

# Junior Had a Senior Moment

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When my friends and I get together, we love to play Xbox. We like to play 'Halo' or 'Rocky Balboa Boxing', but mostly we play NASCAR 2006.

My buddies Tree and Ducker are really into NASCAR. They know all the drivers, their numbers, sponsors, model of car, and owner. In the Xbox video game, they know how to draft and what tires to use on what tracks. I just like to tap the rear fenders of other cars to watch them spin out.

Tree's favorite driver is Dale Earnhardt Jr., and he has permanent dibs on the #8 car whenever we play. Tree's basement is full of Dale Earnhardt Jr. paraphernalia: bobble heads, trading cards, die-cast cars, t-shirts, hats and posters. It seems that NASCAR-licensed products are everywhere. So Dale Earnhardt Jr. must be racing to the bank with all of his endorsement deals...or is he?

Actually, Dale Jr.'s step-mom, Teresa Earnhardt, Dale Sr.'s third wife and widow, owns all of the rights to Dale Jr.'s name, and all of the profits that go along with it. Teresa inherited the rights to Jr.'s name when Dale Sr. died in a crash at the 2001 Daytona 500.

Dale Sr.'s involvement with Jr.'s racing career began when Jr. started racing in the Busch Series in 1998. Like most athletes, Jr. just wanted to compete in his sport and wasn't worried about the business side of being a professional racer. He left that up to Dale Earnhardt Inc., his father's company.

DEI handled all of Jr.'s business arrangements, including his banking and insurance, and his driver's contract. Dale Jr.'s name was trademarked, a common practice among athletes and other celebrities, however, the filing was signed by Dale Sr. On April 3, 2002, Dale Jr. then signed a consent form with the U.S. Patent and Trademark Office that conveyed the rights to his name to DEI.

In an arrangement with Teresa, now the owner of DEI, Dale Jr.'s company, JR (pronounced "Junior") must pay DEI for the use of his own name on licensing agreements and endorsements. Neither company will disclose the terms of this arrangement.

Dale Jr. has more than \$5 million worth of endorsement deals off the track and was recently named the first most popular athlete in the U.S. according to a Harris Interactive Poll. However, out of the 20 Nextel Cup drivers whose names are trademarked, Dale Jr. is the only one who does not own his own name.

Dale Jr. isn't the only athlete, though, that doesn't own the rights to his own name. In 1999, former heavyweight champ George Foreman sold the rights to his name and image for \$137.5 million to Salton, the company that makes the grills bearing his name. Another boxer, Muhammad Ali, recently sold 80% of the rights to his name and image for \$50 million to CKX, the company that also owns a majority share in the rights to Elvis Presley's name and image. The difference between these celebrities and Jr. is that Jr. signed his rights away for nothing.

Dale Jr. intends to get the rights to his name back, but if Teresa refuses to give those rights back, he may be better off changing his name. I'll gladly sell him mine for \$137.5 million.