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Sponsorship of sporting events and Ambush Marketing after London 2012 – where are we at?

**Commissions: Corporate Counsel, IP Technology Media &
Telecommunications, Sports Law**

WS1 General Report

Date: 30 April 2012

General Reporters:

<p>Romain Dourlen Diageo Lakeside Drive, Park Royal London NW10 7HQ - UK +44 (0)208 978 2078 romain.dourlen@diageo.com</p>	<p>Árpád Geréd Maybach Görg Lenneis & Partner Rechtsanwälte Museumstrasse 5 A-1070 Wien, Austria +43 699 11 81 85 89 a.gered@mglp.eu</p>	<p>Roberto Viscomi Cerani e Associati Via Tommaso Salvini, 5 20122 Milan +39 02 45472049 rviscomi@cealex.it</p>
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0. INTRODUCTION – SCOPE OF QUESTIONNAIRE AND WORKING SESSION

0.1. About this General Report

Organizing a General Report is never easy. It requires ideas, energy, a thorough understanding of the topic to be treated and in certain cases market insights which come close to visionary powers to know, which topic will still be interesting once the report is published. However above all it requires making decisions.

So when the idea for this report was born, the decision had to be made, which of the many commissions of the AIJA to involve. Corporate Counsel seemed an obvious choice, given that the involvement of in-house lawyers in Ambush Marketing issues is everything but uncommon. However there was also the Sports Law Sub-Commission and lastly also, due to most of the legal issues in Ambush Marketing being IP-related, the IP Technology Media & Telecommunications-Commission. In the end the decision was made to involve all three Commissions, which is reflected by the number of National Reporters per country.

Coordinating those three Commissions as well as National Reporters from all over the world was a challenge of its own, but in the end the efforts paid off and we are very happy to present you with this report. Our special thanks go out to our National Reporters:

Argentina: *Matias F. Noetinger*, Noetinger | Armando

Denmark: Nis Marinus Dommergaard, Bech-Bruun

France: *Jean-Philippe Arroyo*, JP Karsenty & Associés
Christophe Héry, Lmt Avocats

India: *Sajai Singh*, J. Sagar Associates

Italy: *Marco Bellezza*, *Dario Morelli*, *Yan Pecoraro*, Portolano Colella Cavallo Studio Legale
Cristiano Novazio, Sports Law Research Center / FD Avvocati

Luxemburg: *Claire Leonelli*, MOLITOR Avocats à la Cour

Poland: *Jan Roliński*, Wierciński Kwieciński Baehr

Sri Lanka: *John Wilson*, John Wilson Partners

Sweden: *Erik Ullberg*, WISTRAND

Switzerland: *Thilo Pachmann*, Froriep Renggli Attorneys at law

United Arab Emirates: *Yann Mrazek*, *Damir Valeev*, Cramer-Salamian

United Kingdom: *Richard Dickinson*, Arnold & Porter
Alexander Fox, Manches

0.4.1.

0.2. What is “Ambush Marketing”?

For the purposes of this questionnaire and the Working Session, “Ambush Marketing” will be understood as any attempt by a company to associate itself with a high profile Sporting Event through any type of marketing activity with a view to deriving a commercial benefit from the said association. The marketing activity is “ambush” because the company undertaking it is not authorised to do so by the holders of the intellectual property rights in the Sporting Event (no licence or sponsorship fees have been paid) and it is often done at the expense of another company’s official association with the Sporting Event.

“Sporting Event” will be understood as any major sporting event (and by extension any sporting team and individual sport personality) attracting a high level of spectator/viewer and

media interest regionally or globally and which relies on the (often huge) financial backing of official sponsors/partners who in return are allowed to exploit their status as official sponsors/partners through advertising and marketing. Examples include (but are not limited to) the Olympic Games, the FIFA Football World Cup, the IRB Rugby World Cup, the UEFA Euro Football tournament.

0.3. Objectives of National/General Reports

0.4.2.

The primary purpose of the National Reports is to understand better whether specific legislation exists in the respective jurisdictions in respect of Sporting Events and, if not, to what extent national trade mark/unfair competition/IP law may be used to prevent Ambush Marketing.

Another purpose is to understand whether the reporters believe that in their jurisdiction the existing law, be it specific legislation or general trade mark/unfair competition law is (i) insufficient to effectively protect Sporting Events and prevent Ambush Marketing, (ii) just right or (iii) excessive compared to the objectives it seeks to achieve – i.e. giving too much power to the Sporting Event rights holders or their sponsors. When answering that question, the reporters were invited to consider both the point of view of the Sporting Event rights holders and their sponsors who have a legitimate interest in protecting their investment/the image of the Sporting Event but also that of (non-sponsor) companies/traders – should they be prevented from making any reference to the Sporting Event, even where the said reference is fair and does not cause any damage to the Sporting Event rights holders and their sponsors? Is the interference with the right of these companies/traders to promote their business always justified?

Finally, the National Reports formed the foundation of our working session. The National Reporters were therefore invited to include real-life examples, such as examples of recent/high profile Ambush Marketing activities in the respective jurisdictions and the outcome of any legal action in that respect.

For example, many might remember the Bavaria girls at the Netherlands v Denmark game during the FIFA 2010 Football World Cup in South Africa. Bavaria (a Dutch brewer) achieved a good deal of exposure at the expense of the official sponsor. The attractive side of Ambush Marketing one might say.



0.4. Key Findings

While Ambush Marketing is a widely known problem and accepted to be worst when a major sporting event takes place, it is astonishing to realize that there are many more major sporting events than on might image.

For example in Denmark the UEFA U21 Championship and the UCI Road World Championship took place in 2011 and 2012, the first three stages of the UCI Giro d'Italia road bicycle stage race will be held in Denmark. France was host to the FIFA World cup in 1998 and the IRB world cup in 2007, is the same for the Tour de France each year and will be to the UEFA European Championship in 2016. India is rich with mayor sporting events, having hosted Commonwealth Games and the Men's Hockey World Cup and co-hosted, with Sri Lanka, the Cricket World Cup in 2011. Yearly events include the Indian Grand Prix as well as tennis and golf tournaments like the ATP World Tour Chennai Open. Italy hosted the Olympic Winter Games in 2006 and in 2012 the Nations Championship will follow while yearly major events include the FIA Formula One World Championship and the Giro d'Italia.

Sweden has hosted the Men's Handball World and Championship in 2011, the same year Sri Lanka co-hosted the Cricket World Cup with India. In the UAE one can enjoy the Formula One Abu Dhabi Grand Prix and the Dubai ATP Championships every year. As for the UK, aside from the forthcoming 2012 Olympic and Paralympic Games there is the yearly Wimbledon ATP Championship and some big events in the pipeline such as the Rugby World Cup 2015.

0.4.3. Specific vs. general legislation:

With the notable exception of in the UK in respect of the 2012 Olympic and Paralympic Games, none of the other countries, surprisingly not even Poland, reported to have current legislation that deals specifically with Ambush Marketing. The pieces of legislation mentioned in respect of the UK are the Olympic Symbol etc. (Protection) Act 1995, the London Olympic Games and Paralympic Games Act 2006, and the London Olympic Games and Paralympic Games (Advertising and Trading) (England) Regulations 2011. It is interesting to note that both the 2006 Act and 2011 Regulations will cease to apply by the end of 2012.

Italy had the similar law of August 17th, 2005, no. 167 on «measures to protect the Olympic symbol in relation to the 2006 Turin Winter Olympics». It applied only to the Olympics winter games held in Turin in 2006 and ceased to be enforceable on December 31st, 2006.

In Switzerland there was a serious attempt before the UEFA EURO 2008 to introduce a specific legislation that would have outlawed Ambush Marketing entirely. However said attempt was ultimately stopped by the Federal Counsel.

An important lesson learned from the National Reports is that even though no new law may have been introduced aimed specifically against Ambush Marketing, every major sporting event, or more precisely its organizers, demand guarantees and concessions to the same final effect: That is to ensure and protect their revenue. The Polish Report provides highly interesting details on this subject.

Argentina and France are special cases, since even though they lack legislation specific to Ambush Marketing, both have granted the Olympic Symbols and trademarks as well as the ones used by the respective National Olympic Committee, special recognition and trademark protection. But France has gone further: while French law grants special protection to national expressions related to sport, French courts have helped to establish sports related trademarks as an almost specific area of law.

0.4.4. The UK:

In brief the UK legislation protects relevant trade marks but the most interesting part of the legislation is the ban on businesses, marketers and advertisers to use representations which would cause the public to associate them with the Olympics, Paralympics or the London Games, unless they are an official sponsor or have the sanction of the London Organising Committee of the Olympic Games (“LOCOG”). As commented by our National Reporters, the above legislation “*goes considerably further than mere reliance on IPRs such as registered trade marks [...] and the tort of passing off, which can be difficult to make out successfully*”.

In the view of our National Reporters, the rationale for strong specific legislation is clear: to prevent Ambush Marketing and thus protect the investment made by official sponsors and to generate revenue for the Olympic Games. That said, as they comment “*this is a difficult balance to strike*” and, on balance, “*it is possible to argue that, in relation to the London Games at least, the balance is not weighed evenly.*”

0.4.5. The rest of the reported world:

Interestingly, the National Reporters from the countries without specific legislation are of the opinion that the legislation in force offer sufficient protection against Ambush Marketing. Some reporters are of the opinion that specific anti-Ambush Marketing legislation would be necessary in their respective countries, if they were to host a major sporting event. Though necessity might not even be a requirement, if such major sporting event was to be held. The report from the UAE mentions explicitly that despite robust legislation in place, in light of the current/planned high-profile sporting events in the UAE it is anticipated that there will be pressure on the legislator to implement specific anti-Ambush Marketing practices. The Swiss report provides an interesting practical insight into this problem.

It should be noted, as obvious as it may seem upon a closer look on Ambush Marketing and the concept behind protection against the same, that specific legislation against Ambush Marketing will not protect or aid athlete, a sports club or organization or their respective sponsors.

All National Reporters mention that the event organiser can take contractual measures (e.g. clear contracts with contractors and suppliers as well as athletes, T&Cs on tickets etc.) to help prevent Ambush Marketing. The Danish Report provides us with the idea of negotiating deals with the stadium owners that allow the organisers to fully control advertising on the premises. The Swedish Report goes further and suggests putting a contractual obligation on official sponsors to buy all available advertising space in the vicinity of the event so as to create a “clean” area and to take legal action against ambush marketers respectively.

The UAE National Reporters mention the idea of organising an education campaign for the public as well as retailers etc. on the principles of intellectual property and Ambush Marketing.

0.4.6. Conclusion:

All our National Reporters agree that, with or without special legislation against Ambush Marketing, the best legal advice to any potential ambush marketer would: “Don’t do it.” However considering that taking calculated risks is part of doing business, such advice would probably not deter potential ambush marketers but would rather lead to a thorough analysis of the economic and legal potentials and risks. The aim is always to see whether, and above all which, risks may be worth taking. Such considerations of course also apply to the organizers who need to know, how much additional legal protection they might require.

The bottom line however is that Ambush Marketing is as varied as the laws that may be applicable to such activities and full protection is a state yet to be attained. This is very clearly shown in the practical examples provided by our National Reporters.

1. ARGENTINA

National Reporter: Matias F. Noetinger
Noetinger | Armando
25 de Mayo 489, 8°
C1002ABI Buenos Aires, Argentina
T +54 (11) 43159200 | F +54 (11) 43159201
mnoetinger@noetar.com.ar
www.noetingeryarmando.com.ar

1.1. Please indicate whether there has been any major Sporting Event held in your country recently and/or whether there are plans for such a Sporting Event in the near future.

Argentina has not organized any major Sporting event recently, and will not be organizing any in the near future.

1.2. In your country, is there any specific legislation that outlaws Ambush Marketing as such and/or protects trade marks and other intellectual property rights relating to Sporting Events or are there / have there been attempts introduce such legislation?

Argentina's Trademark Law does not include any specific protection for trademarks or other designations relating to Major Sports Events.

However, there is a special law (No. 24664), in which our country has granted the Olympic Symbols and trademarks (i.e. (JUEGOS OLIMPICOS, OLIMPIADAS, OLIMPICO, CITIUS, ALTIUS, FORTIUS MAS RAPIDO, MAS ALTO, MAS FUERTE, MOVIMIENTO OLIMPICO COI, OLYMPIC EMBLEM (RINGS) , OLYMPIC TORCH, WORDS, LOGOS AND MASCOTS IDENTIFYING EACH OLYMPIC GAME) special recognition and trademark protection without the need of recurring to the usual trademark proceeding, and without any need of renewal. This special protection covers all 45 classes of the international classification of goods and services.

The same happens with the symbols and names used by the Argentine Olympic Committee, including the following: Juegos Panamericanos, Juegos Sudamericanos, Juegos Nacionales, Organización Deportiva Panamericana (ODEPA), Organización Deportiva Sudamericana (ODESUR); and any other that unmistakably induces to the activity developed by the Argentine Olympic Committee, the Panamerican Sports Organization and the South American Sports Organization.

Apart from this special protection, there are no other specific laws or provisions protecting Major Sports event-based trademarks or other intellectual Property rights.

- 1.3. In the absence of (or in addition to) any specific legislation referred to in Question 2.1, please explain briefly on what legal basis might an aggrieved Sporting Event rights holder/sponsor seek redress in respect of any Ambush Marketing activity in your country? Without limitation, please consider: (i) trade mark law, (ii) design law, (iii) copyright law (iv) unfair competition/passing off law, (v) advertising law and regulations, (vi) consumer protection law and regulations etc.**

The best course of action would be the trademark law, provided that the offender uses terms, phrases, expressions, devices, logos, etc. that could be considered confusingly similar to the Organizer's registered trademarks.

Remedies do not differ from those available to other trademark registrants. TM Law and TRIPS allow the TM owner to request preliminary injunctions, which need to be followed by an infringement action and eventually a damage compensation request. TM owner can also choose initiating an infringement proceeding before Criminal Courts.

There are no differences in the treatment of TM infringements when they are committed before a Major Sports Event, although the Judges could be inclined to judge them more severely if they occur right before or during the Event, since bad faith could be easily presumed in view of such timing.

Copyright or design law could also be applicable if there are no trademarks involved or infringed, but the chances of success in these cases are lower, specially because usually ambush marketing campaigns are careful not to use registered designs or copyrighted materials.

Design law is very useful when the offender uses original jerseys from a certain team or a national team in an advertising campaign, which are usually protected through designs. In these cases, the design law could be applicable, although it is not very clear since the products are not sold, but used in a commercial message (they are worn by an actor, or offered in promotions or lotteries).

Unfair competition would be the last resource to obtain relief in case of an ambush marketing campaign, when there is no infringement to trademarks or other IP rights, but it is clear that the offender is taking clear advantage of the event by associating himself to it. Generally these claims do not reach the courts and are settled after the first exchange of C&D letters.

In Trademark or Design cases, preliminary injunctions are possible, although it is advisable to request this type of relief in very evident cases. If the infringement is not so clear, an ordinary legal action or a mediation proceeding could be the best approach.

In Unfair competition cases, preliminary injunctions are exceptional, and they are usually handled through C&D letters, mediation or ordinary civil actions.

Defendants generally need to show that their use of trademarks, designs, copyrights or other IPRs is fair and does not constitute an infringement, and it does not generate confusion in the consumers. If trademarks or designs are used, this may be more difficult to accomplish, and it could be difficult to be successful in a defence.

Most cases involve unfair competition claims, since the presumed offender does not use any trademarks or IPRs, and therefore the claims are not well founded. In these cases, the defendants just need to show that no exclusive rights were infringed and that freedom of commercial speech applies.

1.4. If the aggrieved party is not a Sporting Event rights holder/sponsor but rather

i) an individual athlete or his sponsor;

In this case it would be different because there could be personality rights, image rights, publicity rights, privacy issues and other rights that could only be invoked by a person.

ii) a group of team athletes or their sponsor;

If there are persons involved, it would apply the same as indicated in i) above.

iii) a sports club or organization (assuming that the concrete case is not related to an event held by such organization) or its sponsor.

In this case it would be similar to an event Organizer. In Argentina the National Football Federation (Asociacion del Futbol Argentino – AFA) is very aggressive against ambush marketing, but it is generally treated in the same way as FIFA or IOC.

1.5. If you had to advise (i) the organiser of a Sporting Event in your country and (ii) a company considering sponsoring that Sporting Event as to the practical steps they may want to take to protect themselves against Ambush Marketing, please set out briefly the key points of what your advice would be. Please indicate whether and which influence ambush marketing and/or specific legislation in this area had on contracts regarding Sporting Events in your jurisdiction.

