

World Wide Fund For Nature vs. World Wrestling Entertainment

Group Attempts \$90 Million Shakedown Over Logo Dispute

by John K. Carlisle

Summary: A Switzerland-based environmental group (once called the World Wildlife Fund) shares the same logo letters—"WWF"—as a successful U.S. sports entertainment company (once called the World Wrestling Federation). It's suing the wrestling promoters for \$360 million in damages—but has offered to settle the dispute for \$90 million. International law or extortion? You be the judge.

The World Wide Fund for Nature is the world's largest and arguably most prestigious environmental organization. With more than four million members, hundreds of millions of dollars in funding, and patronage by the British royal family, the Fund has built an international presence since its founding 40 years ago that exceeds Greenpeace, Friends of the Earth and other multinational environmental groups.

Most people probably recognize the Fund as the group with the attractive panda logo, which reflects the organization's long-time mission to save endangered species. Many will have seen a recent TV commercial sponsored by the Fund featuring the "Dixie Chicks" singing the praises of land and species conservation. Projects to save pandas and other large mammals, like Africa's wild elephants and rhinos, have generated highly successful fundraising campaigns. In 2002, the World Wide Fund (WWF) International headquarters in Switzerland and its national affiliates raised a combined \$332 million.



Confused? The World Wide Fund for Nature claims that the World Wrestling Federation's logo, on the left, was too similar to its own.

But WWF's fundraising tactics have provoked serious ethical questions that all its celebrity endorsements and royal affiliations cannot obscure. Specifically, the evidence is mounting that for many years WWF International has been pressuring corporations to make philanthropic "donations" to fend off its criticisms of their environmental records. The corporate contributions it garners appear to be no more than classic "shakedowns" – when companies pay off Greens to avoid negative publicity over allegations of ecological transgression.

The latest shakedown, however, isn't about the environment. Of all things, it's about wrestling! WWF International is demanding that World Wrestling Entertainment (WWE), a professional sports

entertainment company, pay \$90 million to settle a lawsuit WWF has filed in Great Britain over alleged misuse of the "WWF" logo. The Fund claims it is harmed by

May 2003

CONTENTS

World Wide Fund For Nature vs.
World Wrestling Entertainment
page 1
Michael Rogers
page 3
Bjorn Lomborg
page 10
Philanthropy Notes
page 12

Foundation Watch

public confusion caused by the wrestling company's two-decade-long use of a logo containing the initials "WWF," which stands for its previous name, the World Wrestling Federation. The Fund says the confusion is worth \$360 million in damages.

But the Fund has presented no evidence showing how a for-profit American sports entertainment company is financially harming a nonprofit international environmental organization. WWE has publicly denounced the Fund's action as a shakedown and is fighting it in a British court.

The legal tactics WWF International is using against WWE are symptomatic of deeper problems that plague the organization. For years, WWF International has rejected accusations of financial mismanagement and incompetence. Despite exposes by investigative journalists and internal reports of serious structural failings, WWF International has resisted reform efforts to make it more accountable. Critics say a culture of permissiveness that tolerates shady fundraising permeates the Fund. Indeed, these tactics have drawn the censure of other environmental

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groups. In particular, critics draw attention to the Fund's "Legal Advisor," Michael Rogers, who has a long history of association with individuals, companies and nonprofit groups implicated in unethical and even criminal activities.

Organization

The World Wide Fund for Nature was originally called the World Wildlife Fund when it was founded in September 1961 by an influential group of European scientists, businessmen and political leaders. Sir Julian Huxley, a noted biologist and African wildlife enthusiast, played a key role in establishing the group. Based in Switzerland, the Fund was intended to be an international fundraising organization that would collaborate with existing conservation groups to raise money for their work. National affiliates of the Fund were created soon afterwards. The U.S. chapter, established in December 1961, named former President Dwight Eisenhower as its honorary president.

From its inception, the Fund enjoyed the patronage of Europe's royalty. The Fund's first president was Prince Bernhard of the Netherlands. Prince Philip, husband of Great Britain's Queen Elizabeth II, was president of the British WWF chapter, its first national affiliate. These men raised considerable money for the fledgling organization.

They also contributed to its reputation for secrecy and mismanagement. Prince Philip attempted to suppress independent reports of the organization's misdeeds and tried to stifle negative media coverage in the 1980s and 1990s. Prince Bernhard, who accepted more than a million dollars in kickbacks from Lockheed Martin to build warplanes in the Netherlands, was forced to resign from the Fund in 1976. He attempted to justify his actions by explaining that he planned to give the Fund this money. A Fund board member denied his claim.

The Fund also has accepted donations from individuals of questionable background. South African tobacco magnate Anton Rupert conceived the idea of the "1001 Club" to boost fundraising after he

joined the WWF board. The "one" was Prince Bernhard, and the 1,000 were expected to be wealthy individuals who would make substantial gifts to become lifetime patrons. The "1001 Club" was highly successful and has raised millions of dollars. Its membership list is secret but known donors have included August Busch of Anheuser-Busch, Henry Ford II, former Defense Secretary Robert McNamara, and Thomas Watson of IBM.

However, "1001 Club" members also have included Mobutu Sese Seko, the dictator of Zaire, a man notorious for his corruption and brutality. And the Fund accepted donations from many others attracted to the prospect of lucrative networking and mingling with royalty. One was Robert Vesco, the financier who fled the United States in the early 1970s to avoid prosecution for fraud, embezzlement and obstruction of justice charges.

