

Working Guidelines

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Question Q210

Protection of Major Sports Events and associated commercial activities through Trademarks and other IPR

Introduction

- 1) This question concerns the protection of Major Sports Events and associated commercial activities through trademarks or other IPR. *"Major Sports Events"* may be defined as Sports Events to which a high level of both spectator interests and interests by all forms of media to cover the event are attached and the realisation of which is dependent on substantial contributions of official sponsors. The protection of Major Sports Events such as The Olympic Games and the football world championships (FIFA World Cup) has many facets such as copyright, broadcasting rights, designs and trademark protection and protection against unfair competition. Q210 is limited to trademark protection and unfair competition aspects. Protection against unfair competition comprises so-called "Ambush Marketing". In these Working Guidelines *"Ambush Marketing"* shall comprise all activities not authorised by the right holders in the fields of marketing, promotion and advertising in any form in connection with Major Sports Events which somehow seeks to benefit from the goodwill or general interest in the Major Sports Event.
- 2) It should be noted that all Groups are invited to participate in this Working Question irrespective of whether or not the country has in the past or is going to host a Major Sports Event in the future.

Previous work of AIPPI

- 3) In its resolution Q168 ("Use of a mark "as a mark" as a legal requirement in respect of infringement and maintenance of rights") AIPPI took the position that use other than traditional use "as a mark" may be an infringement. Further, in relation to Q168 AIPPI stated that use of trademarks by fan clubs and supporters as well as use of trademarks in parody should be subject to the same analysis as other trademark use. However, non-commercial use, for example as a mark of allegiance, may be distinguished from commercial use.
- 4) In its resolution Q188 ("Conflicts between trademark protection and freedom of expression") AIPPI took the position that it should be possible in principle to invoke freedom of expression as a defence in trademark cases. Further, in relation to Q188

AIPPI stated that a balancing of interests between trademark rights on the one hand and the right to freedom of expression on the other hand requires that neither right should prevail in every situation but that an analysis of all relevant factors must in each instance be undertaken by the court and the competent authority.

- 5) In its resolution Q195 ("Limitations of Trademark Rights") AIPPI furthermore took the position that certain limitations in the exclusive rights granted by trademark protection should be allowed, and that those limitations should permit, under certain conditions, the use of another's mark in order to indicate the kind, quality, intended purpose, value, geographical origin, time of production/rendering or other characteristics of the goods or the services of a third party.
- 6) At the AIPPI Forum held in Berlin, 23-25 September 2005, AIPPI considered the protection that intellectual property and unfair competition law provide for Major Sports Events in the Workshop Program.

Discussion

- 7) Major Sports Events are becoming increasingly popular. These events are usually organised by international organisations and sponsored by corporations that promote their goods and services through advertising and merchandising. The amounts of money involved in the organisation and sponsoring of Major Sports Events are very high. The country or city where the sports event takes place also spends a substantive amount of money in order to enable the event to take place.
- 8) Considering the sums of money involved in the organisation and sponsoring of Major Sports Events and the substantial value attached to the linking of a business with the name of these events, the protection of Major Sports Events by intellectual property rights and unfair competition law has become of vital importance. The question arises whether the existing national trademark law and legislation against unfair competition provide adequate protection or whether the characteristics of Major Sports Events – such as the substantive investments, the necessity of sponsorships and the long preparation period - require a protection which is more extensive than the protection offered for other comparable events.
- 9) In certain countries hosting Major Sports Events, specific national legislation has already been adopted to increase protection for Major Sports Events (only) in those countries. Specific legislation was for instance adopted in connection with the UEFA EURO 2004 taking place in Portugal and specific legislation was developed in connection with the Football World Championship in South Africa in 2010. In relation to the Olympic Games, specific legislation for the increase of protection of these Sports Events is a condition precedent to the selection of the host city. Accordingly, specific legislation has for instance been adopted in China in relation to the Olympic Games in Beijing 2008 and in the United Kingdom in relation to the Olympic Games taking place in London in 2012. The latter legislation is far-reaching in respect of protection against commercial reference to the event. It includes a provision according to which the combination of certain words constitutes an assumption of infringement. For example, the combination of one of the words "Games", "Two Thousand and Twelve", "2012" or "Twenty Twelve" with one of the words "Summer", "Sponsors", "Medals", "London", "Bronze", "Silver" or "Gold" establishes an assumption of infringement of the sui generis "Olympic Association Right" created under UK law. Such an assumption rule gives rise to the question whether an appropriate balance is established between on the one hand

fair use and on the other hand the organisers' and official sponsors' interests in protection of their substantive investments against economic exploitation by others .