- Set up all the contractual obligations possible to avoid ambush marketing actions.
- Restrictions in the terms and conditions for tickets
- Block billboards and other advertising media
- Buy as much advertising space as possible in broadcasting through official sponsors.
- Register trademarks, logos, devices, slogans, even non-traditional trademarks.
- Register designs if applicable
- Send a lot of C&D letters, even in borderline cases.
- Monitor all the media closely and send C&D letters immediately to get instant relief and results to show sponsors

- 1.6. If you had to advise a company who would like to use the opportunity of a Sporting Event for a legal, albeit perhaps risky, marketing campaign but refuses to become a sponsor or official licensee, please set out briefly the key points of what your advice would be.

Always avoid the use of registered trademarks or words / phrases similar to registered trademarks. Avoid devices, designs, etc. that could have registered rights or copyrights. Avoid offering tickets or other items with possible contractual limitations as prices in lotteries, promotions, etc.

- 1.7. Finally, please give examples of any recent Ambush Marketing activity and / or cases in your country. As mentioned, please continue to collect such examples even after you have submitted your national report and email them to the general reporters.



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National Reporter: Nis Marinus Dommergaard
Bech-Bruun
Frue Kirkeplads 4
8000 Aarhus C
Denmark
+45 72 27 35 53
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2.1. Please indicate whether there has been any major Sporting Event held in your country recently and/or whether there are plans for such a Sporting Event in the near future.

The recent major Sporting Events in Denmark count the UEFA U21 Championship 2011 and the UCI Road World Championship 2011.

In 2012, the first three stages of the UCI Giro d'Italia road bicycle stage race will be held in Denmark.

2.2. In your country, is there any specific legislation that outlaws Ambush Marketing as such and/or protects trademarks and other intellectual property rights relating to Sporting Events or are there / have there been attempts introduce such legislation?

No.

a. N/A

2.3. If the answer is no, please indicate whether you think that the implementation of such specific legislation would be necessary in your country and explain briefly why. If you think that specific legislation is necessary, please explain briefly what you think it should provide.

With reference to the above paragraph, Denmark has hosted some large Sporting Events during the last couple of years. Especially on a regional basis, the World U21 Football Championships and the Road World Championship have attracted many viewers and considerable media interest.

It has not, however, been deemed necessary by Danish legislators to implement specific laws which explicitly address the issue of ambush marketing. Seen in the light of how little attention ambush marketing has attracted in Danish theory, literature, case law and the media in general, specific legislation will probably not be necessary in Denmark.

Sponsors and organisers of major sporting events must therefore rely on the more general provisions of trademark law and other IP protections, unfair competition law, contracts and on their rights as lessees of the respective sporting venues in order to protect their

exclusivity of official sponsoring. These laws will grant a broad protection of organisers and sponsors who do not have to rely on specific regulations.

If Denmark attracted larger events, like the Olympics, perhaps more specific legislation would become necessary.

2.4. In the absence of (or in addition to) any specific legislation referred to in Question 2.1, please explain briefly on what legal basis might an aggrieved Sporting Event rights holder/sponsor seek redress in respect of any Ambush Marketing activity in your country? Without limitation, please consider: (i) trademark law, (ii) design law, (iii) copyright law (iv) unfair competition/passing off law, (v) advertising law and regulations, (vi) consumer protection law and regulations etc.

i. Trademark law

Trademark law will often act as a very important protection against ambush marketing. It does not specifically grant protection against such, but the general rules may to a great extent be applied to situations of ambush marketing.

By way of introduction, it should be noted that Denmark is a member of the EU. Accordingly, the relevant trademark legislation is the Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trademark (the "Trademarks Regulation") and the Danish Trademarks Act¹, which is based on Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trademarks (the "Trademarks Directive").

The scope of protection under the Danish Trademarks Act is, in some aspects, an adequate protection against ambush marketing, but such protection is limited to the legal aspects mentioned above. That means that protection can only be sought if the Sporting Event rights holder has a protectable trademark itself, and even so, the protection is limited to identical or similar signs – although the protection is broader if the trademark is well-known, see the above.

¹ See the Danish Consolidate Trade Marks Act, Consolidate Act. No. 90 of 28 January 2009

One of the most relevant problems regarding ambush marketing and the scope of protection under the Danish Trademarks Act is the protection of more common words or word combinations associated with sporting events and activities. Where a name of an athlete or a logo of a team or the official name of an event often have distinctive character and may be protected as trademarks, it is different with respect to words like "Winter Games", "Football Championship", etc. These types of marks would probably be considered purely descriptive, generic marks and may therefore not be registered as trademarks in Denmark and cannot be granted protection. They could obtain protection through continuous use, but companies "performing" ambush marketing could easily challenge this position and thereby create a lot of confusion in the market place as to who are the official sponsors.

Therefore, the problem for event organisers is that, even if they seek trademark protection, much is inevitably still left unprotected. Even if a Sporting Event rights holder registered the name of an event as a trademark, ambushers would still be able to allude to the event without mentioning the official name in full or even at all and still keep it lawful with regards to the scope of protection under the Danish Trademarks Act.

a. – What does the Sporting Event rights holder/sponsor need to prove?

In order to successfully redress an Ambush Marketing activity in Denmark, the Sporting Event rights holder/sponsor needs to establish a trademark right. The Danish Trademarks Act and the Trademarks Regulation provide for trademark rights established by registration with either the Danish Patent and Trademark Office (PTO) (Danish trademarks) or the OHIM (Community trademarks).

In addition, the Danish Trademarks Act also provides for trademark rights to be obtained through use.

The requirements for obtaining trademark rights are the usual, i.e. that the trademark is capable of communicating the origin of the goods and services it is used for, that the trademark can be graphically represented and that the trademark is distinctive and non-descriptive.

If the trademark is protected either through registration or use, the content of the trademark right under Danish law is laid down in section 4 of the Act. According to this section of the Act, the proprietor of a trademark right is entitled to prohibit all persons not having its consent from using any sign in the course of trade if (i) the sign is identical to the trademark and the goods or services for which the sign is used are identical to the goods or services for which the trademark is protected, or if (ii) the sign is identical with or similar to the trademark, and the goods or services are identical with or similar to those covered by the trademark, if there is likelihood of confusion, including likelihood of association with the trademark, see section 4.

If the trademark is considered to have sufficient reputation to enjoy protection as a well-known trademark, it will be sufficient for the Sporting Event rights holder/sponsor to establish that the relevant consumers will create a link or association between the trademarks and that the use of the trademark used for the Ambush Marketing activity is

likely to dilute the earlier trademark or be detrimental to the distinctive character or repute of the earlier trademark.

b. – Available remedies

If infringement is established, several remedies are available to the Sporting Event rights holder/sponsor, such as:

- Filing an opposition/cancellation action against the defendant's trademark registration if the defendant has applied for registration of its trademark.
- Requesting pre-trial preservation of evidence, preliminary injunction and product recall before the Bailiff's Court (interim proceedings).
- Ordinary civil proceedings requesting prohibition of the defendant's use. In addition, claims for damages may be filed as well as claims for compensation in the form of reasonable remuneration for the defendant's unauthorised exploitation of the trademark.
- If the infringement is intentional, it may also be claimed that a fine must be imposed on the defendant.
- Finally, in accordance with Council Regulation (EC) No 1383/2003 of 22 July 2003, it is possible to have the Danish borders monitored by the Danish customs authorities and to intervene in the event of infringements of the trademark as soon as infringing goods cross the Danish borders.

c. – What does the defendant need to achieve to fend off the claim?

In order for the defendant to successfully fend off any claim made by the Sporting Event rights holder/sponsor, the defendant needs to counter all evidence and arguments produced to support the claim that the defendant has infringed the Sporting Event rights holder's/sponsor's trademark.

This may be done by documenting and submitting arguments supporting that the rights holder's trademark does not fulfil the condition of trademark protection, that the trademark has become generic, that the defendant's trademark is not confusingly similar to the rights holder's trademark or – if the rights holder's trademark is well-known – that no link/association will be made and that the use will not be detrimental or dilutive.

d. – Are there any differences in relation to various rights holders?

Since the Danish Trademarks Act or the Trademarks Regulation do not entail specific rules regarding Sporting Event rights holders and sponsors, but provide for general trademark protection, the scope of protection is the same whether it is an individual athlete and his sponsor, a team and their sponsors, a sports club and their sponsors or somebody else seeking redress in respect of ambush marketing activities.

ii. Design law

Just like trademarks may grant protection for organisers against ambush marketing, protection may be sought by way of Danish design law. Design law is not traditionally mentioned in literature with regard to protecting organisers' or sponsors' rights, but it may be relevant protection if, for instance, the organiser or sponsor decides to produce new types of merchandise.

Relevant design law legislation is Council Regulation No 6/2002 of 12 December 2001 on Community Designs (the "Designs Regulation") which has direct effect in Denmark and the Danish Designs Act², which is based on Directive 98/71/EC of the European Parliament and of the Council of 13 October 1998 on the legal protection of designs (the "Designs Directive").

Consequently, it is possible in Denmark to protect a design as (1) a registered Danish design, (2) a registered community design (RCD) and (3) as an unregistered community design.

Neither the Danish Designs Act nor the Designs Regulation grants any specific protection against ambush marketing. Both the Designs Act and the Designs Regulation contain general rules granting design rights protection from third parties' infringing products, and Sporting Event rights holders may use such regulations as a protection from ambush marketing if the provisions of the Act/Regulation are present. For example the Danish regulations on design protection could be used to prevent Ambush Marketing in the form of merchandise which is similar to original merchandise originating from the Sports Events rights holder/sponsor.

a. – What does the Sporting Event rights holder/sponsor need to prove?

In order to successfully redress an Ambush Marketing activity in Denmark using Design law, the Sporting Event rights holder/sponsor needs to establish a design right. The Danish Designs Act and the Designs Regulation provide for design rights established by registration with either the Danish PTO (Danish registered design) or the OHIM (RCD).

Protection under Danish design law may be acquired by registration of a design in accordance with the Designs Act and/or the Designs Regulation, thereby protecting the

² See the Danish Consolidated Act on Designs, Consolidated Act. No. 1259 of 20 December 2000

exclusive right to the design, i.e. the appearance of a product or part of a product resulting from the features of, in particular, the lines, contours, colour, shape, texture or material of the product and its ornamentation, see section 2 of the Act.

A design right may, however, only be obtained where the design is new and has individual character. A design is considered to fulfil the novelty requirement if no identical design has been made available to the public before the filing date of the application for registration, and it is considered to be individual if the overall impression differs from any design made available to the public before the filing date of the application for registration, see section 3 of the Act.

A design may also be granted protection as an unregistered EU design through use. The same requirement as to new and individual character applies. The Designs Regulation grants protection as soon as the design has been made available to the public within the Community, see section 11 (1), and this protection is valid for a period of three years. During the first 12 months, it is possible to convert the unregistered design protection to a RCD by submitting an application to OHIM.

If a proprietor of a design is granted protection under either the Danish Designs Act or the Designs Regulation, the right implies that no other person may exploit the design without explicit consent from the registered owner, see section 9. This means that no other individual or company may make, offer, market, import, export or use a product to which the design applies.

b. – Available remedies

Cf. paragraph ii (b.) in part.

If the Sporting Event rights holder or sponsor is able to produce evidence of any of the above actions taking place and thereby infringing a design right, sections 36, 37 and 38 outline the remedies available. Pursuant to Section 36(1) of the Act, any person who intentionally or grossly negligently infringes a design right must be punished by a fine. If the infringement has been committed under aggravating circumstances, the penalty may increase to imprisonment of up to 18 months, see section 36(2) of the Act.

Pursuant to section 37, any person who intentionally or negligently commits design infringement will be liable to pay (i) reasonable compensation for the exploitation of the design and (ii) damages for the further injury, which the infringement may have caused.

Furthermore, the court may, when so claimed, also decide that goods infringing a trademark right must either (i) be withdrawn from the market, (ii) be removed definitively from the market, (iii) be destroyed, (iv) be surrendered to the injured party, or (v) be altered in a specified manner for the purpose of preventing further infringements of the design, see section 38(1) of the Act.

c. – What does the defendant need to achieve to fend off the claim?

In order for the defendant to successfully fend off any claim made by the Sporting Event rights holder/sponsor, the defendant needs to counter all evidence and arguments produced

to support the claim that the defendant has infringed the Sporting Event rights holder's/sponsor's design.

This may be done by documenting and submitting arguments supporting that the rights holder's design does not fulfil the condition of design protection, i.e. that the design was not new and did not possess sufficient individual character at the time when registration was applied for or when the design was first published (unregistered design).

If examples of similar/identical, earlier designs may be produced, this will serve as supportive evidence for the defendant. Such examples will also be useful when arguing that the defendant's design does not give the same overall impression as the Sport Events rights holder's or sponsor's design – and consequently does not constitute an infringement.

In this respect, it is important to note that neither the Danish PTO nor OHIM check or assess whether the material condition for design protection (novelty and individual character) is fulfilled. Applications for RCDs are accepted solely on the basis of a formalities check (payment of fees, etc.) Therefore, the existence of a registration certificate should not in any way deter the defendant from attacking the Sport Events right holder's or sponsor's design registration.

d. – Are there any differences in relation to various rights holders?

Since neither the Danish Designs Act nor the Designs Regulation entail specific rules regarding Sporting Event rights holders and sponsors, but provide for general design protection, the scope of protection is the same whether it is an individual athlete and his sponsor, a team and their sponsors, a sports club and their sponsors or somebody else seeking redress in respect of ambush marketing activities.

It is perhaps not the most sought for protection in relation to the protection of an event, and it has not been discussed in general literature regarding ambush marketing. Design protection is probably more relevant in the case where a sponsor of an athlete or a team designs different sportswear. But if an organiser or sponsor decides to design new merchandise or other products for a major sporting event, it is relevant to seek protection in relation to companies trying to exploit such designs.

iii. Copyright law

Danish copyright law is, as in the case of trademark and design law, subject to some EU harmonization through various directives and regulations. The relevant scope of protection in respect of copyright is the Danish Copyright Act³.

a. – What does the Sporting Event rights holder/sponsor needs to prove?

Pursuant to section 1 of the Danish Copyright Act, the person creating a literary or artistic work has copyright to that work. The possible copyright protection for slogans, logos and symbols in relation to Sporting Events and sponsors therefore depends on whether they could be considered a creation of a literary or artistic work.

The Copyright Act provides no further guidance as to what is considered creation of a literary or artistic work, but it is indisputably a requirement that the creation is original in order to be protected, meaning that the creation cannot be a copy of a work already produced. If an organiser or sponsor is able to provide evidence of an original creation, copyright may serve as protection against persons trying to use slogans, pictures, logos or symbols relating to the sporting event in a marketing campaign.

As for sports logos, Danish case law has never established protection under the Danish Copyright Act. Against this background, it has been concluded in Danish judicial theory⁴ that it may be reasonably assumed that a relatively tough interpretation applies to the requirement of originality. This conclusion corresponds to the fact that a tough interpretation applies to the originality of other types of creations, such as industrial designs. A Sporting Event rights holder seeking protection under the Danish Copyright Act therefore has to be aware that the burden of proving originality in order to protect creations may be hard to bear.

When it comes to sports slogans, there has not been any case law establishing protection under the Danish Copyright Act either. In a few cases before the Danish High Court and the Danish Supreme Court, protection has been established according to the Danish Copyright Act for Danish translations of book titles. A Danish book title consisting of only three words was granted protection, so, on that basis, it is not deniable that an organiser or

³ See the Danish Consolidated Act on Copyright, Consolidated Act No. 202 of 27 February 2010

⁴ See European Sports Law, p. 352

sponsor may provide proof of originality in respect of a sports slogan and be granted protection under the Danish Copyright Act – although slogans would usually be eligible for trademark protection.

If a slogan, logo, symbol or any other relevant creation is considered protected, the organiser or sponsor has the exclusive right to control the work by reproducing it and by making it available to the public, whether in the original or in an amended form, in translation, adaptation into another literary or artistic form or into another technique, see section 2 of the Act.

If protection is granted under the Danish Copyright Act, this means that organisers or sponsors may prevent any direct or indirect, temporary or permanent reproduction, in whole or in part, by any means and in any form, as well as prevent recording of the work on devices which can reproduce it and prevent that copies are exhibited in public, see sections 2(2) and 2(3). This will give the organisers or sponsors the opportunity to prevent other persons or companies from using logos, symbols or slogans of the event and thereby free-riding on the goodwill attaching to them.

In order for a Sporting Event rights holder or its sponsor to be successful in claiming infringement, the creation must be a copy/identical, not just similar. The extension of the protection depends on what type of artistic or literary work it is sought for, in some cases it is a broader protection than in others, but the organiser must in each individual case prove that the new creation is a copy/identical in order for it to be an infringement of its copyright.

Sporting Event rights holders can in theory seek protection under the Danish Copyright Act for symbols, slogans and sports logos, as long as the requirements set out above are fulfilled, but it has been of relatively modest significance in practice, and it is still undetermined in case law whether Sporting Event rights holders can protect their slogans, logos, etc., under copyright law. Therefore, it is probably more secure for a Sporting Event rights holder and its sponsors to seek protection by registering its logos and slogans as trademarks if possible, or otherwise rely on the scope of protection under the Danish Marketing Act, which will be examined in the next paragraph.