Vesco's involvement is especially interesting because in the 1970s he retained Michael Rogers to help him with his business ventures. Rogers later became the Fund's "Legal Advisor" and is now spearheading its litigation against World Wrestling Entertainment. In addition to Vesco, Rogers has aided groups involved in arms sales to Iran and has helped establish fraudulent environmental "charities."

Finances

WWF boasts more than 4.5 million members worldwide linked through a network of 28 affiliated national organizations and 24 program offices. Since 1985, the Fund has spent nearly \$1.2 billion on more than 11,000 projects in 130 nations. While raising \$332 million overall in 2002, the network reports that it spent \$342 million, 58 percent for conservation. The parent organization, WWF International, raised \$63 million; \$40.8 million of that amount was contributed by national affiliate organizations. Individual and corporate contributions totaled \$3 million.

In 1986, the World Wildlife Fund changed its name to the World Wide Fund For Nature. The change was intended to reflect a new environmental agenda that moved beyond species preservation to em-

Who Is Michael Rogers? A History of Shady Dealings

Since at least the early 1990s Michael Rogers has been “Legal Advisor” to the World Wide Fund for Nature. A British barrister whose law office is in Geneva, Switzerland, Rogers has conducted the far-reaching legal campaign against World Wrestling Entertainment. But Rogers has had a variety of clients during a 30-year career. He has never been charged with a crime or wrongful conduct. But his association with criminals and organizations involved in illegal activity raise this question: Why would the Fund, which claims to be so concerned about its image and reputation, hire him?

Rogers first attracted notice as a staff lawyer for Investors Overseas Financial Holdings, an investment brokerage organized by financier **Robert Vesco**. In 1972, Vesco launched a notorious scheme to embezzle \$400 million of his clients’ money. He planned to use a company called Global Holdings Limited to lock-up client money for his personal investments. The firm, based in Nassau in the Bahamas, was an empty shell incorporated by Rogers. Rogers traveled so frequently to Nassau on assignment to Vesco that he became known as the “Flying Bishop” in tribute to what his colleagues described as his “pious manner of a country clergyman.” According to published reports, Vesco also dispatched Rogers to Panama City with a briefcase full of money to open secret accounts at five Panamanian banks.

Vesco fled the U.S. to avoid prosecution for embezzlement, fraud, and obstruction of justice when his schemes were discovered. The speculation is that he is in Cuba. Rogers was not charged with complicity in Vesco’s criminal actions.

Rogers surfaces again in the 1980s. This time he was murky connected with

another shell company called **Rutherford Investments Limited**. Rutherford was used to transmit 5.5 million French francs from a Lebanese businessman to Yves Chalié, a French arms dealer. Chalié allegedly used the money to buy arms for illegal sales to Iran. According to the French publication *Paris Match*, an April 8, 1986 letter signed by Rutherford lawyer Suzanne Wolfe and notarized by Rogers claimed the 5.5 million francs were for Chalié to organize a “management training center” in Africa. But the letter also authorized Chalié “to use this money momentarily to other ends.” Arms purchases? The commission on the sales was placed in ghost companies, including Rutherford. Was Rogers merely a notary for a business transaction he knew nothing about?

In the mid-1980s Rogers also did legal work to help set up an Islamic financial services firm called **Dar Al Maal Al Islam or DMI**, which is based in Geneva, Switzerland. After September 11, 2001, questions are being raised about its business activities. In August 2002, DMI was named in a U.S. lawsuit, filed on behalf of 9/11 victims by a private trial lawyer. It alleges that DMI served as a major conduit to funnel Saudi money to Al Qaeda terrorists.

In 1998, Rogers was the lawyer who helped establish an environmental charity called “**The Gaia-Movement Trust, Living Earth, Green World Action Association.**” Its ostensible goals include: “establishing natural reserves;” “buying...and preserving virgin land as natural reserves;” and “supporting sustainable forestry.” Another goal is “reusing clothes.” But it appears clothing recycling has been a cover for a more lucrative scheme.

Green World Recycling Ltd. is a company that distributed about 200 clothing recycling bins throughout England. Each bin carried a notice that said money raised

by selling old clothes would be used to support the environmental objectives of the Gaia Movement Trust: “We hire rangers, install trails for eco-tourism, arrange nature study camps for schools, conduct scientific studies...” The bins were quite successful. A December 2000 article in the *Independent* newspaper reports that the bins generated nearly 500,000 British pounds annually (more than \$800,000). But during the program’s three-year existence there is no evidence that one penny went to its advertised environmental activities or that they even exist.

Green World Recycling is run by Torben and Birgit Soe, a Danish couple who also ran another clothing recycling charity called Humana UK. It fell afoul of the British Charity Commission for financial mismanagement. The Commission shut down Humana in 1997 after it found that only 8 percent of its financial revenue went to charitable causes. The Soes are actually members of Tvind, a Danish-based cult organization with a long history of making money for charity that it keeps for itself.

The Soes asserted that Green World, a for-profit company, passed on its revenue surplus to the Gaia-Movement Trust foundation in Switzerland. But there is no Gaia office. Its address and phone number belong to Michael Rogers, who claims to pass on mail to the Trust. Why has Rogers lent his name to Gaia-Movement Trust?

These associations suggest that Michael Rogers has built a reputation in Europe as a lawyer to do business with — if the business is not legitimate.

Foundation Watch

brace a host of other issues, from calls for more national parks to advocating international treaties to combat man-made climate change. (The U.S. and Canada chapters retain the original name. This article refers to the Fund as the World Wide Fund for Nature, WWF International or simply WWF.)