- 10) When determining whether there is a need for adoption of rules which address specific problems arising from the characteristics of trademarks which relate to Major Sports Events, the following may be considered:
- whether the fact that the current classification system does not recognise the concept of merchandising products or services justifies that the scope of services of "organisation of Sports Events" in class 41 is extended to cover the products and services related to such an event,
 - whether it is desirable to narrow the requirement of distinctiveness for trademarks which relate to Major Sports Events, regard being had to the substantial value attached to those trademarks and to the linking of a business with the name of the Major Sports Events,
 - whether it is desirable to extend the period relating to the use requirement which is usually five years due to the fact that the registration of a trademark which relates to a Major Sports Event is usually accomplished up to eight years before the taking place of the event and accordingly up to eight years before the actual commencement of use of those trademarks, or whether this reason for non use should be seen as a valid reason for such non use.
 - whether the fact that the use of the trademarks relating to Major Sports Events takes place for a limited period of time, i.e. while the event in question takes place, combined with the risk of other traders' attempt to benefit financially from the event, justifies the adoption of specific remedies in case of infringement of a trademark which relates to a Major Sports Event,
 - whether the legal consequences of infringements of trademarks which relate to Major Sports Events should be different from the legal consequences of infringements of other trademarks due to the sums of money involved with the sponsoring of Major Sports Events.
- 11) When considering whether there is a need for stronger protection of trademarks relating to Major Sports Events, the goal of balancing economic and social benefits of sports with essential freedoms and to protect private and governmental (public) investment against economic exploitation by others should be considered. On one hand, it can be argued that a stronger protection of trademarks which relate to Major Sports Events is necessary in order to protect the financial interests of the official sponsors that are vital for the Major Sports Events. The fact that Major Sports Events tempt certain unauthorised businesses to seek to associate themselves with the event in question and thereby benefit financially without making any monetary contribution to the event further supports the need for a stronger protection of trademarks relating to Major Sports Events. On the other hand, it can be argued that Major Sports Events do not constitute a foundation for a redistribution of rights between official sponsors and other traders whereby third party traders are excluded from using certain words which form part of common language usage, and it may be argued that third parties should be able to use a sport event in advertising or other commercial activities as long as they respect the rights and legitimate interests of the organisers and sponsors. The fact that the state – and thereby indirectly the citizens of the state – invests very substantive amounts in relation to the hosting of a Major Sports Event further supports that it should be possible for other traders than the official sponsors to make reference to a Sports

Event in their advertising, as long as the reference is fair.

- 12) The question of whether there is a need for stronger protection of trademarks which relate to Major Sports Events also gives rise to considerations relating to the requirement of use as a mark. The traditional viewpoint is that use as a mark is a precondition for trademark infringement. Accordingly, if the sign is not used as a mark, i.e. used in trade to distinguish goods or services from those of another undertaking, the use in question does not constitute a trademark infringement. Under European law, the requirement of use as a mark was confirmed by the European Court of Justice (ECJ) in cases C-63/97, BMW and C-206/01, Arsenal. In the Arsenal case which concerned the display of logos and emblems of the famous football club Arsenal London, the ECJ indicated that when considering whether use as a mark has taken place, the relevant assessment is whether the use in question can affect the interests of the proprietor of the mark, having regard to the trademark's essential function which in particular is guaranteeing the origin of the goods to consumers. It can be argued that the use of certain words by third party traders can not be considered trademark use and that the requirement of use as a mark is therefore not fulfilled if it is accepted that non-official sponsors' use of certain words relating to Major Sports Events is considered infringing. Accordingly, it is relevant to consider whether it is reasonable to deviate from the general requirement of use as a mark in relation to trademarks which relate to Major Sports Events. For example, this may be done by having a provision as mentioned in Article 5(5) of the European Trademark Directive that deals with protection against the use of marks or signs for purposes other than distinguishing goods or services; such use may be opposed by a trademark owner provided unfair advantage is taken from or detriment is caused to the repute or distinctiveness of his trademark.
- 13) In relation to the perceived need for stronger protection of trademarks which relate to Major Sports Events, it may be considered whether it is reasonable that it is only the sponsors who are benefiting from the stronger trademark protection. It can be argued that it is reasonable that the sponsors are enabled to generate an even more substantive profit, since their investments are vital for the sport event in question. On the other hand, it can be argued that the sponsors already benefit substantially from their investments.
- 14) In relation to protection against unfair competition, including Ambush Marketing, a distinction may be made between illegal measures that damage the organizers and their official sponsors on the one hand and references that are fair and contribute to the overall positive image of the Major Sports Event in question on the other hand. It should be considered whether there is a need for adoption of specific rules which protect the organisers and official sponsors against other traders' damaging actions or whether general unfair competition rules would provide adequate protection. If specific measures against unfair competition are needed in relation to Major Sports Events, it should be considered how to adopt such measures without depriving traders which are not official sponsors a right to make reference to the Major Sports Event in a way which corresponds with good marketing practices.