In addition to works of art, copyright protection in relation to Sporting Events would be relevant in relation to visual and aural transmissions from events, written material and photographs – all works of art which will undoubtedly enjoy copyright protection.

In this respect, it is relevant to establish whether Danish law provides for copyright protection of individual sports performances, such as an amazing football goal, an original element in gymnastics or a new jump sequence in figure skating. Even though such sublime sports achievements may be referred to as being "art", Danish Copyright law does not provide for such generic performance protection of individual sports performances.

Furthermore, it is highly relevant for Sports Event rights holders to establish if – and to what extent – the Danish Copyright Act provides for protection of "sports news", i.e. is it possible for the rights holder of the broadcasting rights to a given event to prevent a third party from reporting from that event. The Danish Supreme Court has had the opportunity to address this issue in two landmark decisions from 1982⁵ and 2004⁶. From these cases, it may be derived that the rights holder to the broadcasting rights of the event can prevent visual or aural transmissions from the event, but it cannot prevent updates based on its own transmissions from the event. In addition, at this time, it is unclear in Danish case law if a third party is allowed to provide written updates from an event, e.g. by live blogging from the event.

b. – Available remedies

Cf. paragraph ii (b.) in part.

If evidence is produced that a given action of ambush marketing constitutes an infringement of a copyright, the remedies available to the organiser are laid down in section 76 of the Act. If anyone, intentionally or by gross negligence, violates the protection granted by way of sections 2 or 3, that person is liable to pay a fine. In particularly aggravating circumstances, the punishment may be increased to imprisonment of up to 18 months, see section 76(2) of the Act.

The court may in some cases regarding infringement decide that copies infringing the right to works must (i) be recalled from the channels of commerce, (ii) be definitively removed

⁵ U 1982.157H (DBU)

⁶ U2004.2945 H (bold.dk)

from the channels of commerce, (iii) be destroyed, or (iv) be handed over to the infringed party, see section 84(1) of the Act.

c. – What does the defendant need to achieve to fend off the claim?

In order for the defendant to successfully fend off any claim made by the Sporting Event rights holder/sponsor, the defendant needs to counter all evidence and arguments produced to support the claim that the defendant has infringed the Sporting Event rights holder's/sponsor's copyright.

This may be done by documenting and submitting arguments supporting that the rights holder's artistic work is not original.

d. – Are there any differences in relation to various rights holders?

As with the Danish Trademarks Act, the Danish Copyright Act is a general protection not having specific rules in respect of organisers or sponsors, and the scope of protection is the same for the individual athlete and his sponsors as well as teams and their sponsors.

However, each athlete has the right to his/hers own "image rights", e.g. name, picture or likeness, and is protected against commercial misappropriation of such. Thereby, it is possible for any athlete, artist, etc., to prevent the unlawful commercial use of their names and pictures on for example jerseys, posters, trading cards, etc. See below under paragraph iv. (d) for further information regarding such protection.

iv. Marketing law, etc.

a. – What does the Sporting Event rights holder/sponsor needs to prove?

In Denmark, some forms of ambush marketing may also be actionable under the Danish Marketing Practices Act⁷, under which a person may enjoin competitors from engaging in "unfair competition" or "unfair marketing practices". The Act serves as an addition to the protection granted under the traditional IP protection regulations. The Danish Marketing

⁷ See the Danish Marketing Practices Consolidation Act, Consolidation Act. No. 1389 of 21 December 2005
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Practices Act may therefore serve as an important instrument for Sporting Event rights holders wishing to protect their sponsors and their events.

The objects of the Danish Marketing Practices Act are both to regulate unfair competition and set down rules for advertising as well as provide consumer protection in relation to marketing campaigns. The sections of the Act of importance to organisers and sponsors in particular are sections 1, 5 and 18 of the Marketing Practices Act. Such sections may in some cases grant protection for Sporting Event rights holders in relation to attempts of ambush marketing.

The Marketing Practices Act is, as with the other areas of law mentioned above, influenced by EU law, especially the Unfair Commercial Practice Directive⁸ and the Directive concerning misleading and comparative advertising⁹. The law regarding marketing is therefore to be interpreted in relation to European law.

Pursuant to section 1 of the Danish Marketing Practices Act, traders must exercise good marketing practice with reference to consumers, other traders and public interests. This is a general clause granting a broad protection in case the more specific sections of the Act do not grant protection.

Pursuant to section 5, comparative advertising, meaning any advertising which explicitly or by implication identifies a competitor or products or services offered by a competitor, see section 5(1), is permitted under the Act when the following conditions are met: (i) it is not misleading, (ii) it compares products or services meeting the same needs or intended for the same purpose, (iii) it objectively compares one or more material, relevant, verifiable and representative features of these products and services, which may include price, (iv) it does not create confusion among traders, between the advertiser and a competitor or between the advertiser's trademarks, trade names, other distinguishing marks, products or services and those of a competitor, (v) it does not discredit or denigrate the trademarks, trade names, other distinguishing marks, products, services, activities, or circumstances of a competitor, (vi) for products with designation of origin, it relates in each case to products with the same designation, (vii) it does not take unfair advantage of the reputation of a trademark, trade name or other distinguishing marks of a competitor or of the designation of origin of competing products and (viii) it does not present products or services as

⁸ See Directive 2005/29/EC of 11 May 2005

⁹ See Directive 2006/114/EC of 12 December 2006

imitations or replicas of products or services bearing a protected trademark or trade name, see section 5(2).

Finally, according to section 18 of the Danish Marketing Practices Act, traders cannot use trade names, business emblems and similar devices that do not belong to them, nor use their own trade names or business emblems in a manner likely to cause confusion with others.

The said three sections of the Act give a broad protection for any companies in general, and they can protect organisers and their sponsors wishing to keep ambush marketers from free-riding on the given sporting event by not exercising good marketing practice. The Act does not provide any clear rule as to what is considered unfair marketing under section 1 and what is considered legitimate marketing or legitimate use of business emblems belonging to others under section 18. Theory and case law agree that the Marketing Practices Act protects claimants from companies engaging in misleading or deceptive advertising and marketing. It is unlawful if the given marketing practice is to obtain an unfair commercial spin-off effect. In many cases, it will therefore be a good protection for organisers and sponsors against advertising which free-rides on the events or sponsors' goodwill and reputation and thereby seeks to confuse the buying public as to which company really holds official sponsorship rights. But protection does require that the organiser is able to provide the necessary evidence that an ambush marketer has infringed the protection granted under either section 1, 5 or 18 of the Act by not exercising good marketing practice in general or in relation to the two specific sections.

No published case law exists so far which explicitly addresses the issue of whether and which ambush marketing practices are permissible under the Danish Marketing Practices Act. Any published case law regarding the Danish Marketing Practices Act and sports reflects the general marketing practice. However, according to an article by Danmarks Idræts-Forbund (National Olympic Committee and Sports Confederation of Denmark)¹⁰, the Maritime and Commercial Court decided in a (unpublished) case against a Danish retail store 'Fredgaard' selling radios and TVs. 'Fredgaard' ran a massive advertising campaign called 'udsalgs legene 2001' ('Sales games 2001') in which it used symbols and slogans similar to those of the Olympic Games. It for example contained a logo of a torch along with the motto "Hurtigere, større, billigere" ("Faster, larger, cheaper"). The Court

¹⁰ <http://www.dif.dk/da/NYHEDER/nyheder/2002/5/20020531%2014.aspx>

found that the advertising campaign with its slogans and logos would be perceived by the relevant public as a reference to the Olympic Games, even if it was not a copy of the symbols and slogans, of which the store must have been aware. This kind of undue advantages of the goodwill of others the Court found to be a violation of the rules of unfair marketing practice under the Danish Marketing Practices Act, and any unfair use of the Olympic symbols and slogans would diminish The Olympic Games and their representatives' possibilities of attracting sponsors. This judgment shows that ambush marketing practices may be unlawful under the Danish Marketing Practices Act.

b. – Available remedies

Cf. paragraph ii (b.) in part.

In case the organiser provides evidence of unfair marketing under the Danish Marketing Practices Act, the remedies available are laid out in section 20. Pursuant to section 20(1), actions in conflict with the Marketing Practices Act may be prohibited by judgments. Concurrently therewith or subsequently, such injunctions may be imposed by judgments as may be considered necessary to ensure (i) compliance with the prohibition, including through provision that agreements entered into in conflict with a prohibition are invalid, and (ii) restitution of the state of affairs existing before the unlawful action, including destruction or recall of products and issue of information or correction of statements, see sections 20(1) and 20(2). Furthermore, actions in conflict with the Act result in liability to pay damages under the general rules of Danish law, and any person who infringes or unwarrantably takes advantage of another's rights in conflict with this Act must pay reasonable damages, see sections 20(2) and 20(3).

If the infringement falls under the provisions of section 5 or a deliberate infringement falls under section 18, the infringer is also liable to pay a fine unless a more severe penalty is prescribed under other legislation, see section 30(3).

c. – What does the defendant need to achieve to fend off the claim?

In order for the defendant to successfully fend off any claim of violation of good marketing practice, it will be necessary for the defendant to demonstrate that the action/campaign in question does not take any unfair advantage of the sporting event, etc. This will primarily be done by arguing the specific case with its specific circumstances before the court or against the Sporting Event rights holder or sponsor.

In relation to fending off a claim regarding comparative advertising (section 5), it will be necessary for the defendant to demonstrate that all provisions of section 5(2) are fulfilled, cf. the above, or to demonstrate that his advertisement is not covered by section 5 at all. The latter may be done by demonstrating that no competitive situation exists between the defendant's product and the rights holder's product.

As for a claim based on an infringement of section 18 (trade names etc.), the assessment of infringement is similar to the assessment on infringement of trademarks.

d. – Are there any differences in relation to various rights holders?

As well as with the other provisions granting protection from ambush marketing, the Danish Marketing Practices Act is of a general nature and, therefore, the same rules apply to an organiser of a sporting event, an athlete or a team of athletes and their sponsor.

However, a legal doctrine has developed regarding personality rights or right of publicity which may both be sought under that doctrine as well as under section 1 of the Danish Marketing Practices Act, giving further protection from ambush marketing for athletes and their sponsors. Personality rights are the rights to control the commercial exploitation of one's name, image, likeness, or other aspect of personal identity, meaning that no public well-known person's name or picture or likeness may be exploited commercially without consent. This applies to sports performers as well. It is, however, as with other scenarios under the Danish Marketing Practices Act, relevant whether the ambush marketing is in the form of an unauthorised use of a person's name or picture in order to obtain an unfair commercial spin-off effect or if it is a lawful use of a person's name and picture in a commercial setting in a relevant and loyal way.

Given that a person's name or picture is used for a marketing activity trying to unfairly earn on that person's reputation, section 1 of the Danish Marketing Practices Act grants further protection for well-known athletes against possible ambush marketers wanting to use their names or faces to advertise their own products.

2.5. If you had to advise (i) the organiser of a Sporting Event in your country and (ii) a company considering sponsoring that Sporting Event as to the practical steps they may want to take to protect themselves against Ambush Marketing, please set out briefly the key points of what your advice would be. Please indicate whether and which influence ambush marketing and/or specific legislation in this area had on contracts regarding Sporting Events in your jurisdiction.

An organiser of a major sporting event and its sponsors should definitely take steps to protect the event from attempts of ambush marketing. Although it may not be possible to prevent companies other than the official sponsors from performing ambush marketing campaigns, it may definitely become harder for them if the Sporting Event rights holders and sponsors take precautionary steps.

A sponsor of an event should make sure that it protects its brand by seeking to register as many of their intellectual property rights as possible. It may not grant complete protection, but it will serve as a restriction of the freedom of potential ambush marketers both in relation to design law, trademark law and marketing law. An official sponsorship gives rights which a competing company will never have, and the most important advice for a sponsor is to fully use the rights provided by a sponsorship. If a sponsor uses all the possibilities in the form of exposure, sale, marketing and rights to use the event's trademarks and goodwill, it will be more difficult for an ambush marketer to make the public believe that it is officially connected to an event. Thereby, the sponsors may help to lessen the impact which ambush marketers may have in the public by using their sponsorships to the fullest. After all, it is easier for ambush marketers to make people believe they are the official sponsors if the official sponsors do not run a high-profile marketing campaign in relation to their sponsorships. On a practical level, sponsors can, besides using the usual advertising channels, set up fan parks, deal out merchandise and

other samples with their brands on them at the event, make themselves noticed in different forums, such as Facebook, where they can set up fan sites including news, video clips and competitions, which their official sponsorships allow them to.

Although sponsors can take their own practical steps in protecting their sponsorships from ambush marketing, the Sporting Event rights holders should take precautions as well.

As has been done with many major sporting events, such as the five rings of the Olympic Games and the logo of UEFA, the organiser should make sure to register as many intellectual property rights as possible. This protection, along with the one granted by the Danish Marketing Practices Act, will make it more difficult for companies to make lawful ambush marketing.

But organisers cannot just rely on the protection granted by registered rights or even the scope of protection under the Danish Marketing Practices Act. The more skilled ambush marketers will typically know how to navigate around the registered trademarks or other IP rights supporting an event or team and still manage to create a link to the event without being official sponsors and, regardless of the registered trademarks, much is inevitably still left unprotected. Ambush Marketers can allude to the event without mentioning the official names and, if they do so in the right context, it may be lawful. Despite this, it is still advisable to seek registered protection for as many IP rights as possible in order to protect the event and/or brand.

Event organisers do not have to just rely on IP laws or the protection by the Danish Marketing Practices Act to prevent ambush marketing. It is advisable for the Sporting Event rights holders to also negotiate terms broadening their protection in the contracts with the parties involved in planning an event.

The organisers of the sporting event should negotiate deals with the stadium owners that allow the organisers to fully control advertising on the premises. In that way, they can prevent displays of advertisements from unofficial sponsors when the event is running.

The organiser may also demand to rename the venue for the term of the event to direct the attention to an official sponsor, and the organiser may demand control of the access to the stadium grounds, including the airspace above while the event is running. The organiser can extend this protection by buying up the advertisement spaces around the event as well and buying up advertisement time on the television channel showing the event, if applicable, leaving little opportunity for unofficial sponsors to advertise in the near range of the event.

Organisers may even go as far as to impose a dress-code on the spectators in the general terms and conditions of ticket sales. This would give them the choice of leaving out people wearing or displaying logos from companies that do not sponsor the event.

Another strategy to be applied by an organiser is to put restrictions on the tickets so that only official sponsors have the right to make tickets a prize of a competition, and thereby restrict others from using them as prizes in commercial promotions and with that attempting to affiliate themselves with an event they are not sponsoring.

Therefore, the organisers and sponsors should make sure to register their IP rights and otherwise rely on seeking protection in the contracts entered into to run the event. It may not be entirely possible to prevent ambush marketing without specific legislation, but the Sporting Event rights holder and sponsors may take many steps to protect the goodwill of the event and their sponsorships.

2.6. If you had to advise a company who would like to use the opportunity of a Sporting Event for a legal, albeit perhaps risky, marketing campaign but refuses to become a sponsor or official licensee, please set out briefly the key points of what your advice would be.

Small businesses may not have the finances to become official sponsors at major sporting events. Marketing ones business in relation to an event may give a company some of the goodwill relating to the event without the company having to pay large sums for sponsorships and without breaking the law. Given the rules laid down above, a company has to be aware of the risks relating to a marketing campaign attempting to profit on the goodwill of a sporting event, but not all advertisements in that relation are unlawful.

The most important aspect to be aware of as an advertiser is possibly infringing trademark rights. As stated above, the more skilled ambush marketers will typically know how to navigate around the registered trademarks and still manage to create a link to the event. As seen in the judgment made by the Maritime and Commercial Court regarding Fredgaard, it can, however, still be unlawful to create a link between an event and ones company if the company is not an official sponsor, even without using the official names and logos of the event. What is decisive in respect of whether an association with a major event is unlawful is often if the company is free-riding on the goodwill of the event and the organisers' and sponsors' rights or if it is fair and loyal marketing and advertising not targeting the consumers in a way to make them believe that one is the official sponsor of the event.

Therefore, it is advisable for companies to make marketing campaigns that associate themselves with the event in a fun way with either creative language or packaging of products, but without infringing the rights of the organisers or sponsors. This could be done in a way as done by Procter & Gamble at the 2009 Wimbledon tennis tournament, presenting a standard sample in a clever way handing it out outside the Procter & Gamble made packaging of their chips look like a tennis and marketed it under the "These are not tennis during the tournament.



product and stadium. the Pringles ball can slogan balls"

Companies may relate themselves to an event in other ways. They may produce competitions with questions about certain types of sports, i.e. a competition with questions regarding cycling at the time of the Tour de France. This would not be unfair use of the event. At the same time, they may run commercials on TV, during

the sending time of the event. It is impossible for the Sporting Event rights holder to buy all advertisement time on the television channel showing the event, and normal marketing activities during the period of a major event are not unlawful.