WWF national chapters, including the U.S. chapter, are legally independent of WWF International, which is based in Gland, Switzerland. Each national chapter does separate fundraising and has its own policy and legislative agenda. The U.S.-based World Wildlife Fund is the largest national organization in the WWF network. The Washington, D.C. group has more than one million members and in 2001 it raised \$118 million. The group's president is Kathryn Fuller; the chairman of its board of directors is former EPA director William Reilly.

The Fund, acting through both its international parent and the national affiliates, has helped implement controversial treaties like the World Heritage Convention and U.S. wildlife laws like the Endangered Species Act. The Convention would expand U.N. authority over American natural and historic sites at the expense of our national sovereignty, and the Endangered Species Act may actually have hastened the loss of species by undermining landowner property rights. However, the Fund also has established innovative debt-for-land swap programs that allow developing nations to reduce their foreign debt by establishing Fund-managed conservation programs. In 1998, the U.S. Tropical Forest Conservation Act specifically encouraged this practice. The program heightened the Fund's reputation, giving it and other environmental groups a significant financial boost.

National chapters are supposed to contribute two-thirds of the money they raise to the Swiss-based WWF International. However, the U.S. World Wildlife Fund always has balked at this formula. In part, it has legal concerns about how U.S. tax laws apply to such an arrangement, but it is also troubled by the lack of financial accountability at WWF International. In

the early 1990s, the two groups almost split over the funding dispute. Said one U.S. World Wildlife Fund official: "In principle, we are not opposed to giving more money to the International. But we will not put one dime into the International until there is a system of financial accountability and a control of expenditures." The amount of money the World Wildlife Fund currently gives the International is not part of the public record, but apparently a compromise was reached because the U.S. group remains a member of the international network—at the risk of its own reputation.

Panda and Rhino Cover-ups

To raise money and bolster its prestige WWF International touts the success of its wildlife and conservation programs. But WWF's centerpiece, the species preservation program, has been plagued by mismanagement, and many other Fund programs have a checkered history. When former staffers and other wildlife specialists present their criticisms, WWF's leaders typically attack their credibility rather than address their concerns.

Consider WWF's "Saving the Panda" program, which is the symbol of its mission. In July 1990, a stinging BBC television interview program, "the Cook Report" (it has been likened to "60 Minutes") revealed how the program was mismanaged. The Fund had donated more than \$1 million to establish a breeding center in China to help save the dwindling Panda population, then numbering about 1,000. But China's government didn't spend the money to save pandas. According to Pierre Pffeffer, former president of WWF-France, Chinese officials used it "to build an electric dam," (i.e. a power plant) which flooded part of the Panda's natural habitat. Pffeffer said the WWF board was embarrassed by the affair, but tried to cover-up the fiasco rather than confront the Chinese over their blatant misuse of funds. Then-WWF director-general Charles de Haes admitted the breeding center had failed, but responded by calling Pffeffer and other critics "incompetent, disloyal or dishonest."

De Haes is an interesting figure. He was recruited to WWF International in 1971 by Anton Rupert to implement the

"1001 Club" project. In three years, de Haes recruited the Club's entire membership—including Robert Vesco, Michael Rogers' previous employer—and they have subsequently raised millions of dollars for WWF.

The Panda project was not an isolated incident. For its twenty-fifth anniversary in 1987, WWF International decided to review its own performance. The resulting "Phillipson Report," named after Oxford University ecologist John Phillipson, offered an unflattering appraisal. Phillipson assessed the Fund's field projects and concluded in his original unedited 200-page report that its "threatened species projects have had limited success." He was especially critical of how projects were managed and he found their financial accountability "appalling." (The Fund eventually published a truncated nine-page summary of the report that changed "appalling" to "leaves much to be desired.")

Far from welcoming the Cook and Phillipson reports, WWF tried to suppress their damning revelations. Prince Philip, WWF's president from 1981 to 1996, told de Haes: "You may remember I was not altogether enthusiastic about this project, but I had no idea that it might land us in such a pickle!! Whatever we do with it, we are bound to get in trouble." The Fund edited out Phillipson's most damaging observations in the nine-page public release. Prince Philip later filed a complaint against the "Cook Report" with Britain's Independent Broadcasting Authority, charging that the program was biased and unfair. The complaint was rejected.

In his book, *At The Hand of Man: Peril and Hope for Africa's Wildlife*, author Raymond Bonner disclosed that Phillipson reported that "a diligent auditor set among the project account files in Switzerland would surely open a cupboard full of skeletons." BBC interviewer Cook asked former WWF appeals director Ian MacPhail why the Fund didn't publish the full report. Said MacPhail, "Because obviously they have got something to hide, and what they're hiding are their failures."

More Corporate Shakedowns: Green Groups Criticize WWF Tactics

In 1996, WWF International joined Greenpeace and other environmental groups in attacking the Swedish-Swiss multinational corporation ABB for proposing to build a dam and power plant in Malaysia. An ABB official denounced WWF's opposition as "populist and intellectually dishonorable behavior." But later that fall ABB made a surprising \$500,000 donation to the group, and a WWF spokesman claimed "the contribution was unsolicited."

The following year, in February 1997, WWF-Switzerland withdrew from a Greenpeace protest against the dam that was planned for ABB's annual press event. At the last minute the Swiss chapter withdrew "out of consideration for our sister organization in Malaysia." WWF-Swiss officials claim the Malaysian chapter was about to enter negotiations with ABB. But environmentalists were stunned and angered when the Swiss criticized the uncompromising attitude of Greenpeace, which opposed any deal-making.