I) Analysis of the current legislation and case law

The Groups are invited to answer the following questions under their national laws:

- 1) *Does your national law provide specific protection for trademarks or other designations relating to Major Sports Events?*
- 2) *If so, please explain whether - and in the affirmative in what way - the following trademark law requirements differentiate from the corresponding requirements in general rules of trademark law:*
 - a) *Requirement of distinctiveness*
 - b) *Use requirement*
- 3) *Also, please explain whether – and in the affirmative in what way - the following differentiate from the general rules of trademark law:*
 - a) *Is the scope of protection of trademarks which relate to Major Sports Events narrowed or extended compared to the scope of protection of other trademarks?*
 - b) *Does use as a mark constitute a precondition for infringement of trademarks which relate to Major Sports Events or is the requirement of use as a mark not applied in relation to infringement of those trademarks?*
 - c) *Is the protection period for trademarks which relate to Major Sports Events the same as the protection period for other trademarks?*
 - d) *Is the determination of third party traders' legitimate interest in fair use different for trademarks which relate to a Major Sports Event than for other trademarks?*
- 4) *Does your national law provide for a specific registration procedure for trademarks relating to Major Sports Events?*
- 5) *What are the possible remedies in respect of infringements of trademarks relating to Major Sports Events? Do they differ from the remedies applicable to other trademark infringements?*
- 6) *What are the possibilities under your national law of reacting against non-official sponsors' use or registration of trademarks which take place before a Major Sports Event and which relate to the Major Sports Event?*
- 7) *Does your national law provide for protection against Ambush Marketing? In the affirmative, is such protection set out in the law protecting trademark rights, in the laws against unfair competition, or both?*
- 8) *Does your national law provide for specific trademark protection or protection against unfair competition relating to other major events, such as film, art or music festivals, World Expos and other similar events?*

II) Proposals for substantive harmonisation

The Groups are invited to put forward their proposals for adoption of uniform rules, and in particular consider the following questions:

- 1) *Are particular rules on trademark protection desirable for trademarks or signs which relate to Major Sports Events? In the affirmative, why is that the case?*
- 2) *What would be desirable for trademarks and signs which relate to Major Sports Events in respect of the registration of such trademarks?*
 - a. *Would it be reasonable to adopt a registration procedure which is shorter than the general registration procedure?*
 - b. *Would it be reasonable to change the classification system in respect of registration of trademarks which relate to Major Sports Events?*
 - c. *Would it be reasonable to adopt a narrowed requirement of distinctiveness for trademarks which relate to Major Sports Events or alternatively not to require distinctiveness at all?*
- 3) *What would be desirable for trademarks and signs which relate to Major Sports Events in respect of the use requirement?*
 - a. *Would it be reasonable to adopt a use period of e.g. 8 or 10 years for trademarks which relate to Major Sports Events?*
 - b. *Would it be reasonable to apply a use period of e.g. 8 or 10 years if the period from registration of the trademark to the actual event is shorter than 8 or 10 years?*
- 4) *What would be desirable for trademarks and signs which relate to Major Sports Events in respect of the scope of protection? Would it be reasonable to give trademarks which relate to Major Sports Events a broader scope of protection than the scope of protection given to other trademarks, and in particular in relation to other trademarks which have a low degree of distinctiveness?*
- 5) *What would be desirable for trademarks and signs which relate to Major Sports Events in respect of infringements of those trademarks?*
 - a. *Should the requirement of use as a mark as a precondition for trademark infringement apply to alleged infringements of trademarks which relate to Major Sports Events or should it be possible to infringe such trademarks even when the use in question can not be characterised as use as a mark? Why is that the case?*
 - b. *Should the remedies available against infringements of such trademarks be different from the remedies available against infringements of other trademarks? In the affirmative: Why is that the case?*

- 6) *Are specific measures protecting against Ambush Marketing relating to Major Sports Events necessary or justified? In the affirmative, why is that the case and what should the contents of such measures be?*
- 7) *Are other measures protecting against unfair competition relating to Major Sports Events necessary? In the affirmative, why is that the case?*
- 8) *Does your group have any other views or proposals for harmonisation in the area?*

Note:

It will be helpful and appreciated if the Groups follow the order of the questions in their Reports and use the questions and numbers for each answer.