Another piece of good advice for companies wanting to benefit from a major sporting event, but not having the funds to sponsor the event officially is to sponsor an individual or a sub-category. If a company chooses to sponsor an athlete, it gives the company two benefits. In general, it is more likely that people would perceive one as an official sponsor at events which the company is not sponsoring if the consumer is likely to make the connection between that company and sporting events in general. If people are aware that one is normally sponsoring athletes, they are more likely to assume that that company is sponsoring a major sporting event, and that could make ambush marketing more effective. Sponsoring an athlete in a specific event, like the Olympics, can also make a company seen even if the company does not hold an official sponsorship for the event. It is easier to prove that an advertisement is loyal and not unfair if you can claim the sponsorship to an individual athlete at the event.

Consequently, if companies are being smart in their advertising strategy and are careful with how they run their advertising campaigns, ambush marketing could be done lawfully and thereby giving companies the attention at a major sporting event.

2.7. Finally, please give examples of any recent Ambush Marketing activity and / or cases in your country. As mentioned, please continue to collect such examples even after you have submitted your national report and email them to the general reporters.

Ambush Marketing is not regulated in specific laws and has not been given much attention in either Danish judicial theory or Danish case law. Besides the unpublished judgment made by the Maritime and Commercial Court regarding Fredgaard, no judgments have been made recently by the Danish courts regarding ambush marketing .

However, Denmark has seen a few recent examples of Ambush Marketing Campaigns from the Danish company Hummel. In both 2008 and 2010, Hummel, a Danish sports clothing brand, made marketing campaigns in relation to sporting events, even though they were not the official sponsors. At the European Handball Championship in Norway in 2008, Hummel made TV commercials with two profile team players, even though Puma, another sports clothing brand, held the official sponsorship of the Danish Handball team. This could be done because Hummel had individual sponsorship agreements with the two players. At the same time, Hummel managed to become a part of a big TV show, being sent in continuation of the Championship, where they donated two pairs of boots signed by players of the team. Hummel therefore managed to be associated with the national team and the event without holding the official sponsorship for either.

In 2010, Hummel made a marketing campaign relation to the 2010 World Football Championship. Hummel cooperated with the company GA-JOL on making advertisements involving the world championship. The of GA-JOL were designed to look like an old jersey from the 1980ies, when Hummel actually



to be without in candy packages team held the

official sponsorship of the team, and thereby giving people the association that Hummel was still an official sponsor. Again, Hummel managed to associate itself with the event without holding the official sponsorship.

Literature

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3. FRANCE

National Reporters: Jean-Philippe Arroyo¹¹
JP Karsenty & Associés
30, rue d'Astorg – 75008 Paris
+33 1 47 63 74 75
+33 1 46 22 33 27
jpharroyo@jpkarsenty.com

Christophe Héry
Lmt Avocats
5 rue Beaujon – 75008 Paris
+ 33 1 53 81 53 00
chery@lmtavocats.com
www.lmtavocats.com

3.1. Please indicate whether there has been any major Sporting Event held in your country recently and/or whether there are plans for such a Sporting Event in the near future.

Past major sporting events : The FIFA World cup in 1998 and the IRB world cup in 2007.

Futures Major sporting events : Rolland-Garros, the Tour de France, The UEFA Europeoan championship in 2016.

3.2. In your country, is there any specific legislation that outlaws Ambush Marketing as such and/or protects trade marks and other intellectual property rights relating to Sporting Events or are there / have there been attempts introduce such legislation?

a. If the answer is yes:

¹¹ With the valuable help of Mrs. Audrey Marbouh, intern in the lawfirm
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- i. Please briefly summarise the key provisions of that specific legislation and explain in general terms to what extent these differ from the general rules of trade mark, unfair competition and other intellectual property law applicable in your country.

Ambush marketing is a business practice aiming to associate a company's brand with a (mostly sporting) event, without the organizer's consent, in order to benefit from the media impact – thereby double-crossing competitors officially sponsoring the event, for which they have paid a sponsorship fee. The numerous French descriptions of this practice (from “*marketing à l'embuscade*” to “*marketing parasitaire*” to “*guet-apens commercial*” to “*marketing pirate*”) do a good job of conveying the idea of unjustified profit linked thereto.

Although some authors restrict the concept of ambush marketing to business practices surrounding a sporting event, it also seems possible to include all practices relating to a major event, such as a cultural event, financed by way of sponsoring.

In France there is currently no specific legislation that outlaws Ambush Marketing per se even if when Paris applied for the Olympic 2012, such a legislation was contemplated.

The French legal protection against Ambush Marketing practices contains many provisions in the area of intellectual property rights.

- ii. Focusing on trade marks specifically, please explain briefly whether (and, if so, in what way) under the specific legislation in your country the scope of protection given to trade marks that relate to a Sporting Event is broader than the scope of protection given to other trade marks under general trade mark law. For example, is there any difference in what the trade mark rights holder needs to prove? Are the legitimate interests of the defendant given the same level of consideration? Are the remedies different?

Trademark legislation

General trademark provisions

First of all, Ambush Marketing can be qualified as an infringement of trademarks. For example, when the ambusher reproduces or imitates the trade mark that belongs to the organizers of a Sport Event or also to official sponsors.

The French Intellectual Property Code protects the trade marks. The trade marks will be registered before the *Institut National de la Propriété Industrielle (INPI)* and will confer to its titular a property right on the sign. According to Article L711-1 the mark is a sign such words, letters, sounds etc. This sign should be able of graphic representation and be distinguishing for the goods or services of a natural or legal person. Article L713-2 outlaws, unless authorized by the owner of the property rights, the use or affixing of a trade mark for goods or services which are similar to those designated in the registration before the INPI. This last provision is the speciality principle.

The well-known trademarks

The trademarks related to sport events have a certain reputation. They have an aura to the public who recognizes them very well. Therefore, their distinguishing characteristic is reinforced. The sign itself possesses attractiveness.

Because of this particularity, these well-known trade marks are subject to a special regulation. Article L 713-5 of the French Intellectual Property Code gives them an extended protection. The speciality principle does not apply to these trade marks. Their rights holders are protected against any use of a mark for products or services even those different from those designated in the registration.

The conditions are lightened for the implementation of this provision. So, It is not necessary to demonstrate a risk of confusion in the mind of the public. The use of the mark should just likely be the cause of a prejudice for the rights holder or its use should constitute an unjustified exploitation of the mark. Article L713-5 refers to Article 6 bis of the Paris Convention for the Protection of Industrial Property conferring a special protection for well-known trademarks.

For example : According to the French case law, the « Olympic games » is a well-known trade mark preventing a distributor from making advertisement with the word « olymprix ». In its ruling, the *Cour de Cassation* considered that the impact and the fame of the Olympic Games are so important that the company owning the trade mark « olymprix » was at fault by using this mark imitating the characteristics of the olympic movement in order to gain benefits from it without making any investment or efforts. (Cour de cassation, October 31st 2006, *SA Groupement d'achat Edouard Leclerc (GALEC) c/ Comité national olympique et sportif français*).

The marks « Tour de France » or « Dakar » have also been recognized as well-known trademarks.

The « *Equipe de France* », « *French Federation* » , « *National Federation* », « *Champion of France* » expressions followed by the name of a sport

According to Article L131-17 of the French Sport Code, the use of these expressions is only allowed for the French Sport Federations. Though this provision is different to a “legal trade mark”.

However the case law tends to have an extensive interpretation of it.

As the French *Cour de Cassation* noted in its ruling of November 11th 2010 M.X / *Fédération Française de Rugby* Article L 131-17 of the French Sport Code restricts the conditions of use of the “*Equipe de France*” expression but also the registration of a trade mark with this sign by someone who is not a Federation. Otherwise the registration is fraudulent.

The *Cour de Cassation* has ruled that Article L131-17 of the French Sport Code is not contrary to the French Constitution (decision of 31 May 2010)

The Olympic Games protection

According to Article L 141-5 of the French Sport Code, the French Olympic Committee is the owner of the Olympics signs (the hymn, the motto, the words, "*jeux Olympiques*" and "*Olympiade*").

It is a kind of legal trademark. It goes beyond the speciality principle. The protection granted by this provision is broader than the one contained in the Nairobi Convention in which France is not involved. Article L 141-5 of the French Sport Code outlaws any use, deletion or modification of the signs related to the Olympic movement without the permission of the French Olympic Committee.

The Cour de Cassation has set two limits: the right of criticizing and the one of informing. The Cour de Cassation in its ruling of September 15th 2009 (*French Comité National Olympique et Sportif / Société Communication presse publication diffusion*) recognized an independent protection to Article L 141-5 of the French Sport Code. However the sanctions of the infringement are the ones of the French Intellectual Property Code. This article aims also to protect the elements which could be covered by copyright as the hymn.

Statutory law stating exclusive exploitation rights

The French Sport Code recognizes exclusive exploitation rights for Sports Federations and organizers of sports events. The Court of Appeal of Paris in its rulings of March 28th 2001 (*Société Gemka Productions SA c/ Société Tour de France SA and Société Amaury Sport Organisation*) illustrated the general idea behind this principle, which is to reward a risk and to prevent a competitor from taking advantage of the investments made.

Article 18-1 of the Law of July 16th 1984 concerning the organization and promotion of physical and sportive activities transposed in Article L333-1 of the French Sport Code provides that sports federations and organizers of sporting events are the owners of the exploitation rights of the Sports Events that they organized.

Depending on the type of competition, there are two categories of monopoly holders:

- Sports Federations: each Federation is the owner of the rights of their own competition. According to Article L 131-15 of the French Sport Code only delegate federations as defined by Article L331-4 (having a public utility delegation) can organize sports competitions and delivers official rewards.

- Private organizers: Article L 333-1 refers to Article L 331-5 in order to define clearly this category. It consists in a natural or legal person of

private law organizing a competition rewarded by a prize. This organizer should obtain the consent of the concerned Federation related to the discipline.

There is a controversy about the scope of the monopoly given at the organizers by the Article L333-1 of the French Sport Code in its paragraph 1. A part of the doctrine states that the exploitation rights concerns only audiovisual rights.

A broader part of this doctrine as well as the position of the French law confers a larger interpretation of this article. The exploitation rights should therefore cover all the types of commercial exploitation (audiovisual rights, sponsoring, tickets...).

The general idea behind this exclusivity principle for all the sport events regardless their level (international, national or regional) is to protect an investment.

However, in any event, the case law specifies that the infringement on the property rights of the Federation is characterized only, if they prove that the behaviour from which they claim redress exploits sport events organized by themselves. (Court of Appeal of Paris the 16th of March 2011 *Fédération Française de Rugby/ Vip Consulting*)

The scope of this protection for the sport event organizers is not clearly defined by the French law. Should it be any value creation for which at least one support is the sport event?

The french case law was questioned about:

The itinerary

The First Instance Court ruled that the exploitation right as it constitutes a monopoly should be assessed restrictively. The *Tour de France* itinerary does not belong to the right of exploitation of the sport event's organizers which is limited to the sport event itself and not its following effects.

(First Instance Court of Paris, December 09th 2008, SAS Tour de France Amaury Sport Organisation / Marko Kennedy, Eurocycler LLC)

The sport results

Do the results of a sporting event belong to the rights of exploitation covered by the monopoly of the organizers?

According to the French case law, a Fiat advertising taking back some sport results in its creation does not infringe the monopoly of exploitation held by the French Rugby Federation. These results are free rights elements apart from the monopoly. (Paris First Instance Court, March 30th 2010, *Fédération Française de Rugby / Fiat*)

However, the initial project of the french online gambling law had proposed that the scope of exploitation rights covers the calendar and the

results of a sport event. The text was changed after an Opinion from the European Commission from the 08th of Jun 2009 which has arisen some compatibilities issues with the European law.

The image of the sports manifestations

According to the French case law, the rights of exploitation include the right of exploiting the image of the sports manifestations for the organizers (Cour de Cassation, March 17th 2004 Andros / Motor Presse France) .

These rights cover the right of publishing a book about the sport event (*Tribunal de Commerce* of Nanterre December 12th 2002 ACO et ASAACO / SARL Dragoon Editions).

The image can not be modified or published without the consent of the rights holder (Cour de Cassation, March 17th 2004 Andros / Motor Presse France) .

The First Instance Court also stated that the images of the sport players, in sport uniform, individual or collective are covered by the monopoly of exploitation. (First Instance Court of Paris, March 30th 2010, *Fédération Française de Rugby/ Passion Sport*)

Online sport Betting

1. Can the organizers of online Betting use the trade marks of Clubs or Sport Events to develop their business?

The French case law is fluctuating.

First, it has been decided that the use of the trade mark of the sporting event by an organizer of online sport betting was not a counterfeiting insofar as it was a “necessary reference” according to Article L 713-6 of the French Intellectual Property Code to inform the players about the betting proposed to them. On the contrary, any promotional use was a counterfeiting. (First Instance Court of Paris, May 30th 2008 *Fédération Française de Rugby / Unibet*)

Then, the Court of Appeal of Paris in its decision of October 14th 2009 (*Unibet/Fédération Française de Tennis*) refused to invoke the notion of the “necessary use”. The acts of the organizers of online sport betting were described as counterfeiting, parasitism and a breach in the exclusive rights of the organizers on their sport event.

Then, two football clubs were dismissed by the Court of Appeal of Paris in its decision of December 11th 2009 (*Global Entertainment Antigua Ltd (Unibet) / Juventus Football Club*) and of April 04th 2010 (*Société Paris Saint Germain / Société Internet Opportunity Entertainment Limited and Société Bwin International Limited*). The Court took the view that the use

of the trade marks was “ a use in the business level” and not “in the trade mark level”. So, there is no infringement.

The Paris Court of Appeal also ruled recently there is infringement where there is a use of a trade mark in a “trade mark way”. (Court of Appeal of Paris of January 21st 2011, *Comité National Olympique et Sportif Français / Société Interwetten Malta Ltd*)

2. Exploitation Rights and online betting.

According to the Article L333-1-1 and L 333-1-3 of the French Sport Code, holders of the exploitation rights can consent at the organization of online betting in compensation of a financial remuneration. This principle was inserted in the French Sport Code by the Law on the Opening Up to Competition and Regulation of the French Online Gambling Market from May the 12th 2010.

The French case –law has stated previously that online betting organization is the only result of the existence of sports events itself. This organization constitutes also a commercial exploitation of the sport events and should for this reason be included in the field of the exploitation rights. (Court of Appeal of Paris of October the 14th 2009 (*Unibet/ Fédération Française de Tennis*)).

The Law on the Opening Up to Competition and Regulation of the French Online Gambling Market assents to this position and put a frame to the contractual relations between organizers of sport events / Sports Federation and online betting organizers. The articles L333-1-2 and L333-1-3 of the French Sport Code and the Decree 2010-614 from June the 07th 2010 draws the lines of the process: the agreement has to be written and should contain the consent of the rights holder to the online betting organizers. This contract should then be transferred for advice to the *Autorité de Régulation des Jeux en Ligne* and to the *Autorité de la Concurrence*. The Conseil d’Etat in its ruling of March 30th 2011 pronounced the legality of this Decree.

The State Council in its ruling of December 23rd 2011 stated that the recognition of a property right on the right to consent at the organization of online betting on sport events and the cession of this right to organizers of online betting in compensation of a financial remuneration is not a restriction to the freedom of providing services.

The monopoly contained in Article L 333-1 of the French Sport Code is limited by two elements: the right for the public to receive information and the freedom of expression.

Thoses limits are based on Article 10 of the European Convention on Human Rights, on Article L 333-7 and L333-4 of the French Sport Code. According to Article L333-7 of the French Sport Code the organizers of a sport event can not prevent the partial exploitation of this event by the media in order to inform the public. Article L 333-4 prevents the

organizers and the Sports Federations from restricting the freedom of speech for the sport players.

In conclusion, we can state that there are some differences in the regime of trademark law as regards marks related to Sport events. The protection can thus be considered as broader than the protection for a “normal” trademark.

- iii. If you have identified above that the scope of protection given to trade marks that relate to a Sporting Event is broader than the scope of protection given to other trade marks, explain briefly whether you think that such broader protection is justified and whether it achieves the right balance between the rights of Sporting Event rights holders/their sponsors and those of other companies/traders.

The larger scope of protection for trade marks relating to Sporting Events is justified because these marks need a specific protection. They are mostly well-known and the only mention of their names confers to the products associated a reputation. These trade marks have a strong power of attraction and very often, the media impact is important. They offer a very large scope of exploitation opportunities. So it is very tempting for a company to associate itself with them.

The French legislation and the French case law try to conciliate very important principles like the freedom of trade and industry, the freedom of expression, the right to information for the public with the legitimate rights of the rights holders on their trade marks.