Why would WWF-Switzerland appear to acquiesce to an ABB power project in Malaysia when it continued to oppose a similar ABB project in China? Sensing that \$500,000 made the difference, Alan Zucker, a reporter with the Swiss publication "Weltwoche," investigated the WWF-ABB connection. In March 1997, Zucker reported that sources told him WWF International had pressured the Swiss chapter to cease protesting ABB's Malaysia project. Swiss WWF members were outraged.

This is not the only time environmentalists have directed their anger at WWF International.

In February 2003, Friends of the Earth International denounced WWF International for agreeing to a partnership with the French cement company Lafarge. Under a five-year agreement, Lafarge will be able to display WWF's widely-recognized Panda logo on its products, and Lafarge will donate 3 million British pounds to WWF. But Friends of the Earth says WWF International is letting itself be used by Lafarge. That's because environmentalists, including Britain's WWF chapter, are trying to stop Lafarge from constructing a huge "superquarry" in England. Friends of the Earth chairman Ricardo Navarro has accused WWF of "inappropriate behavior" and demands that it cancel its contract.

WWF International officials say they support local groups opposed to the quarry and are lobbying Lafarge to drop the plan. But the International apparently won't drop the contract, claiming it can improve the company by working with it.

MacPhail said "their greatest failures" were the Fund's preservation projects for major species. Besides the panda, WWF undertook a major effort to preserve the Black rhinoceros from poachers. Some of its activities were clearly inappropriate.

In the late 1980s, WWF International generated controversy by underwriting the purchase of a helicopter by Zimbabwe's Department of National Parks and Wildlife Management. Zimbabwe's government used the helicopter as a "gunship" in

operations that killed 57 alleged poachers. The Zimbabwe WWF office reported that the helicopter "made an enormous difference to staff morale and efficiency." But WWF's involvement was generally unknown until Britain's *Guardian* newspaper broke the story. The Fund then released a statement contending that it provided money "on the strict understanding that the helicopter would never be used as a gun-ship" and that it was "official WWF policy not to use any of its funds for purchase of arms or ammunition." This

was not true. The Fund knew the helicopter would be used in operations intended to kill poachers; indeed, many WWF staff fiercely opposed the purchase because of Zimbabwe's "Shoot first, ask questions later" policy.

The Ten-Year Campaign Against World Wrestling

Episodes like these have tarnished WWF's reputation in the close-knit but jealous community of environmental activists and organization leaders. Still, WWF

Foundation Watch

International remains a popular favorite with the general public, which often confuses it with its affiliate, the separate U.S.-based World Wildlife Fund. Of course, the image of WWF is buoyed by its constant references to big and familiar animals like Pandas and rhinos.

Major groups like WWF have become intensely competitive in their non-stop pursuit of revenues, and small-dollar donors are of diminishing interest. Environmental nonprofits have become a big business, and they keep a host of fundraisers, accountants and lawyers on tap to come up with new ideas to fill their coffers. So it now comes as no surprise when an environmental group seeks its fortune by filing lawsuits. Cigarette-makers, gun-manufacturers, and fast food retailers already have been targeted by nonprofits. But WWF beggared the imagination when it chose to

Michael Rogers, the nonprofit's integrity was undermined whenever it was mistaken for an entertainment profession that glorifies violence and hostility. In October 2002, WWF International put a dollar amount on its claim: The Federation's allegedly unauthorized use of the "WWF" logo had cost WWF \$360 million. Rogers offered to settle the case if the Federation would pay \$90 million.

On May 6, 2002, the World Wrestling Federation officially changed its name to World Wrestling Entertainment (WWE). It abandoned the "WWF" logo, introduced a new "WW" logo and changed its website to wwe.com. Officials estimate that these changes will cost \$40 million. However, World Wrestling Entertainment officials have angrily rejected the settlement demand and they vow to fight back.

our business affiliates for a decade now... We will not pay extortion or send \$90 million of our hard earned money to Swiss bank accounts."

The current round of litigation began in 1999, but the dispute started a decade earlier. Founded by Vince McMahon, Sr. in the early 1960s, the World Wrestling Federation adopted the "WWF" logo initials in 1979. But it wasn't until 1989, as wrestling grew in popularity, that the World Wildlife Fund U.S. chapter expressed any concerns related to the logo. Specifically, WWF-U.S. lawyers said that the Federation's use of the "WWF" letters in Times Roman font might cause confusion because the Fund also used Times Roman font for its fundraising, commercial products and events.

However, the matter was resolved quickly and amicably. In an agreement, the Federation simply promised not to use the "WWF" letters in Times Roman. The Fund continued to use its long-established "WWF" logo, which included a Panda emblem. It's important to bear in mind that the respective logos always have looked distinctly different despite sharing similar initials. In a 2001 legal affidavit, Linda McMahon said "the Fund's (WWF-U.S.) proposal was very straightforward and acceptable to us. There was no point in either party spending further time or energy on a matter which appeared to us to be of relative insignificance."

The U.S. chapter of the World Wildlife Fund was satisfied, but WWF International saw an opportunity. As noted earlier, it was locked in a bitter dispute with WWF-U.S., which doubted the International's financial accountability and refused to pay national chapter dues. WWF International had little incentive to abide by the U.S. chapter's agreement. Consequently, in 1991 WWF International challenged the Federation's application for a Canadian trademark on its logo. What followed was a contentious three-year struggle that culminated in a 1994 legal agreement detailing the conditions under which the World Wrestling Federation could use its own logo.

