in association with their college athletes, except that college athletes may identify themselves as a team member or student at their institutions or conferences.

---

<sup>1</sup> Independent contractors are defined as entities or individuals other than employees who provide services to institutions or conferences, such as, but not limited to, multimedia rights holders that sell institutional or conference sponsorships or companies paid by the institution and/or conference to manage and optimize its social media content. Companies that provide products not services, such as shoe and apparel companies, are not deemed to be independent contractors and may enter into NIL arrangements with college athletes.

**The examples below demonstrate the application of the recommended guardrails.**

In each of the examples, Overbridge University, its conference and their employees and independent contractors may not be involved in arranging NIL deals. Any third-party agency selling multimedia rights or sponsorships on behalf of the university may not negotiate sponsorship or licensing agreements with Gruff. Likewise, any third-party agency that provides social media content and management services to the university may not provide the same services to Gruff. As indicated in the Knight Commission's NIL Principle No. 1, Gruff may secure the services of an approved and duly licensed professional, who is not an employee or independent contractor of the university, to arrange NIL opportunities.

In examples 1-3 below, identifying the institution where Gruff is a student and sport participant is allowed. However, while a college athlete, Gruff is not allowed to use the Overbridge University trademarks/logos or the conference trademark/logo at any time for his commercial interest.

1. Examples of NIL arrangements with university sponsors.

*The Knight Commission's recommendation is to allow deals with exclusive university sponsors to avoid restricting athletes' opportunities to pursue NIL deals. Overbridge University's shoe and apparel sponsor, Green Shoes, can enter into a contract directly with Gruff, because such a company is not an "independent contractor" as defined in the recommended principle.*

- a. Billy Gruff, Overbridge University's famous power forward is nicknamed "The G-O-A-T," short for "Greatest of All Time." He can enter into a contract with Green Shoes, the school's shoe and apparel sponsor, to produce and sell a basketball jersey with "The GOAT" on the front, Gruff's name on the back, and the company's logo. However, no institution and/or conference trademarks or logos can be used. Thus, the jersey could not be a replica university uniform. Green Shoes could make licensing and royalties payments to Gruff for selling the permissible items.
- b. Gruff can earn pay from Green Shoes, the institution's shoe and apparel sponsor, explicitly promoting the shoes by appearing in an ad and saying, "I'm Billy Gruff, a basketball player at Overbridge University and I love wearing Green Shoes." University and/or conference logos or trademarks may not appear at any time in the advertisement and Gruff may not wear apparel that displays Overbridge University or his conference logos or trademarks.
- c. Gruff can receive pay from Green Shoes for posts on his Instagram and Twitter accounts about Green Shoes. However, consistent with the principle, his "endorsement or commercial" posts cannot include the use of the Overbridge University or conference trademarks or logos and may not include photos or videos of him in his Overbridge University uniform or apparel.

- d. Overbridge University cannot arrange for its apparel sponsor to produce and sell a t-shirt that promotes Gruff and gives royalty payments to Gruff because such institutional arrangements are prohibited. The same prohibition exists for the conference in which Overbridge plays.

2. Example of NIL arrangements with competitors of university sponsors.

*The Knight Commission's recommendation is to allow deals with competitors of university sponsors to avoid restricting athletes' opportunities to pursue NIL deals. Red Barn Shoes is the shoe and apparel competitor of Overbridge University's sponsor Green Shoes.*

Gruff can earn pay from shoe and apparel company Red Barn Shoes appearing in an ad and saying, "I'm Billy Gruff, a basketball player at Overbridge University and I love wearing Red Barn Shoes." School and/or conference logos or trademarks may not appear at any time in the advertisement and Gruff may not wear apparel that displays Overbridge University or his conference logos or trademarks.

3. Example of NIL arrangements with a company that has no sponsorship relationship with the institution and/or is not a competing sponsor.

Gruff can appear in an ad for AlfalfaAde saying, "I'm Billy Gruff and I love drinking AlfalfaAde after games at Overbridge University." Institution and/or conference logos or trademarks may not appear at any time in the advertisement and Gruff may not wear apparel that displays either Overbridge University's trademarks and logos or his conference logos or trademarks.

4. Example of improper recruiting or retention arrangements.

As one of the most highly-recruited prospects in the country, Gruff could not accept an endorsement deal from Green Shoes that extends into his collegiate enrollment and requires him to attend a university that has a sponsorship with Green Shoes. Such an arrangement would be deemed an improper recruiting arrangement. Further, given the recommended disclosure and approvals process in Principle No. 3, all pre-enrollment deals would be subject to review to prohibit any improper recruiting or retention arrangements.

5. Example of institutional apparel use.

Gruff can wear apparel with Overbridge University logos when he walks around campus and appears at school-sponsored events with his teammates. He cannot wear apparel with an Overbridge University trademark or logo at any time when he is earning income for his name, image and/or likeness. This includes if he is in an advertisement, appearing at an autograph signing, or, for any other commercial purposes, such as paid social media posts.

6. Example of group licensing.

While college athletes, Gruff and his teammates can develop and own a trademark together – “The GOAT and the Herd” – and earn pay through a group licensing deal with an apparel maker for apparel sales using their likenesses. Institution and/or conference logos or trademarks may not appear at any time in connection with “The GOAT and the Herd.”

7. Application to former college athletes.

*Former college athletes are not subject to any restrictions on the use of their NIL.*

Following completion of eligibility (when he is no longer a college athlete), Gruff can enter into an agreement with and receive compensation from the university to use its trademark for commercial purposes or provide his name to be used by the institution on a replica jersey and other commercial items for a joint venture.