- iv. What are the reasons or arguments given officially or unofficially to justify specific legislation for Sporting Events? Please explain whether and why you consider these explanations legally substantive or not.
- b. If the answer is no, please indicate whether you think that the implementation of such specific legislation would be necessary in your country and explain briefly why. If you think that specific legislation is necessary, please explain briefly what you think it should provide.

3.3. In the absence of (or in addition to) any specific legislation referred to in Question 2.1, please explain briefly on what legal basis might an aggrieved Sporting Event rights holder/sponsor seek redress in respect of any Ambush Marketing activity in your country? Without limitation, please consider: (i) trade mark law, (ii) design law, (iii) copyright law (iv) unfair competition/passing off law, (v) advertising law and regulations, (vi) consumer protection law and regulations etc.

- a. For each course of action identified above, explain briefly what the Sporting Event rights holder/sponsor needs to prove in order to be successful.

- b. For each course of action identified above, explain briefly what remedies the successful claimant may obtain.
- c. For each course of action identified above, explain briefly what the defendant needs to achieve to successfully fend off the claim.
- d. Please explain whether there are any differences (and if yes which) in the application or interpretation of specific or non-specific legislation if the aggrieved party is not a Sporting Event rights holder/sponsor but rather
 - i) an individual athlete or his sponsor;
 - ii) a group of team athletes or their sponsor;
 - iii) a sports club or organization (assuming that the concrete case is not related to an event held by such organization) or its sponsor.

An aggrieved Sporting Event rights holder /sponsor may seek redress on the following legal basis:

- In addition to the general provisions, procedural provisions and special provisions for counterfeiting as explained in question 2.2 ii (1)
- Copyright, design and models. (2)
- Unfair competition and parasitism (3)
- Protection of consumers and misleading advertisement (4)

1) Procedural provisions for infringement

Before the voting of the law 2007-1544 of the 29th of October 2007 relating to the fight against counterfeiting, the compensation was based on the integral recognition of the damage suffered. The law gives now the possibility of recognition of any negative effects of the counterfeiting. An evaluation of the profits arising from the infringement is also possible. Provisional measures like the destruction of the counterfeiting goods, the legal publication of the decision, the end of the litigious act and damage can also be ordered by a judge.

It must be said that, under French law, there is no accumulation possible when two legal actions grounded on trademark infringement and unfair competition are related to the same facts. The case law is fluctuating on the assessment of “distinct facts”.

Moreover a registration of trademarks or domain names can be cancelled by Courts on the ground of fraudulent registrations (Article L 712 b of the French Intellectual Property Code). For example a natural person had registered the following trade marks, “Paris2016”, “Paris 2020”, “Paris 2024”, “Paris 2028” and the following domain names : "paris2016.com", "paris2016.fr", "paris2020.com" , "paris2020.fr", "paris2024.fr" and "paris2028.fr".

The First Instance Court of Paris in its decision of March 14th 2007 (Gérard L. / French Comité National Olympique et Sportif(CNOSF) and the Town of Paris) decided that the registration of the trade marks as the registration of the domain names are fraudulent. Gérard L. couldn't ignore the fact that the structure “Paris” plus a date was a symbol of the Olympic movement. The Court applies the Article L 712-6 of the French Intellectual Property Code.

Indeed under an appearance of a regular registration the depositor had intended to take advantage of the reputation of the sport event.

2) Copyright, designs /models

Copyrights, designs and models are also protected by provisions of the French Intellectual Property Code.

For example, copyright, designs or models could protect those elements:

- A mascot.
- An official logo and/or emblem.
- A Choreography made for the opening and/or closing of an event.
- Designs and models of derivative products.

According to Article L. 111-1 and Article L 511-1 of the French intellectual Property Code, protection is granted an original work of the mind and the rights holder obtain patrimonial and moral rights.

The Cour de Cassation in its ruling of October 02nd 2007 (*société Hachette Filipacchi associés / Fédération internationale de football*) stated that the reproduction of the trophy did not appear in an informational document but in a photomontage, illustrating in a symbolic way the dream of victory of the players. The litigious reproduction, which exceeded the simple story of the event, did not participate in a informational document dedicated to the public. It was therefore an unauthorized exploitation and constituted an infringement of copyright.

3) Unfair competition and parasitism

The liability on grounds of fault provided for by articles 1382 and 1383 of the French Civil Code is a very flexible technique that can adapt as no other to new circumstances. It is therefore particularly adapted in the case of ambush marketing, which can be prosecuted on the grounds of articles 1382 et seq. of the French Civil Code as unfair competition (*concurrency déloyale*) and parasitism (*parasitisme*).

Unfair competition and parasitism actions aim at punishing any misconduct contrary to fair business or industrial usages liable to prejudice a third party; this covers chiefly the fact of unduly profiting from a competitor's reputation or intellectual and financial efforts.

3)1 Who may bring an action against ambushers?

Pursuant to article 1382 of the French Civil Code, “*any act of man which causes damage to another obliges the person by whose fault the damage occurred to compensate it*”. Consequently, whoever sustains a prejudice should have a standing to sue.

The doctrine of **unfair competition** seeks to punish acts that are contrary to the fairness that must prevail between business competitors. An unfair competition action is brought by an economic operator in order to obtain compensation for a prejudice caused by a competitor's unfair act.

However, event organisers often are not in competition with the ambusher. Indeed, in the “classic” form of ambush marketing, the reputation which the ambusher seeks to profit from is that of the sporting event itself, not the competing official sponsor.

In such cases, the concept of **parasitism** is useful to punish a company following in somebody's wake in order to profit therefrom without spending a penny, even if the victim does not compete with the author of the parasitic actions.

Parasitism actions can be brought either by the sporting event's organiser (right holder) or by an official partner or sponsor.

The outcome of an unfair competition action hangs on whether there is a risk that the public will confuse two competitors because of the unfair acts of one of them.

For its part, the action grounded on parasitism seeks to punish the usurpation of a company's reputation, the illegitimate use of its investments, and such behaviour consisting in following in the wake of a company's reputation in order to profit from its spin-offs.

3) Why it is difficult for such actions to be successful in court

Unfair competition actions and actions on parasitic grounds are civil liability actions: the plaintiff must prove fault, prejudice, and a chain of causation between both, which can be difficult to establish with ambush marketing.

One of the difficulties faced is related to the concept of ambush marketing itself, which some insist does not amount to wrongful conduct but is simply a business strategy consisting for example in a company following in the wake of a competitor sponsoring a sporting event whose sponsorship programme however is particularly badly designed and carried out¹².

¹² Jerry Welsh, *Ambush Marketing: What it is, what it isn't*.

In fact, the creator of the concept continues to claim that correctly understood and implemented ambush marketing is both legal and ethical. Many authors underline the clever and imaginative side of ambush marketing rather than its unfair aspect¹³.

Another problem is proving a prejudice caused by the fault; however, the judges ruling on the merits will allow a potential prejudice (which has not yet materialised but which seems to be the direct and probable extension of a situation and which can be immediately assessed).

The prejudice usually takes one of the following forms: damage to reputation, damage to the brand image, damage to the company's business name, enticement of clientele, or even moral prejudice or the destabilisation of business policy and strategy.

It is also difficult to assess the prejudice and establish a chain of causation in as far as the businesses concerned do not necessarily have a direct competition relationship.

Finally, the use of the event must exceed the public's strict right of information as expressly recognised by article 10 of the European Convention on Human Rights.

3) 3 How effective is the protection offered?

Victims of ambush marketing can seek redress for the prejudice sustained both before the civil courts or the commercial courts, depending on the defendant's status. However, actions pertaining to both a trademark and a related unfair competition issue must necessarily be brought before the French high courts (*tribunal de grande instance*).

Victims can also request protective or reinstatement measures in urgent proceedings, either to prevent an imminent prejudice or to put a stop to an evidently unlawful disruption (articles 808 et seqq. and 872 et seqq. of the French Code of Civil Procedure).

3) 4 Case law examples

¹³ For instance, Juan De Dios Crespo Perez in *Ambush Marketing dans la publicité sportive* ("Ambush marketing in sports advertising").

Several decisions show the courts' will to punish companies attempting to profit from the reputation of major sporting events (such as the Olympic Games¹⁴, the Tour de France¹⁵, or Roland Garros¹⁶) on the basis of civil liability.

In these cases, the ambusher sought, by an opportunistic behaviour, to be associated without spending a penny to a sporting, sometimes global, event, in order to profit from its spin-offs.

For instance, a dispute arose in 1996 after Société du Tour de France (STF) discovered that a company named Tour Féminin Organisation (TFO) was organising the “Tour Féminin 1996” (“Female Tour 1996”)¹⁷. STF accused TFO of using a logo evocative of its trademark, of using the terms “Maillot Vert” (“Green Jersey”) and “Maillot Jaune” (“Yellow Jersey”) in its brochure, and of committing acts of unfair competition by using its map of the Tour de France and setting up a “caravane du Tour de France” (“Tour de France train ”), a “Journal du Tour” (“journal of the Tour”), and a “village du Tour de France” (“Tour de France village”), and STF consequently brought a claim against TFO before the High Court in Paris:

- On the unfair competition claim, the Court ruled that there existed a sure risk of confusion in the average public's mind because TFO used a logo much alike the original logo. Such use, as well as the use of the terms “Maillot Vert” and “Maillot Jaune”, were considered to be infringing by imitation. On the other hand, the judges ruling on the merits held that STF could not contend to hold a monopoly on the term “Tour” and that therefore the defendant, by using only the word “Tour” and adding the word “Féminin”, thereby clearly showing that it could not refer to the men-only event, did not infringe the trademarks held by STF.
- On the civil liability claim, the Court held that “*although each act, considered separately, does not necessarily amount to a fault, together they reveal an obvious intent to follow in the wake of the Société du Tour de France and profit from the fame of the competition Société du Tour de France organises as well as from the latter's substantial investments*”. The Court therefore ruled that TFO's actions amounted to parasitism – a fault in the meaning of article 1382 of the French Code of Civil Procedure.

¹⁴ Orléans Court of Appeal, 02 July 2004, Comité national olympique et sportif français vs. SA Galec; High Court in Paris, 04 October 1996.

¹⁵ High Court in Paris, 09 December 2008, Tour de France vs. Eurocyclier; High Court in Paris, 10 September 1997, Tour de France vs. Tour Féminin Organisation.

¹⁶ Paris Court of Appeal, 20 November 1995; High Court in Paris, 1 July 1993.

¹⁷ High Court in Paris, 10 September 1997, Tour de France vs. Tour Féminin Organisation

The Tour de France was recently the subject-matter of another interesting dispute¹⁸. Starting point for the dispute, Eurocycler offered for sale on its web site (eurocycler.com), under the name “Le Tour de France 2006”, trips following the Tour de France 2006's itinerary; the web site displayed Tour de France trademarks and images. STF considered these actions to be illegal and therefore took legal action against Eurocycler and the holder of the domain name “eurocycler.com” on grounds of trademark infringement, parasitism, and violation of the organiser's rights:

- The judges ruling on the merits did not recognise the infringement claim, holding that it was necessary to use the terms “Tour de France” and “Le Tour” in order to identify the trip on sale.
- On the alleged violation of the organiser's right of exploitation, the court ruled that Eurocycler had indeed violated such right by reproducing photographs taken during the Tour de France, although it held that the Tour de France itinerary did not fall within that right. Furthermore, the plaintiff's claim relating to the Tour de France's official map and poster was dismissed because STF had not supplied the corresponding exhibits to the Court.
- Lastly, the court dismissed STF's parasitism claim, holding on the one hand that it had not been established that the defendant had followed “*in its wake in order to profit from its efforts without spending a penny*” and on the other hand that STF “*has been legally granted an exploitation monopoly whose violation amounts to a fault*” already.

In another case, the Comité National Olympique et Sportif Français (the French Olympic Committee), holder of the “Olympique” (“Olympic”) and “Jeux Olympiques” (“Olympic Games”) trademarks, accused Galec, holder of the “Olymprix” (“Olymprices”) trademark of using that term for its annual promotional campaigns in E. Leclerc supermarkets. The CNOSF considered that the use of the trademark under the circumstances was damaging to the names and trademarks it contended it was its duty to defend in France against any unjustified use, and therefore took legal action against Galec, seeking the interdiction of such use and compensation:

- On the issue of infringement, the double appeal before the French Court of Cassation allowed the courts to rule that “Olympique” and “Jeux Olympiques” were well-know – and unregistered – common trademarks and that no liability action could be allowed on the grounds of the provisions of article 713-5 of the French Code of Intellectual

¹⁸ High Court in Paris, 09 December 2008, Tour de France vs. Eurocycler

Property, which only provide for the punishment of the use of a famous trademark, not the use of a similar sign.

- On the ordinary civil liability claim, the judges ruling on the merits held that the purpose of using the “Olymprix” trademark was to usurp the reputation of the “Olympique” and “Jeux Olympiques” trademarks. Indeed, the court noted that the company had *“deliberately followed in the wake of the Olympic spirit in order to benefit from the Olympic movement's excellent reputation [...] and profit therefrom”*¹⁹.

Another case was concerned with the Roland Garros tournament, which is organised and promoted by Fédération Française de Tennis (FFT). FFT claimed that certain public relations companies, such as Actiomédia, were making an unauthorised use of the Roland Garros trademark in their advertising documentation, offered their clients tickets to France's international tennis championships although those tickets, sold by FFT, could not be resold, and finally attempted to make substantial profits by making an undue use of Roland Garros' reputation. Therefore, FFT initiated proceedings against Actiomédia on the grounds that these actions amounted to infringement and parasitism²⁰.

- On the infringement claim, the Paris Court of Appeal upheld the first-instance judges' ruling that the use of the term “Roland Garros” for personal gain within the framework of a commercial operation amounted to the unlawful use of the registered trademark. The Court therefore ruled that Actiomédia had infringed the rights of FFT.
- On the parasitism claim, the Court of Appeal held that *“Actiomédia did not content itself with making a reference to the tournament in order to inform the public but followed exactly in the wake of [FFT] and consequently maintained an ambiguity with its clients, thereby profiting at little cost from the economic spin-offs of the sporting event concerned”*. Actiomédia was therefore found guilty of misconduct and parasitism.

4) Misleading advertising

4) 1 Scope

¹⁹ Orléans Court of Appeal, 02 July 2004, Comité national olympique et sportif français vs. SA Galec.

²⁰ Paris Court of Appeal, 20 November 1995, Fédération française de tennis.

Ambush marketing is above all a promotional, and therefore advertising, operation. As a consequence, victims of ambush marketing may also find effective responses in the provisions of the French Consumer Code.

Until the French act no. 2008-776 of 04 August 2008 was passed, the French Consumer Code only addressed false or misleading advertising (*publicité trompeuse* or *publicité mensongère*). Now it also prohibits misleading commercial practices and organises their repression.

Article L.121-1 of the French Consumer Code provides that: “A commercial practice is misleading if it is carried out under one of the following circumstances:

1 °if it creates a confusion with another good or service, a trademark, a business name, or any other distinguishing mark of a competitor;

2 °if it is based on false or misleading allegations, indications, or presentations pertaining to one or several of the following elements:

a) the existence, availability, or nature of the good or service,

b) the essential characteristics of the good or service, i.e.: its substantial qualities, its composition, its accessories, its origin, its quantity, its means and date of manufacture, its terms of use and its destination, its properties and the results expected from its use, as well as the results and main specifications of the tests and controls carried out on the good or service,

c) the price or method of calculating the price, the promotional nature of the price and the terms of sale, payment, and delivery of the good or service,

d) the after-sales service, the necessity of a service, spare part, replacement, or repairs,

e) the scope of the advertiser's undertakings, the nature of, method or reason for the sale of the good or the provision of the service,

f) the identity, qualities, qualifications, and rights of the professional,

g) the processing of claims and the consumer's rights;

3 °if the person on behalf of which it is being carried out cannot be clearly identified.

II.- A commercial practice is also misleading if, after accounting for the limitations inherent in the means of communication used and the surrounding circumstances, it omits or conceals substantial information or provides such in an unintelligible, ambiguous, or delayed manner or if it does not reveal its true commercial purpose if such is not already clear from the context. ”

Therefore, all advertising campaigns including false or misleading allegations, indications, or presentations in any form whatsoever are prohibited. This concerns in particular indirect means of suggestion liable to mislead consumers on a good or service.

Such practices are considered to be criminal violations and as such can lead to prosecution before the criminal courts.

The French courts consider that the provisions pertaining to unfair competition may be validly invoked by a competitor if customers are liable to be misled by an item of advertising²¹.

It may therefore happen that a victim of ambush marketing may choose between the provisions of the French Consumer Code and a civil liability action.

4) 2 How effective is the protection offered?

Misleading commercial practices naturally concern the agents of the DGCCRF (the French national agency for competition, consumer affairs, and the repression of fraud) first hand. Indeed, article L.121-2 of the French Consumer Code authorises them to ascertain such violations throughout French territory by way of reports.