"In my opinion, the demand for \$90 million...is nothing more than a shakedown. The Fund has had years to prove that WWE financially damaged the Fund in some way. They have never offered into any court anywhere one iota of evidence that my client caused them a dime's worth of damages."

Jerry McDevitt -- Lawyer Representing WWE

rifle the deep pockets of a most unusual corporate defendant.

In December 1999, WWF International sued the World Wrestling Federation. It sought unspecified damages for the Federation's use of a "WWF" logo to market its sports entertainment business. WWF International claimed the Federation's use of a logo containing the same initials as its own logo caused it economic harm. The environmental group said its fundraising and product sales were hurt when the public confused it with the sports entertainment company. In addition, said WWF's "Legal Advisor"

And rightly so. WWF International is engaged in brazen extortion. It offers no evidence for its unbelievable claim. Jerry McDevitt, a lawyer representing WWE, says, "In my opinion, the demand for \$90 million...is nothing more than a shakedown. The Fund has had years to prove that WWE financially damaged the Fund in some way. They have never offered into any court anywhere one iota of evidence that my client caused them a dime's worth of damages." Linda McMahon, Chief Executive Officer of World Wrestling Entertainment, says, "Until recently, we have never understood why this environmental group in Switzerland has harassed us and

The Federation needed the logo because it was rapidly expanding overseas and selling its *World Wrestling Federation* magazine in Europe. But that, said Michael Rogers, WWF's attorney, was upsetting to his client, which was troubled by the increased overseas distribution of Federation-related materials using "WWF." Rogers also claims WWF International's Panda logo was sullied by its public association with "fictional, violent, anti-social characters – 'Hardcore Holly,' 'The Undertaker' – which the Federation's fictional entertainment glamorizes." Added Charles de Haes, director general of WWF International from 1975 to 1993, "Protecting the strength and the integrity of the WWF brand worldwide is a prerequisite for our success in achieving our mission – to stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature. The mission of the World Wrestling Federation is presumably rather different, and may involve unnatural violence, human degradation and little harmony."

In 1992, WWF International initiated more litigation in Switzerland by suing the Swiss company Egmont AG, the European distributor of the Federation's magazine. This suit came as a rude surprise to Federation officials and the lawyers. The Federation was in negotiations with the Fund to resolve the dispute, or so it was supposed. But the Fund never informed Federation lawyers that it was filing suit against Egmont AG. The Federation was unable to introduce the 1989 agreement with WWF-U.S. before the Swiss court. Says Federation attorney Jerry McDevitt: "That the Fund had entered into a prior agreement with the Federation three years beforehand and had not asserted broader rights in 1989 was a critical piece of information not provided to a court." The judge acknowledged there was no confusion: "As far as the products of the respective parties are concerned, no danger of confusion is to be assumed. The overall impression created by the publications of the Plaintiff and the Defendant is so different that the average purchaser wishing to buy a wrestling magazine would hardly mistake it for the WWF News or vice versa."

Still, the judge ruled for the Fund, citing an "indirect risk of confusion."

The Swiss decision struck at the very core of the Federation's business strategy, which depends on striking deals with U.S. and foreign licensees to market its products. The ruling also prompted Michael Rogers to begin filing trademark challenges against the Federation around the world. At the same time the Federation found itself under federal investigation for what would later prove to be unfounded allegations of illegal steroid use by its wrestlers. As legal and financial problems mounted, the Federation decided to work out a deal. Said Linda McMahon, "I decided to attempt to resolve the Federation's trademark disputes with the Fund by meeting personally with the principals of the Fund who appeared to be driving the controversy." At a January 1993 meeting, de Haes and Rogers laid out WWF International's claims:

- The Fund was concerned about public confusion (e.g., Fund offices might receive ticket requests to wrestling events).

trademark for use on firearms, ammunition, explosives, animal skins and hides. And it's noteworthy that the Fund did not allege actual economic loss, but only asserted the *possibility* of confusion and resulting financial harm. It did not suggest a dollar figure for damages.

During 1993, both sides held talks to find an acceptable use of the logos. On January 20, 1994, they reached an agreement allowing the Federation unrestricted use of its "WWF" initials in the United States. WWF International dropped its legal proceedings against Egmont AG and other foreign licensees. In exchange, the Federation changed its logo to make the "WWF" logo even more distinctive.

The \$90 Million Shakedown

In 1999 WWF International sued the Federation for breaking the 1994 agreement. It now contended that the agreement had prohibited virtually all uses of the Federation's "WWF" logo in printed, written, visual or other forms. What had changed? The World Wrestling Federation was rolling in money.

"Until recently, we have never understood why this environmental group in Switzerland has harassed us and our business affiliates for a decade now... We will not pay extortion or send \$90 million of our hard earned money to Swiss bank accounts."

Linda McMahon -- Chief Executive Officer, World Wrestling Entertainment

- The Fund did not want the initials "WWF" to be associated with hostility and violence.

The former claim is ludicrous, the latter ironic. The Federation's fictional violence hardly compares with the purchase of a helicopter to kill poachers. Moreover, WWF International registers its own Panda

In the early 1990s, the Federation was still battling the federal government over the steroid allegations and business was hurting. In 1990, the Federation's revenues were almost \$168 million with net profits of \$11.9 million. But 1993 revenues fell to \$130 million and the Federation suffered a net loss of \$6 million. Then in July 1994 a federal judge dismissed the steroid use

Foundation Watch

charges against Vince McMahon Jr. and the Federation “as lacking in evidence sufficient to submit to jury.” (Mr. McMahon has served as Chairman of the company since 1980.)

By 1999 the Federation had not only recovered its profitability, but had routed its competition, Ted Turner’s World Championship Wrestling (WCW). A savvy business plan had driven WCW to the sidelines. (The Federation bought out WCW in 2002.) Net profits skyrocketed from \$3.2 million in 1996 to \$58.9 million in 1999, and foreign audiences grew dramatically. World Wrestling was ripe for a shake-down.

Michael Rogers’ Corporate Campaign

WWF International devised the next stage in its corporate campaign strategy: Attorney Michael Rogers would pressure the Federation by targeting its licensees. In March 1999, Rogers accused the Federation of breaking the 1994 agreement by its continued use of the “WWF” logo. Specifically, he noted that EHAPA/Egmont, the European distributors of *World Wrestling Federation* magazine, were using the initials. Rogers made three new demands:

- Change the Federation’s website domain name—wwf.com—to remove the initials “WWF.”
- Cease use of the initials “WWF” on all website content.
- Cease use of the initials within the magazine, as part of its telephone number, and in references to the domain name.

Federation general counsel Edward Kaufman answered that the 1994 agreement let the Federation use “WWF” in the U.S. Obviously, the website could be viewed in other nations, but the internet site was located in the U.S. Why had Rogers waited more than two years after the website launch to lodge his complaint? And how could he deny that the Federation’s new 1998 “WWF” logo distinguished it even more from the Fund’s

logo? Kaufman added that the website generated 65 million hits in February 1999 alone and thus “is an important part of [the Federation’s] entertainment business.”

Finally, in December 1999 WWF International filed a lawsuit in Great Britain claiming that the Federation’s use of the wwf.com website and other uses of the initials violated the 1994 agreement. It reiterated the alleged negative effects of the Federation’s logo.

The presiding British court judge, Justice Robin Jacob, agreed with Federation lawyers that the allegations were trivial. He also wondered why it took WWF International so long to file a complaint. A British barrister representing the organization in the case answered that WWF, “being a charity, was more reluctant than a commercial organization might be to enter into litigation.” But this argument is laughable given WWF’s litigious history, its strong-arm tactics against the Federa-

\$60.8 million in 1993 to \$118 million in 2001. Revenue to the entire WWF network rose from some \$200 million in 1993 to \$332 million in 2002. By contrast, the World Wrestling Federation’s net profit was \$42 million in the fiscal year ending in April 2002.

Still, on August 10, 2001 Justice Jacob ruled for WWF International, citing the remote possibility of “injurious association.” The judge proposed that an elderly person watching television might see WWF in connection with wrestling and decide to donate to another organization instead of the Fund. However, Jacob saw no merit in a damages claim. Prior to his decision, he dismissed a Fund request for an “accounting of profits” -- a first step in making a damages claim. Jacob saw his role as enforcing a binding injunction on the Federation, not resolving a dispute over economic damages.

Jacob issued a formal injunction bar-

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tion, and its other corporate shakedowns (See Box on page 5). Yet like the Swiss judge, Jacob did agree that WWF had an interest in avoiding what he called “any insalubrious connotation when the initials WWF are used.”

Had logo confusion after 1994 hurt environmental fundraising? Hardly likely. The annual budget of WWF-U.S. rose from

ring the Federation’s use of “WWF” initials. The British Court of Appeal rejected the Federation’s request to overturn the injunction, and on June 10, 2002, the British House of Lords let stand the lower court’s decision. It ruled that the injunction would go into effect on November 10.

The Federation’s disgruntled lawyers complain that under British jurisprudence

they are not permitted to conduct discovery or cross-examine WWF's sole witness, Michael Rogers. Jerry McDevitt says cross-examining Rogers in a U.S. court would have allowed him to refute WWF's claims. In addition, had Rogers sued in a U.S. court, the judge would have quickly dismissed the case for offering no evidence of damages. British courts are more lenient.

WWF Targets WWE Business Partners

It is instructive that the WWF shake-down campaign against the World Wrestling Federation has made use of European courts of law. Moreover, its attacks are indirect assaults targeting the Federation's European business partners.

In 2001, for instance, WWF International sued Nintendo in Germany. Nintendo distributes wrestling video games in Europe. While their outside packaging is emblazoned with the new "WW" logo, some of the games contain the now-discarded "WWF" logo because they were licensed before the Federation officially changed its name to World Wrestling Entertainment in 2002. That doesn't faze Rogers, who has jumped at the opportunity to sue first, shakedown later. He says Nintendo can make the lawsuit go away by becoming a worldwide sponsor of WWF International by donating from \$1 million to \$15 million to it. WWF International doesn't distribute videos, and it is hard to believe Nintendo games could have any negative impact on it. McDevitt has written Rogers: "As I hope you would agree, this is not a market where confusion as to source was ever likely." Rogers persists with the lawsuit.

It is particularly galling that Rogers never specified monetary damages suffered by WWF International because of the alleged logo "confusion" for nearly three years after filing the lawsuit. World Wrestling Entertainment (WWE) lawyers charge Rogers with an unethical, calculated act of legal extortion when he finally demanded \$90 million in October 2002.

Rogers had *appeared to agree* when

WWE general counsel Edward Kaufman asked that the November 10 deadline for compliance with the injunction be extended to give WWE more time to change its logo. WWE wanted to inform its licensees that it could sell existing inventory, including video games with the old logo, during the extension. Rogers proposed a new date—February 10, 2003—which WWE formally accepted. But Rogers subsequently denied reaching an agreement and argued that WWF International should receive compensation from any sales of merchandise containing the old logo during the extension period.