Certain French legal provisions allow victims to seek the cessation of misleading commercial practices, for example by having items of misleading or false advertising removed prior to any ruling on the merits (article L.121-3 of the French Consumer Code). The investigating judge or the court concerned with the case may order the cessation of such unlawful practices upon the prosecutor's request or even ex officio.

If the offending party is found guilty, the court may order the publication of the judgment, but also of one or several corrective releases at the sentenced party's expense.

4)3 Who may bring an action against ambushers?

The victims of misleading commercial practices (consumers, consumer associations, competitors) may oblige the investigating judge to take on the case by lodging a complaint for damages on grounds of the prejudice caused by such practices.

²¹ Paris Court of Appeal, 26 June 2003.

- 3.4. If you had to advise (i) the organiser of a Sporting Event in your country and (ii) a company considering sponsoring that Sporting Event as to the practical steps they may want to take to protect themselves against Ambush Marketing, please set out briefly the key points of what your advice would be. Please indicate whether and which influence ambush marketing and/or specific legislation in this area had on contracts regarding Sporting Events in your jurisdiction.**
- 3.5. If you had to advise a company who would like to use the opportunity of a Sporting Event for a legal, albeit perhaps risky, marketing campaign but refuses to become a sponsor or official licensee, please set out briefly the key points of what your advice would be.**

In general the company should respect the following advices in its marketing campaign:

- it should not try to establish any link between it and the organizer
- it should not pretend to hold the rights of the event
- it should not copy the business model of the event (example: organizing a cycle competition on the Tour de France itinerary)

Finally, a general advertising like “ Company X supports the French football” should be without major risk.

Moreover in order to illustrate this we can give the following example of a behavior which was claimed as being ambush marketing, and which was ruled as not being such an illicit conduct: Court of Appeal of Paris of October 16th 2009 Carrefour/ Cinq Huitièmes: “the litigious advertising made no references to the Rugby Worldcup and the promotional operation was not either planned to make-believe that Carrefour would be an official sponsor of the French Rugby Federation once that no mention was referred to this organism or to the XV de France “.

- 3.6. Finally, please give examples of any recent Ambush Marketing activity and / or cases in your country. As mentioned, please continue to collect such examples even after you have submitted your national report and email them to the general reporters.**

The well-known trademarks

The *Cour de Cassation* considered In its ruling that the impact and the fame of the Olympic Games are so important that the company owning the trade mark « olymprix » was at fault by using this mark imitating the characteristics of the olympic movement in order to gain benefits from it without making any investment or efforts.

➔ Cour de cassation, October 31st 2006, *SA Groupement d'achat Edouard Leclerc (GALEC) c/ Comité national olympique et sportif français*).

The « Equipe de France », « french Federation », « National Federation », “Champion of France » expressions followed by the name of a sport

The *Cour de Cassation* noted in its ruling of November 11th 2010 M.X / *Fédération Française de Rugby* that Article L 131-17 of the French Sport Code restricts the conditions

of use of the “*Equipe de France*” expression but also the registration of a trade mark with this sign by someone who is not a Federation. Otherwise the registration is fraudulent.

→ *Cour de Cassation*, November 11th 2010, M.X / *Fédération Française de Rugby*

The olympic games protection

The *Cour de Cassation* in its ruling of September 15th 2009 (French *Comité National Olympique et Sportif / Société Communication presse publication diffusion*) recognized an independent protection to Article L 141-5 of the French Sport Code (> the French National Olympic Committee is the owner of the Olympics signs).

→ *Cour de Cassation*, September 15th 2009 (French *Comité National Olympique et Sportif / Société Communication presse publication diffusion*)

Exclusive exploitation rights

The Court of Appeal of Paris in its rulings of March 28th 2001 (*Société Gemka Productions SA c/ Société Tour de France SA and Société Amaury Sport Organisation*) recognizes exclusive exploitation rights for Sports Federations and organizers of sports events.

→ Court of Appeal of Paris, March 28th 2001, *Société Gemka Productions SA c/ Société Tour de France SA and Société Amaury Sport Organisation*

However, in any event, the case law specifies that the infringement on the property rights of the Federation is characterized only, if they prove that the behaviour from which they claim redress exploits sport events organized by themselves.

→ Court of Appeal of Paris the 16th of March 2011 *Fédération Française de Rugby/ Vip Consulting*)

The itinerary

The First Instance Court ruled that the exploitation right as it constitutes a monopoly should be assessed restrictively. The *Tour de France* itinerary does not belong to the right of exploitation of the sport event’s organizers which is limited to the sport event itself and not its following effects.

→ First Instance Court of Paris, December 09th 2008, *SAS Tour de France Amaury Sport Organisation / Marko Kennedy, Eurocycler LLC*

The sport results

According to the French case law, a Fiat advertising taking back some sport results in its creation does not infringe the monopoly of exploitation held by the French Rugby Federation. These results are free rights elements apart from the monopoly.

→ Paris First Instance Court, March 30th 2010, *Fédération Française de Rugby / Fiat*

The image of the sports manifestations

According to the French case law, the rights of exploitation include the right of exploiting the image of the sports manifestations for the organizers.

The image can not be modified or published without the consent of the rights holder.

→ *Cour de Cassation*, March 17th 2004 *Andros / Motor Presse France*

These rights cover the right of publishing a book about the sport event.

➔ Tribunal de Commerce of Nanterre December 12th 2002 ACO et ASAACO / SARL Dragoon Editions

The First Instance Court also stated that the images of the sport players, in sport uniform, individual or collective are covered by the monopoly of exploitation.

➔ First Instance Court of Paris, March 30th 2010, Fédération Française de Rugby/ Passion Sport)

Online sport Betting

First, it has been decided that the use of the trade mark of the sporting event by an organizer of online sport betting was not a counterfeiting insofar as it was a “necessary reference” according to Article L 713-6 of the French Intellectual Property Code to inform the players about the betting proposed to them. On the contrary, any promotional use was a counterfeiting.

➔ First Instance Court of Paris, May 30th 2008, *Fédération Française de Rugby / Unibet*

Then, the Court of Appeal of Paris in its ruling of October 14th 2009 (*Unibet/Fédération Française de Tennis*) refused to invoke the notion of the “necessary use”. The acts of the organizers of online sport betting were described as counterfeiting, parasitism and a breach in the exclusive rights of the organizers on their sport event.

➔ Court of Appeal of Paris, October 14th 2009, *Unibet/Fédération Française de Tennis*

Then, two football clubs were dismissed from the Court of Appeal of Paris in its decision of December 11th 2009 (*Global Entertainment Antigua Ltd (Unibet) / Juventus Football Club*) and of April 04th 2010 (*Société Paris Saint Germain / Société Internet Opportunity Entertainment Limited and Société Bwin International Limited*). The Court took the view that the use of the trade marks was “a use in the business level” and not “in the trade mark level”. So, there is no infringement.

➔ Court of Appeal of Paris, December 11th 2009, *Global Entertainment Antigua Ltd (Unibet) / Juventus Football Club*

➔ Court of Appeal of Paris, April 04th 2010, *Société Paris Saint Germain / Société Internet Opportunity Entertainment Limited and Société Bwin International Limited*

The Paris Court of Appeal also ruled recently there is infringement where there is a use of a trade mark in a “trade mark way”.

➔ Court of Appeal of Paris, January 21th 2011, *Comité National Olympique et Sportif Français / Société Interwetten Malta Ltd*

Online betting organization is the only result of the existence of sports events itself. This organization constitutes also a commercial exploitation of the sport events and should for this reason be included in the field of the exploitation rights.

➔ Court of Appeal of Paris, October 14th 2009, *Unibet/ Fédération Française de Tennis*

Copyright, designs, models

When the reproduction of the trophy appears in a photomontage, illustrating in a symbolic way the dream of victory of the players, it exceeded the simple story of the event and it did

not participate in a informational document dedicated to the public. It was therefore an unauthorized exploitation and constituted an infringement.

➔ *Cour de Cassation*, October 02nd 2007, *Société Hachette Filipacchi associés / Fédération internationale de football*

Fraudulent domain names and trademarks registrations:

According to the Court, the registrations of the following trade marks, “Paris2016”, “Paris 2020”, “Paris 2024”, “Paris 2028” and the following domain names : "paris2016.com", "paris2016.fr", "paris2020.com" , "paris2020.fr", "paris2024.fr" and "paris2028.fr" are fraudulent. Gérard L. couldn't ignore the fact that the structure “Paris” plus a date was a symbol of the Olympic movement. The Court applies the Article L 712-6 of the French Intellectual Property Code. Indeed under an appearance of a regular registration the depositor had intended to take advantage of the reputation of the sport event.

➔ First Instance Court of Paris, March 14th 2007 (Gérard L. / French Comité National Olympique et Sportif(CNOSF) and the Town of Paris

Advertising:

“the litigious advertising made no references to the Rugby Worldcup and the promotional operation was not either planned to make-believe that Carrefour would be an official sponsor of the French Rugby Federation once that no mention was referred to this organism or to the XV de France “.

➔ Court of Appeal of Paris, October 16th 2009 Carrefour/ Cinq Huitièmes

4. INDIA

National Reporter: Sajai Singh
J. Sagar Associates
2 Frontline Grandeur,
14 Walton Road
Bangalore – 560001
India
+91 98450 78666
sajai@jsalaw.com

4.1. Please indicate whether there has been any major Sporting Event held in your country recently and/or whether there are plans for such a Sporting Event in the near future.

There have been some major Sporting Events in India recently. In the year 2010, India hosted the Commonwealth Games and the Men's Hockey World Cup. In early 2011, India was a co-host of the Cricket World Cup and in October 2011, the first edition of the Indian Grand Prix was held in India. Apart from the above, tennis and golf tournaments attracting international participation and attention are regularly held in India like the ATP World Tour tennis tournament - Chennai Open.

4.2. In your country, is there any specific legislation that outlaws Ambush Marketing as such and/or protects trademarks and other intellectual property rights relating to Sporting Events or are there / have there been attempts introduce such legislation?

a. *If the answer is yes:*

- i. *Please briefly summarize the key provisions of that specific legislation and explain in general terms to what extent these differ from the general rules of trade mark, unfair competition and other intellectual property law applicable in your country.*
- ii. *Focusing on trademarks specifically, please explain briefly whether (and, if so, in what way) under the specific legislation in your country the scope of protection given to trade marks that relate to a Sporting Event is broader than the scope of protection given to other trademarks under general trade mark law. For example, is there any difference in what the trade mark rights holder needs to prove? Are the legitimate interests of the defendant given the same level of consideration? Are the remedies different?*
- iii. *If you have identified above that the scope of protection given to trade marks that relate to a Sporting Event is broader than the scope of protection given to other trademarks, explain briefly whether you think that such broader protection is justified and whether it achieves the right*

balance between the rights of Sporting Event rights holders/their sponsors and those of other companies/traders.

iv. What are the reasons or arguments given officially or unofficially to justify specific legislation for Sporting Events? Please explain whether and why you consider these explanations legally substantive or not.

b. If the answer is no, please indicate whether you think that the implementation of such specific legislation would be necessary in your country and explain briefly why. If you think that specific legislation is necessary, please explain briefly what you think it should provide.

a. There are no specific legislations which outlaw ambush marketing relating to Sporting Events in India. However, there are adequate laws governing the protection of trademarks and other intellectual property, which have been discussed hereafter.

Organisers of Sporting Event often issue guidelines and rules in relation to intellectual property associated with the event. For example, during the Cricket World Cup, 2011 held in India, the International Cricket Council (ICC) issued Brand and Content Protection Guidelines which set out rules on appropriate and acceptable commercial and non-commercial utilization by third parties of proprietary names, proprietary masks and mascots, audio visual footage etc. associated with the event, collectively called the ICC Cricket World Cup Brand. ICC also issued a memo to all individual sports players stating that they should not allow their name or image to be used by any third party in any advertising or endorsement or for any other commercial purpose in such a way that gives rise to a direct or implied association with the World Cup. During the Commonwealth Games, 2010 held in India, the intellectual property rights and commercial rights of the event were protected through rules under the Commonwealth Games Federation Constitution.

In October 2011, a draft National Sports Developmental Bill (yet to become law) was proposed in the Indian Parliament. It provides for development of sports in India, coordination of national teams for participation in international events, fair and transparent functioning of autonomous sports bodies and welfare measures for sportspersons and for promoting ethical practices in sports. Although this draft legislation does not directly provide remedies against ambush marketing, it is, nevertheless, a positive step in the direction of sports welfare legislation in India which may lead the way for more comprehensive legislations dealing with specific areas of concern in sports and Sporting Events like ambush marketing.

b. India does not have a specific legislation that outlaws ambush marketing or protects intellectual property rights related to a Sporting Event. Although the existing intellectual property laws are comprehensive in nature, there have been various marketing actions in India that could be construed as breach of the interests of exclusive sponsors of events. Such events have shown how important it is to have specialised law for protection of rights related to a

Sporting Event. It is unjust and unfair for a corporation which has spent millions to acquire exclusive advertising rights in relation to an event, to be forced to share the advertising space with another corporation which has not spent millions to acquire the exclusive advertising rights associated with an event but goes on to enjoy benefits and also cause damage to the rights of the official sponsor.

There is a need for pre-emptive legislation that not only outlaws ambush marketing but more importantly prevents attempts at ambush marketing because in a case of ambush marketing, irrespective of the quantum of damages that an official sponsor may receive on successfully proving infringement of its rights; it is difficult to assess the real damage and it may not be possible to provide adequate compensation to the official sponsor – attention from whose product has been successfully deflected. Further, the intention and scope of an ambush marketing legislation should be to protect the interests and investments of event organizers and official sponsors with reasonable restrictions allowing fair use and speech that does not injure the rights of other legitimate users with pre-existing rights. Thus, a specific legislation should aim at striking a reasonable balance between the interests of the organizers, official sponsors, and other intellectual property owners.

4.3. In the absence of (or in addition to) any specific legislation referred to in Question 2.1, please explain briefly on what legal basis might an aggrieved Sporting Event rights holder/sponsor seek redress in respect of any Ambush Marketing activity in your country? Without limitation, please consider: (i) trade mark law, (ii) design law, (iii) copyright law (iv) unfair competition/passing off law, (v) advertising law and regulations, (vi) consumer protection law and regulations etc.

- a. *For each course of action identified above, explain briefly what the Sporting Event rights holder/sponsor needs to prove in order to be successful.*
- b. *For each course of action identified above, explain briefly what remedies the successful claimant may obtain.*
- c. *For each course of action identified above, explain briefly what the defendant needs to achieve to successfully fend off the claim.*

Despite there being no specific legislation under which an aggrieved Sporting Event rights holder/ sponsor can seek specific redress for ambush marketing, it has a plethora of options available under a multitude of laws/regulations/guidelines that have been framed. This ensures that the aggrieved Sporting Event rights holder/sponsor is able to effectively demonstrate the ‘loss/damage’ suffered by it, as it is able to take recourse under several provisions (available under the many regulations, described hereinafter) that seek to protect the interests of parties in similar positions. Consequently, we have described a broad spectrum of rules / regulations / guidelines that are available to such an aggrieved party in India.

D) The Trademarks Act, 1999

The Act provides for registration to a trade mark and/or service mark and gives the rights holder of a trade mark/service mark, an exclusive right to use the trade mark / service mark in relation to specific goods or services to the exclusion of others. Thus, should an aggrieved rights holder have a registered trade mark/ service mark in respect of its branding, it can take recourse in India under the following grounds of infringement:

a. Grounds of Infringement

In case of an unauthorized use of a registered trade mark/ service mark, the Sporting Event rights holder (of the trademark) has to establish the following grounds to bring an action for infringement:

1. The mark used by the unauthorized person is identical or deceptively similar to the registered trade mark/ service mark of the rights holder.
2. The goods or services for which the identical or deceptively similar mark is used are not covered under any exception which may justify such use of the trade mark or service mark of the rights holder.
3. The use made of the identical or deceptively similar mark is in the areas of business similar to which the registered mark also operates.
4. The use of the identical or deceptively similar mark is without due cause.
5. The use of the identical or deceptively similar mark is in such a manner as to render it likely to taken as the registered trade mark/ service mark of the rights holder.
6. The use of the identical or deceptively similar mark takes unfair advantage of or is detrimental to the distinctive character or repute of the registered trade mark/ service mark.

Passing off/ Unfair competition

To be able to prove a claim of passing off or unfair competition, it is essential for the Sporting Event rights holder to show that the mark, name or get up, the use of which by the defendant is the subject of the action, is distinctive of his goods/services in the eyes of the public or a class of the public. More specifically, the Sporting Event rights holder would have to prove the following:

1. Misrepresentation made by the defendant in the course of trade.
2. Such misrepresentation is made to prospective customers or ultimate consumers of the goods and services supplied by the Sporting Event rights holder.
3. The misrepresentation is calculated to injure the business or goodwill of the Sporting Event rights holder and causes actual damage to a business or goodwill of the rights holder by whom the action is brought.

b. Remedies

If the claim of the aggrieved Sporting Event rights holder is found to be valid and subsisting, it will be entitled to the following remedies or reliefs under law for infringement of trade mark/ service mark:

1. Injunction restraining further use of the mark.
2. Damages or an account of profits.
3. Delivery of the infringing marks and labels for destruction and erasure.

Passing off/ Unfair competition

If an aggrieved Sporting Event rights holder is able to successfully prove a claim of passing off, it will be entitled to similar remedies and relief as mentioned above for an infringement action.

c. Defenses

However, it is imperative that the aggrieved Sporting Event rights holder be aware of the defenses that are available to an 'alleged offender/defendant' under law. If the defendant is able to prove one or more of the following, the aggrieved Sporting Event rights holder's claim may not be held valid:

1. The use of the mark is in accordance with honest trade practices in industrial or commercial matters.
2. The use does not take unfair advantage of or be detrimental to the distinctive character or repute of the registered trade mark/ service mark of the rights holder.
3. The mark is registered subject to conditions and limitations and the use of the mark is in those areas for which the registration of the mark is conditional, limited or does not extend.
4. The mark used is also a registered trade mark/ service mark under the Trademarks Act, 1999 and thus, has not infringed the trade mark/ service mark of the Sporting Event rights holder.

Passing off/ Unfair competition

The aggrieved Sporting Event rights holder/ sponsor must be aware that in an action for passing off, the defendant may set up the following defenses:

1. The name, mark or other symbol, the use of which is sought to be restrained, is not distinctive of the Sporting Event rights holder's goods or business.
2. The defendant's use of the name, mark or other symbol is not such as to be likely to pass off his goods or business as those of the Sporting Event rights holder.

3. The defendant has a right of his own to use the name, mark or other symbol complained of.

II) The Designs Act, 2000

If the aggrieved Sporting Event rights holder has a product/article which has a unique or novel design which is registered under the Designs Act, 2000, then in an instance for ambush marketing, where there has been an for infringement of its registered design, it has recourse to the following rights and remedies to establish an infringement:

a. Grounds of Infringement

The Sporting Event rights holder may prove one or more of the following grounds to successfully establish an infringement:

1. The copyright in the design of the product/article of the Sporting Event rights holder exists.
2. The design or a fraudulent or an obvious imitation thereof has been applied to the article alleged to be a pirated one.
3. The design or its imitation has been applied without the license or written consent of the Sporting Event rights holder.
4. The article to which the design has been applied comes within the scope of description of goods covered by the registration.
5. The application of the design has been made for the purpose of sale of the article.
6. The defendant has applied the design or caused the design to be applied or done anything with a view to enable the design to be so applied to the article, or the defendant has imported for the purpose of sale the article bearing the design or its imitation without the consent of the Sporting Event rights holder, or the defendant has published or exposed or cause to be published or exposed for sale the offending article knowing that it is a pirated or infringing article.

b. Remedies

If the claim of the Sporting Event rights holder is valid and subsisting, then it has the following remedies available to it:

1. Injunction against use of the design.
2. Damages or compensation for the loss caused to the Sporting Event rights holder.

c. Defenses

The Sporting Event rights holder should be aware that the defendant has the following defenses available to it in an action for infringement of a registered design:

1. The defendant may deny infringement or intention to infringe the design.
2. The defendant may claim invalidity of registration on the grounds that:
 - a. the design is not a registered design within the meaning of the Designs Act, 2000:
 - b. it is neither new nor original.
3. The aggrieved Sporting Event rights holder is not a registered proprietor or is otherwise not entitled to sue.
4. Acquiescence or laches on the part of the aggrieved Sporting Event rights holder.

III) The Copyright Act, 1957

The Copyright Act, 1957 confers upon the owner of a work, a bundle of exclusive rights in respect of the reproduction of the work and other acts which enables the owner to get financial benefits by exercising such rights. If a Sporting event rights holder has a tag line, phrase or a music composition which is either registered or recognized under the Copyrights Act, 1957, then it may take recourse to the rights and remedies available under the legislation.

a. Grounds of Infringement

The Sporting Event rights holder should be aware that in order to constitute infringement of copyright in any literary, dramatic or musical work, the following two elements must be present:

1. There must be sufficient objective similarity between the infringing work and the copyright work or a substantial part thereof, for the infringing work to be described as a reproduction or adaptation of the copyright work.
2. The copyright work must be the source from which the infringing work is derived but it need not be the direct source.

b. Remedies

If the aggrieved Sporting Event rights holder is able to establish a valid and subsisting claim, then it has the following remedies and reliefs available to it:

1. Civil remedies, including suits for injunction, damages and production of accounts, delivery of infringing copies and damages for conversion.
2. Criminal remedies, including imprisonment of accused, imposition of fine or both, seizure of infringing copies and delivery of infringing copies to the copyright owner.
3. Administrative remedies, involving moving the Registrar of Copyright to ban the import of infringing copies into India and delivery of confiscated infringing copies to the owner of the copyright.

c. Defenses

The Copyright Act, 1957 allows a fair dealing defense. This could include use of a literary, dramatic, musical or artistic work for research or private study, criticism or review, reporting current events in a newspaper, magazine or similar periodical or by broadcast or in a cinematograph film or by means of photographs is an exception to infringement. Thus, if an alleged offender is able to establish fair use, it will not constitute infringement.

IV) The Consumer Protection Act, 1986

The Consumer Protection Act, 1986 prohibits unfair trade practices. However, as per its provisions only a consumer/s, voluntary consumer association or central or state government can file a complaint in the consumer forum on the grounds that the alleged offender has misrepresented that the goods or service in question have sponsorship or approval. Consequently, an aggrieved Sporting Event rights holder may not be able to institute a claim under this legislation for ambush marketing claim.

V) Code of the Advertising Standards Council of India

The Advertising Standards Council of India, which is a voluntary self regulation council, has framed guidelines which though voluntary in nature, need to be adopted and adhered to by entities in India. These guidelines ensure the truthfulness and honesty of representations and claims made by advertisements and provide safeguard against misleading advertisements. Thus, an aggrieved Sporting Event rights holder may prove that the guidelines have been violated if it can show that the following have not been adhered to:

1. Advertisements containing comparisons with the Sporting Event rights holder, including those where the Sporting Event rights holder is named, are permissible in the interests of vigorous competition and public enlightenment, provided:
 - a. It is clear what aspects of the advertiser's product are being compared with what aspects of the Sporting Event rights holder's product.
 - b. The subject matter of comparison is not chosen in such a way as to confer an artificial advantage upon the advertiser or so as to suggest that a better bargain is offered than is truly the case.
 - c. The comparisons are factual, accurate and capable of substantiation.
 - d. There is no likelihood of the consumer being misled as a result of the comparison, whether about the product advertised or that with which it is compared.
 - e. The advertisement does not unfairly denigrate, attack or discredit the Sporting Event rights holder's products or advertisements directly or by implication.
2. Advertisement does not make unjustifiable use of the name or initials of the Sporting Event rights holder, nor takes unfair advantage of the goodwill attached to the trade mark or symbol of the Sporting Event rights holder or its product or the goodwill acquired by its advertising campaign.

3. Advertisements shall not be similar to the Sporting Event rights holder's earlier run advertisements in general layout, copy, slogans, visual presentations, music or sound effects, so as to suggest plagiarism.

VI) The Competition Act, 2002

The Competition Act, 2002 aims to prevent practices having adverse effect on competition in India and to promote and sustain competition in markets in India and also ensure freedom of trade carried on by other participants in markets. Thus, an aggrieved Sporting Events rights holder can take action for the loss caused to it by the actions of an enterprise on the ground that such enterprise has abused its dominant position by indulging in practices which has resulted in denial of market access to the Sporting Event rights holder. Though there is no precedence of any claim under this legislation, an option does exist for a Sporting Event rights holder to initiate action, so long as valid grounds of abuse can be established.

- d. *Please explain whether there are any differences (and if yes which) in the application or interpretation of specific or non-specific legislation if the aggrieved party is not a Sporting Event rights holder/sponsor but rather*
 - iv) *an individual athlete or his sponsor;*
 - v) *a group of team athletes or their sponsor;*
 - vi) *a sports club or organization (assuming that the concrete case is not related to an event held by such organization) or its sponsor.*

There are no specific differences, in application or interpretation of the legislations mentioned above, if the aggrieved party is not a Sporting Event rights holder/sponsor. Since there are no specific legislations applicable to a Sporting Event in India, the criteria provided by the various non specific legislations apply to all cases of ambush marketing.

- 4.4. **If you had to advise (i) the organizer of a Sporting Event in your country and (ii) a company considering sponsoring that Sporting Event as to the practical steps they may want to take to protect themselves against Ambush Marketing, please set out briefly the key points of what your advice would be. Please indicate whether and which influence ambush marketing and/or specific legislation in this area had on contracts regarding Sporting Events in your jurisdiction.**

An organizer of a Sporting Event or a company considering sponsoring a Sporting Event may undertake several steps which will enable in prevention of acts of ambush marketing, including:

1. The organizer or the rights holder in relation to the Sporting Event should specifically undertake not to grant rights and licenses similar to those granted to the

official sponsor, to any other third party wishing to advertise or promote any similar product.

2. Rules and regulations for that Sporting Event should expressly include a 'no-ambush clause' in them.
3. The company considering sponsoring the event or the official sponsor can secure advertising rights for areas surrounding and close to the event.
4. Both the organizer of the Sporting Event and the company considering sponsoring that Sporting Event can seek the cooperation of the police authorities to punish sale of imitation and counterfeit products similar to the products of the official sponsor.
5. The organizer and the company considering sponsoring the event may also appoint voluntary rights protection organization which positions their volunteers in strategic places close to the event to check and prevent attempts at ambush marketing.
6. They can enter into agreements with other official sponsors in other areas of activity and individual players of a team to define the scope of actions which may constitute ambush marketing and prohibit the same.
7. Consequences of ambush marketing which result in violation of a legislation may be incorporated by the organizer of a Sporting Event in all the agreements that it enters into with different sponsors and related parties.
8. A disclaimer can be printed on the event tickets stating that ticket holders are liable to be evicted if found carrying articles or wearing clothes which inadvertently advertise an unauthorized sponsor's product.

4.5. If you had to advise a company who would like to use the opportunity of a Sporting Event for a legal, albeit perhaps risky, marketing campaign but refuses to become a sponsor or official licensee, please set out briefly the key points of what your advice would be.

The following recommendations are legally tenable:

1. Promotions as part of a lucky draw where the prize is a travel package or a ticket to the event. It should be ensured that the nature of the promotion does not require the participant to pay for purchasing a ticket, because then it may be construed to be in the nature of gambling which is prohibited.
2. Displaying banners in the stadium or causing a block of spectators attending an event to wear clothing that promotes a product or service not belonging to the official sponsors.
3. Advertising products or services not belonging to the official sponsors by way of a sky banner near the venue of the Sporting Event.

4.6. Finally, please give examples of any recent Ambush Marketing activity and / or cases in your country. As mentioned, please continue to collect such examples even after you have submitted your national report and email them to the general reporters.

There have been some high profile Sporting Events held in India recently. There have been four editions of the Cricket Indian Premier League since 2008. In 2010, the Commonwealth Games, 2010 was held in India. In 2011, the Cricket World Cup 2011 and the first edition of the Indian Grand Prix were held in India.

Cricket World Cup, 2011 - During the Cricket World Cup, 2011 the Indian cricket captain, Mahendra Singh Dhoni was given a written warning by ICC for promoting and endorsing the products of Sony Corporation and Aircel, which were not official sponsors of the World Cup.

Cricket World Cup, 2003 - The Cricket World Cup, 2003 although not held in India resulted in a case of ambush marketing in India due to the popularity of the sport in India.

Facts - The company, Philips which not an official sponsor ran a marketing campaign through which it offered its customers the chance to win chance to travel to South Africa and tickets to watch the cricket matches.

Claim - The ICC instituted a claim for passing off in the High Court of Delhi at New Delhi in India stating that Philips by running such a marketing campaign was suggesting that it was associated with the event. The ICC's claims rested on its applications for registering the trademark "ICC Cricket World Cup South Africa, 2003". On the basis of these, ICC objected to Philips using the term "World Cup" and pictorial representations of tickets, imaginary seats and gates stating "Cricket World Cup 2003".

Decision - The Court agreed to the arguments put forth by Philips which stated that the words "World Cup" are generic in nature and are used in the context of several international sporting events, such as the FIFA World Cup, IRL Rugby World Cup and the FIH World Cup, etc. Thus, the Court held that the use of the words "World Cup" in this case is descriptive and not proprietary to the ICC. According to the court, the ICC's mark had not been misappropriated, confusion among the public was not established and thus a claim of passing-off was untenable.

Indian Grand Prix, 2011 - During the Indian Grand Prix 2011, Bharti Airtel was the title sponsor for the Indian Formula One Grand Prix, but its arch rival Vodafone, was also associated with the event and managed to overshadow it. It held road shows and showcased an exact replica of the McLaren Mercedes racing car that was driven by Lewis Hamilton, a member of the McLaren Mercedes Team. It was largely perceived as a perfect case of ambush marketing by the media, Vodafone set itself ahead of Bharti Airtel as it vigorously campaigned with road shows in Bangalore and Delhi with a replica of a McLaren Mercedes racing car. Vodafone also offered a wide range of opportunities to customers to win passes to watch Lewis Hamilton speed in his Vodafone McLaren Mercedes Racing Car. However, no legal action was taken by Bharti Airtel against Vodafone.

Cricket Indian Premier League - During one of the editions of the Cricket Indian Premier League, PepsiCo's brand ambassadors Virender Sehwag, captain of the team Delhi Daredevils, and Ishant Sharma, member of the team Kolkata Knight, were formally present at various promotional activities for Coca-Cola, a competitor of Pepsi because Coca-Cola was the associate sponsor and the official pouring partner for both Delhi Daredevils and Kolkata Knight Riders during the event. Further, Ishant Sharma inspite of being a brand ambassador of PepsiCo was spotted on Sprite's limited edition bottles and hoardings (Sprite is a product of the Coca Cola Company, a competitor of PepsiCo).

During the 2011 edition of Indian Premier League, official broadcaster SET Max and the organizers had taken a number of measures to check ambush marketing during the event, on television and on the cricket ground. SET Max protected its sponsors by restricting competitors who could not exceed 80% of the time slot given to the main sponsors. Organizers set up an ambush protection team to prevent competing advertisers from using T-shirts, placards and tattoos to take advantage. The organizers of the Indian Premier League also protected the sponsors by having stringent ambush protection team in place on the cricket ground that monitored and controlled ambush marketing by the competing advertisers who were prohibited to undertake such an activity.

5. ITALY

National Reporter; Marco Bellezza, Dario Morelli and Yan Pecoraro
Portolano Colella Cavallo Studio Legale
Via Santa Maria in Via 12
00187, Milan, Italy
+39 06 696661
mbellezza@portolano.it
dmorelli@portolano.it
ypecoraro@portolano.it

Cristiano Novazio
Sports Law Research Center
FD Avvocati
Via Larga, 16
20122, Milan, Italy
cristiano.novazio@csdirsport.com
c.novazio@fdavvocati.it

5.1. Please indicate whether there has been any major Sporting Event held in your country recently and/or whether there are plans for such a Sporting Event in the near future.

The most relevant Sporting Event that was celebrated in Italy – also in relation with the Ambush Marketing issues – was the XX Olympic Winter Games of Turin, held from February 10th to February 26th, 2006. In the near future some major Sporting Events are scheduled to be held in Italy, including, but not limited to, the following: the 2012 Sixth Nations Championship (two matches scheduled in Rome on February 11th, 2012 and March 17th, 2012); FIA Formula One World Championship (in Monza from September 7th to September 9th 2012); the Giro d'Italia (the most relevant long distance road cycle racing in Italy, from May 5th to May 27th 2012). Furthermore the city of Rome (along with Baku, Doha, Istanbul, Madrid and Tokyo) has submitted its nomination for the XXXII Olympics and Paralympic Games to be held in 2020.

5.2. In your country, is there any specific legislation that outlaws Ambush Marketing as such and/or protects trade marks and other intellectual property rights relating to Sporting Events or are there / have there been attempts introduce such legislation?

Within the sporting scenario, the international governing bodies (IOC, FIFA and UEFA) are forcing the national governments, in the last years, to introduce specific provisions against this kind of illicit practices, when they organize an international event.

For example, in the occasion of the 2004 European Championship in Portugal, the local Government enacted a decree in order to comply with the requests of UEFA, providing the prohibition of any advertisement in association with the mark "Euro 2004".

As of the date of this report, the only Italian law on Ambush Marketing was the law of August 17th, 2005, no. 167 (hereinafter also the "Law") on «measures to protect the Olympic symbol in relation to the 2006 Turin Winter Olympics».