The object of this game is apparent. Rogers wrote, "We have been giving... a great deal of thought to the quantification of the damage suffered by the Fund as a result of the dilution of its WWF mark and the injurious association." Without explanation he has proposed a remedy of \$360 million for the violation of the 1994 agreement and is offering to settle for a "very conservative" 15 percent of total damages—\$54 million. To that he added \$36 million to allow WWE and its licensees to continue to sell videos with the discarded "WWF" logo after November 10, 2002. Hence, the \$90 million settlement offer. Rogers has never offered any evidence for this preposterous claim or submitted the figure in any court document or proceeding. For added pressure the Fund also persuaded a British court to prevent a WWE business licensee, the THQ/Jakks company, from selling wrestling video games in Europe during last year's Christmas shopping season. Said McDevitt, "Fund representatives want to interfere with the Christmas sales of WWE products to maximize their ability to extract monies from WWE."

WWE is fighting back. In a November 20 letter to Rogers, McDevitt wrote, "My client has no 'counteroffer' to make in response to the extortion and bad faith evidenced by your letter of October 29, 2002. Your recent actions...continue to demonstrate a history of improper threats, harassment, interference with business relationships...and other tactics designed to get leverage for your extortionate de-

mand of \$90 million." McDevitt adds, "Your actions further demonstrate that the Swiss charity you represent is involved in fundraising tactics going far beyond questionable and which are unprecedented."

Conclusion

The World Wide Fund for Nature's campaign against World Wrestling Entertainment is part of a larger pattern of disreputable fundraising, strong-arm tactics, and lack of accountability. The Fund has ignored the demands of its own members for transparency. After 40 years, it has become a global shakedown artist, hiding behind its overrated environmental record, its slick lawyer—and its initials.

John Carlisle is the editor of Foundation Watch.

The Man the Greens Love to Hate

From CRC's *Green Watch* Website, www.greenwatch.org

By Neil Hrab

Bjorn Lomborg is a world-famous critic of environmentalist propaganda. No one should be surprised that he's also the man America's greens love to hate.

Two years ago, a book written by Lomborg, a Danish academic, found its way into English. Published under the title *The Skeptical Environmentalist*, it systematically upended many of the claims by the environmental movement's doomsayers. From their dire predictions about the world's supplies of food and energy, to their claims about imminent global warming, Lomborg's book exposes the greens' frightening scenarios as based on false assumptions and exaggerated conclusions. The global greens have been on a "get Lomborg" jihad ever since.

Click here for a review of Lomborg's work. <http://reason.com/0202/cr.rb.debunking.shtml>

Bjorn Lomborg is not the kind of person you'd expect environmentalists to hate. Lomborg describes himself as politically "liberal." He's a self-identified vegetarian, according to the *Wall Street Journal*. He comes from Denmark, a country with a large welfare state. Yet perhaps exactly for these reasons, the greens have made him Public Enemy #1.

In January Lomborg came under attack in his own country. A gang of Danish scientists angry with his work as a debunker of greens found him guilty of what they called "scientific dishonesty." They said that *The Skeptical Environmentalist* was bursting with inaccuracies and distortions. This "verdict" was handed down by a kangaroo court called the "Danish Committees on Scientific Dishonesty [DCSD]." DCSD is part

of the Danish Research Agency, a government-funded body.

DCSD's "evidence" drew mainly on 4 hostile reviews of Lomborg's book that appeared in the journal *Scientific American* in 2002. It's not clear why DCSD relied on these particular reviews. None of the reviews, DCSD itself acknowledges, can be considered definitive refutations of Lomborg's work; the Committee meekly notes that they represent merely the "opinions" of researchers who dispute Lomborg's findings on topics such as global energy use, climate change, and population growth. DCSD also admits these were all solicited at "the request of the editors" of *Scientific American*. Indeed, *Scientific American* seemed so worried about the reviews' tenuous conclusions that it refused to print a response from Lomborg. It's hard to think of a more damning indication of the reviews' low credibility than this. What was *Scientific American* afraid of — that Lomborg would show his critics to be wrong?

DCSD's 14 page indictment of Lomborg seemed more interested in trying to pin a motive on Lomborg than laying out an objective rebuttal of his work. Nevertheless, environmentalist groups on this side of the Atlantic soon spread word of the ruling. They were eager to capitalize on the public's ignorance of how scientific evidence is evaluated.

One of these was the World Resources Institute, an "environmental think tank" in Washington DC that rejoiced in the Committee's decision. A Jan. 10, 2003 WRI press release implied that Lomborg's book had undermined the search for "workable global solutions" to environmental prob-

lems. WRI approvingly quoted the DCSD's over-the-top allegations that Lomborg was guilty of "plagiarization [sic]" and "fabricating data."

Another group happy with the DCSD verdict was the American wing of the Union of Concerned Scientists. This Cambridge, MA-based association echoes environmentalist doomsaying and uses the prestige of science to promote radical political change. It had been calling for Lomborg's head soon after *The Skeptical Environmentalist's* release. In a sly bit of self-promotion, USC noted that the DCSD "undertook its investigation in response to three formal complaints [against Lomborg], including one" made by a UCS-linked scholar.

Let's take a step back here. Why should self-described research groups rely on others to do their thinking for them? Do UCS and WRI really believe so-called "committees" receiving government funding should be able to launch formal investigations of academics charged with politically incorrect conclusions? Isn't that a bit totalitarian? What happened to the right to free inquiry?

By persecuting Lomborg, the greens hoped to shut him up and shoot down his findings. Steve Hanke, Senior Fellow at the Cato Institute, made the following observation of the anti-Lomborg campaign: "If nothing else, this illustrates what any fighter pilot knows: that when you start receiving flak, you know you are over the target." Judging by the flak endured by Bjorn Lomborg, his book scored a direct hit on the environmentalist movement's credibility.

Green Watch Exposes Environmental Movement's Money Trail

Since the first annual Earth Day in 1970, environmentalist organizations have become increasingly important participants in public policy debate. Supported by wealthy foundations and government grants, these tax-exempt groups orchestrate political, legal and public relations campaigns to protect and improve the environment. But “green” activism, however well-intentioned, is often harmful to the environment it seeks to save, and in many ways it’s needlessly costly. Environmentalism has had a great—and adverse—impact on the economic prosperity of American society and the rights of individual citizens.

Green Watch is a new project of Capital Research Center dedicated to monitoring the leadership, activities and funding of the liberal environmentalist movement. It is an on-line database and research apparatus that will help citizens, policymakers and the press find information about environmental policy and activist organizations that seek to use the power of government to achieve their objectives. Green Watch produces timely news reports and analyses that keeps you up-to-date on the latest developments in the environmental policy debate. Currently, CRC monitors and conducts research on over 500 environmental organizations.

You can take an active role in the free market environmental movement by becoming a Green Watch Watchdog. To learn more, visit www.greenwatch.org.

Read Other Capital Research Center Publications Exposing the Agenda of the Environmental Movement

“The Sierra Club: Crusading Against U.S. Energy Security,” John Carlisle, *Organization Trends*, November 2002

“The Environmental Movement in 2002: Post Clinton, Post September 11,” Paul Georgia, *Organization Trends*, July 2002

“The Green Land-Grabbers: It’s Not Just the Feds Who Are After Your Land,” Bonner Cohen, *Foundation Watch*, November 2001

PhilanthropyNotes

Foundations and individuals are donating millions of dollars to groups opposed to war against the regime of Saddam Hussein. Under the umbrella of “fiscal sponsors,” many nonprofit groups receive funding to pay for newspaper ads, hire staff, rent office space and maintain web sites. For example, **Code Pink Women for Peace**, a feminist group, operates with funding from **Global Exchange**, a San Francisco organization with a \$4.2 million budget. Code Pink co-founder Medea Benjamin, a Global Exchange director, says she is paying a bargain \$400 month for office space in downtown Washington, DC. Code Pink also has raised \$70,000-80,000 during its four-month existence by selling T-shirts and buttons.

TrueMajority.com, an internet activist group founded by Ben Cohen, former co-owner of **Ben & Jerry’s Ice Cream**, has raised money from newspaper ads. An ad appearing in *The New York Times* last November cost \$40,000 but raised \$80,000. TrueMajority officials say grants from **Ted Turner’s** foundation and the **Ploughshares Fund** help pay five full-time staff and six consultants. The veteran **Institute for Policy Studies** also is active in anti-war activities. Its 2003 budget of \$2.2 million comes from major liberal foundations including **Turner, Ford, MacArthur** and **Charles Stewart Mott**. Other major anti-war groups, most notably **International ANSWER**, refuse to divulge funding sources.

The U.S. Supreme Court handed hundreds of liberal legal groups a major victory on March 26 when, by a 5-4 vote, it upheld the **Interest on Lawyers Trust Account (IOLTA)** program as a funding source for legal services programs. Under IOLTA (which is used in all 50 states and the District of Columbia) lawyers deposit tiny sums of clients’ money in special interest-bearing accounts. The principal and interest are seldom distributed back to the clients because the sum is less than the cost of setting up the account. Nevertheless, while insignificant to the individual client, IOLTA programs cumulatively generate millions of dollars that **state bar associations** funnel to legal aid groups, the large majority of which push a liberal policy agenda. In 2002, IOLTA produced \$160 million for legal services programs. Grantees of the controversial federal **Legal Services Corporation** are the biggest recipients of IOLTA funding. In a dissent, Justice Anthony Kennedy said a future court should consider whether IOLTA violates the First Amendment by compelling individuals to financially support an opposing political viewpoint.

In March, the U.S. Senate dropped a key provision in the Bush Administration’s **faith-based initiative** that would have exempted faith-based charities receiving government grants from state and local anti-discrimination laws. The House of Representatives inserted the provision, but Senate Democrats objected, claiming a violation of First Amendment rights in permitting government support for religious groups. Opponents of the faith-based initiative hailed the victory. “It’s a huge break in the battle over this,” said Joe Conn of **Americans United for Separation of Church and State**.

Catholic Charities voted to accept a \$35,000 donation from **Voice of the Faithful**, a lay reform group critical of the church over its handling of the priest sex scandals. Catholic Charities decision defies a directive from Bishop Richard Lennon, interim head of the Archdiocese of Boston. Lennon succeeded Bernard Cardinal Law, who resigned over the scandal in December. Neal Finnegan of Catholic Charities says the money will be used to feed the poor. Bishop Lennon said he is disappointed by the decision but will not take any action.

The Century Foundation released a report, “Media, Charity, and Philanthropy in the Aftermath of September 11, 2001.” Paula DiPerna, a former president of the Joyce Foundation, argues that the media and foundations did not convey an accurate picture of the role of philanthropic organizations in September 11 relief efforts. She points out that the disaster presented unprecedented challenges to charities which news coverage did not always adequately point out in covering problems with the relief effort.