Such Law was intended to protect the exclusive rights-holders over the Olympic symbol of 2006 Winter Olympics Games and the rights of their commercial partners/sponsors.

The main purpose of the Law was to protect right-holders over the Turin Winter Olympic Games and their commercial partners against any attempt - made by third parties - to divert public attention from the official sponsors and attract it to themselves for advertising purposes.

The Law did not provide a general legal framework on Ambush Marketing as it applied only to the Olympics winter games held in Turin in 2006 and ceased to be enforceable on December 31st, 2006.

Nonetheless the Law demonstrates that Italian legislator is aware that public measures are necessary to prevent acts of “parasite competition” intended as “activities which are parallel to those performed by non-economic or economic entities that are authorized by the organizers of a sporting event, carried out in order to obtain profit” (see Section 2, paragraph 3).

The Law provided for:

an administrative fine ranging from EUR 1,000.00 to EUR 100,000.00 for any breach of its provisions ;

a protection to some marks not having a distinctive character and so not protected by the general trademarks regulations (i.e. «marks enclosing, in any language, words or references in any way intended to refer to the Olympic mark, the Olympics and relatives», as provided under Section 1, paragraph 2).

However, they consist of sporadic regulatory actions, with a specific time limitation and only protecting the single event. On the contrary, there is a strong need for a definitive clarification on what activity is legitimate and what is not, since only the jurisprudence has been settling the boundary so far.

For such reasons, a draft law was proposed on 5 August 2008 to the Italian Parliament on "Regulations for the protection of the marks of sports clubs, bodies and federations, for their commercial use and for sports sponsorships".

This bill, still to be approved by the Parliament, provides a definition of ambush marketing, giving a legislative recognition to this phenomenon. Particularly, Art.2 Par. 3 states that: "*any parasite commercial activity is prohibited, namely those parallel activities which has not been authorized by the organizers of a sporting event, aiming at obtaining an economic profit. Furthermore, the following commercial activities can be considered as parasite: a) the selling and the commercialization of products and services using colors or logos of sporting clubs, bodies, federations of the Italian Olympic Committee as linked to other marks [...], as well as to names or nicknames of athletes [...], which are capable of reminding, directly or indirectly, the activities of the aforementioned entities [...].*

The present draft law has some peculiar features to be underlined as follows:

- a strong protection for all the sports marks, providing a specific definition of the contract of merchandizing;
- the express prohibition of the use of a mark without the owners' authorization, giving its exclusive use to the clubs;
- the introduction of the concept of misleading the consumer on the existence of a license or an authorization by the club, as owner of its mark.

- i. If the answer is yes:
- i. Please briefly summarise the key provisions of that specific legislation and explain in general terms to what extent these differ from the general rules of trade mark, unfair competition and other intellectual property law applicable in your country.

- ii.
- ii. Focusing on trade marks specifically, please explain briefly whether (and, if so, in what way) under the specific legislation in your country the scope of protection given to trade marks that relate to a Sporting Event is broader than the scope of protection given to other trade marks under general trade mark law. For example, is there any difference in what the trade mark rights holder needs to prove? Are the legitimate interests of the defendant given the same level of consideration? Are the remedies different?
- iii.
- iii. If you have identified above that the scope of protection given to trade marks that relate to a Sporting Event is broader than the scope of protection given to other trade marks, explain briefly whether you think that such broader protection is justified and whether it achieves the right balance between the rights of Sporting Event rights holders/their sponsors and those of other companies/traders.
- iv.
- iv. What are the reasons or arguments given officially or unofficially to justify specific legislation for Sporting Events? Please explain whether and why you consider these explanations legally substantive or not.
- iv.
- v. If the answer is no, please indicate whether you think that the implementation of such specific legislation would be necessary in your country and explain briefly why. If you think that specific legislation is necessary, please explain briefly what you think it should provide.

The Lolli draft law represents a remarkable attempt to achieve a general protection within the sporting scenario, including not only those marks connected to the major events but also logos, marks and symbols belonging to all the entities in the world of sport.

At the same time, such a bill deals with two other significant matters related to the phenomenon of the ambush marketing, namely merchandizing and counterfeiting, which would make the entire draft law more organic and effective.

5.3. In the absence of (or in addition to) any specific legislation referred to in Question 2.1, please explain briefly on what legal basis might an aggrieved Sporting Event rights holder/sponsor seek redress in respect of any Ambush Marketing activity in your country? Without limitation, please consider: (i) trade mark law, (ii) design law, (iii) copyright law (iv) unfair competition/passing off law, (v) advertising law and regulations, (vi) consumer protection law and regulations etc.

Under Italian law there are some possible remedies to which an aggrieved Sporting Event rights holder/sponsor may recur to in order to seek redress in respect of any Ambush Marketing activity. In particular:

Trademark law

As a matter of fact, each organizer of a sporting event usually registers all the marks related to the same event, i.e. the name of the event, its official symbol, its mascot, the name of the mascot, etc, in order to prevent third parties from the unauthorized exploitation/counterfeiting of such marks. The same, of course, do the sponsors for their marks.

However, in our view, the right to prevent parasite exploitations of the registered trademark by third parties, under the current trade mark laws, could not be sufficient in order to prevent the most common Ambush Marketing practices. Indeed, in a wide range of cases the ambusher has no interest to reproduce/counterfeit the registered trademark but, on the contrary, the ambusher's purposes are to exploit the sporting events to promote a brand that is different from the official sponsors' ones. Indeed, such regulations protect the respective right holders only against direct infringements and, as a consequence, might result not applicable in the most frequent practices of Ambush Marketing.

Unfair competition law:

Generally speaking, the protection granted by the Italian regulation on unfair competition could be more efficient to challenge the most frequent cases of Ambush Marketing.

Indeed, according to Section 2598 points 1) and 3) of the Italian Civil Code, a competitor is engaging in acts of unfair competition whenever:

“uses names or distinctive signs likely to create confusion with the names or distinctive signs lawfully used by others[...], or performs, by any other means, acts such as to create confusion with the products and the business of a competitor;

uses – directly or indirectly – any other mean inconsistent with the principles of professional correctness and likely to damage the third party's business”.

The above provision has a very broad scope of application for its vocation to be adaptable to a wide range of possible cases.

In our opinion, such characteristic makes the regulation on unfair competition the most appropriate to be applied in order to protect organizers/sponsors against acts of Ambush Marketing.

Finally, we note that in the advertisement sector – as clarified by the Italian Supreme Court by its decision issued on February 15th, 1999 – the rules provided under the Advertising Self-Regulatory Code issued by the Istituto dell'Autodisciplina Pubblicitaria (see below) are valid parameters in order to evaluate whether a marketing communication can be deemed as professionally unfair.

Advertising regulations:

The Advertising Self-Regulatory Code is the main source providing for the rules to be complied by the professionals of the advertising field.

The Code was issued by the “*Istituto dell'Autodisciplina Pubblicitaria*” and binds only the entities that have subscribed it either directly, or by joining an association which has subscribed the Code, or by signing a contract providing for a special clause of acceptance of the Code.

Even if the Advertising Self-Regulatory Code prohibits the denigration of competitors (Section 14) and the slavish imitation of the commercial communications of the competitors and not competitors as well as the exploitation of their brands (Section 13), it does not seem that the Code could prevent Ambush Marketing activities as the ambushers usually neither denigrates nor imitates competitors, but actually try to exploit the sporting events without authorization.

As a consequence, it seems that the Code cannot be usefully applied also as parameter for the application of the abovementioned Section no. 2598 of the Civil Code against Ambush Marketing

Contractual remedies

Contracts are widely used to defend against Ambush Marketing, e.g. binding the organizers to implement all needed measures in order to prevent third parties from acting as ambushers. However, contractual protection is not an effective way to challenge such practices, as the effects arising from the contracts are limited to the legal spheres of the parties of the relevant obligations and cannot be extended to third parties (e.g. the ambushers).

Providing that it is not common that the ambushers have contractual relationships with the organizers of events and/or with official sponsors, the opportunity of using the law of contract in order to prevent Ambush Marketing and discourage third parties to act as ambushers is quite limited.

- vi. For each course of action identified above, explain briefly what the Sporting Event rights holder/sponsor needs to prove in order to be successful.

Under trademark law, the rights holders/sponsors in order to allege a counterfeiting activity shall demonstrate by adequate means: (i) that they are the legitimate holders of the rights to the trade marks; (ii) that the ambusher has actually infringed such exclusive rights; (iii) that an actual or potential damage may arise from the ambushers' behavior (iv) the suffered damages.

The same requirements are set forth in order to enforce the remedies provided under the Copyright and design laws.

In relation with the unfair competition regulation, it is worth noting that anyone who wants to seek redress in respect of an act of unfair competition has to provide the evidence of: (i) the negligence of the infringer (i.e. the competitor shall demonstrate that the acts are in contrast with the applicable law); and of (ii) the damages suffered which shall be direct consequence of the unfair competition act.

However, generally speaking it must be noticed that:

- 1) the remedies set forth under the unfair competition law cannot be enforced by the organizers of the sporting event -which are not the direct injured party of the unfair competition acts but only by such official sponsors that are competitor of the ambushers;
- 2) usually the ambushers try to exploit the notoriety of the sporting events, not the one of the competitors thus it could be difficult to demonstrate that a damage was suffered by the competitor itself. More in-depth, if the official sponsors are not denigrated and there are no risks of misappropriation of clients by the ambushers – because, for example, the sponsor and the ambusher are not competitors – the proof of the existence of damage could be difficult;

For advertising regulation remedies, the rights holder has to demonstrate that the conduct of the ambusher was not compliant with the Advertising Self-Regulation Code and with the professional standard rules in the advertising sector.

Finally, when an agreement is in force between the organizers and the sponsors and one of the parties claims that the other one has failed to fulfill its obligation (e.g. according to the sponsor, the

organizer has not efficiently prevented third parties to perform Ambush Marketing activities) the defendant has the burden of proof in respect of the fulfillment of the relevant obligation.

- vii. For each course of action identified above, explain briefly what remedies the successful claimant may obtain.

As a consequence of all course of action described above the successful claimant may obtain an order (either from a Court or the Competition Authority or the Istituto dell'Autodisciplina Pubblicitaria) that prohibits the ambusher (or other parties) to carry on the illicit activity.

The claimant may also obtain a compensation for the damages deriving from the illicit Ambush Marketing activities (please note that such remedy is not available under advertising regulations, as described above).

- viii. For each course of action identified above, explain briefly what the defendant needs to achieve to successfully fend off the claim.

As per general principle of Italian law the claimant has to provide the proofs of his/her claims.

However, when a contractual relationship is in force between, as described above, the burden of proof is upon the defendant.

- ix. Please explain whether there are any differences (and if yes which) in the application or interpretation of specific or non-specific legislation if the aggrieved party is not a Sporting Event rights holder/sponsor but rather

an individual athlete or his sponsor;

a group of team athletes or their sponsor;

a sports club or organization (assuming that the concrete case is not related to an event held by such organization) or its sponsor.

In relation with the individuals, the team athletes and the sport club it seems more difficult that third parties may interfere with the exclusive sponsorship agreements that such subjects may have in force with the sponsors, as far as the exploitation of their images strictly depends from their behaviors.

Generally speaking, as explained above, in order to achieve the protection granted by the applicable laws (i.e. trademark law, unfair competition and advertising law) the claimant shall demonstrate (i) to be the relevant right holder (ii) that its exclusive right was directly infringed by the ambusher (iii) that has suffered damages as a direct consequence of the act of Ambush Marketing.

Given the above, under Italian applicable law there are no differences between the protection granted to the organizer of a Sporting event or its sponsor and other subjects which might be victims of acts of Ambush Marketing.

In this respect, the above mentioned subjects might be protected in a most appropriate way through specific contractual provisions in favor of the relevant sponsors (e.g. indemnities and penalty clauses).

5.4. If you had to advise (i) the organiser of a Sporting Event in your country and (ii) a company considering sponsoring that Sporting Event as to the practical steps they may want to take to protect themselves against Ambush Marketing, please set out briefly the key points of what your advice would be. Please indicate whether and which influence Ambush Marketing and/or specific legislation in this area had on contracts regarding Sporting Events in your jurisdiction.

(i) Given the significant financial investments of official sponsors, as well as the tremendous publicity and consumer audiences generated by major sporting events, it has become increasingly important for event organizers to adopt proactive sponsorship program protection strategies for the following reasons: “(1) to protect the integrity and financial viability of the event; (2) to build the event ‘brand’ and goodwill in it for the future; and (3) to fulfill contractual obligations to sponsors”. The organizers have been introducing, over the years, more and more restrictive measures to be complied with by the participating national team, in order to avoid the presence of commercial marks not related to the official sponsors.

For example, FIFA, according to its Circular no.4 of 14 December 2005, provided a set of rules on the uniforms and the technical equipment to be used by the teams during the 2006 edition of the World Cup in Germany.

The more interesting provisions are as follows:

- the obligation of a preventive control by FIFA with regard to all the technical clothing to be used during the competition (t-shirt, shorts, socks, gloves, goal keeper's hat, jackets, etc.);
- a limitation on the dimensions of the marks to be shown on such equipment (for example, on the goal keeper's gloves, only the logo of the manufacturer were allowed, with a maximum dimension of 25cm);
- the prohibition of using holders/bins of beverage, medications, balls different from those provided by FIFA.

Some of those provisions are reproduced at the national level within the statutes of the Leagues for the domestic competitions.

In the occasion of the 2006 edition of the World Cup, FIFA - as the organizer - enacted a set of rules with the clear aim of fighting against ambush marketing, notwithstanding those provisions were intended for the national federations.

Amongst the others, after a general prohibition for the national team to create any kind of association with the event, the most significant are as follows:

- the obligation for the federations to prohibit any use of the term "world cup", as well as of the tournament logo and its official mascot;
- the prohibition to expose advertisement or commercial brands beyond the imposed limits;
- the prohibition to orally refer to the sponsors of the team;
- the prohibition to distribute any kind of advertising material;
- the prohibition to expose advertising material of any kind on the coach of the team, as well as on any other vehicle;
- the prohibition of using the name and the logo of the competition in association with the name or marks of its sponsors;

In case of the breach of any of the aforementioned provisions, specific sanctions and fines shall be imposed to the national federation.

Secondly, the organizers of sporting events should ask for the intervention, by signing a guarantee, of those competent bodies and authorities capable of contributing in the fight against ambush marketing.

Provided that in the recent past such a phenomenon has been often produced by means of massive advertising campaigns held in the host cities of the events, an option to buy out all the advertising spaces available in the site, where the event will be held, by the organizers and their sponsors should be required with several years in advance.

Accordingly, the purpose would be the creation a "*clean zone*" from the airports involved to the billboards, as well as the spaces on public transportation.

(ii) sponsors may have to protect themselves by ensuring that they have a carefully drafted sponsorship agreement in addition to any relevant legislation. The agreement may contain clauses that:

- restrict the rights of the personal sponsors of individual athletes to advertise during the event period (sometimes 8 weeks either side of the event). If the sponsorship agreement between the event organiser and the official sponsor is not tightly drafted, the official sponsor may fall prey to ambush marketing by the personal sponsor of individual athletes. The sponsorship agreement could state that, prior to execution of the sponsorship agreement, the personal sponsors of each athlete competing in a high profile event must be instructed on their rights before, during and after the event.
- the sponsorship agreement includes a clause that secures all advertising rights within a specified radius of the event venue;
- broadcast agreements may be negotiated to ensure non official advertisers cannot advertise throughout the duration of the event or prohibit shots from being used that show any competing advertising.

Finally, sponsors and event organisers can also make use of various non-legal measures with which to combat ambush marketing and protect their investment. These include the following:

- inserting appropriate contractual provisions into player and ticketing terms and conditions. Ticket terms could state that spectators cannot enter the grounds with any branded goods. In addition, ticket conditions could state that the ticket is not transferable and may not be used in any PR or promotional competition. However, the official sponsors would be permitted to use tickets in this way and are usually given a ticket allocation for this purpose;
- acquiring any potential advertising space in and around the relevant venues to prevent use by third parties not associated with the event;
- coordinating with local government officials to police unofficial merchandise;
- arranging (as an event organiser) for airtime to be pre-sold to sponsors, but also ensuring that time is not made available to principal competitors their implementation, making litigation more likely.

5.5. If you had to advise a company who would like to use the opportunity of a Sporting Event for a legal, albeit perhaps risky, marketing campaign but refuses to become a sponsor or official licensee, please set out briefly the key points of what your advice would be.

First of all, we would suggest to avoid activities which may directly create confusion with the names or distinctive signs lawfully used by official sponsor or by the organizers, in particular when the official sponsors are direct competitors of the advised company.

Secondly, taking into consideration the orientation of the Italian jurisprudence, I would suggest to avoid any reference, even indirect, to protected name and marks.

Having said that, the relevant advices should be necessarily provided on a case by case basis, accordingly with a specific analysis of the actual advertising spaces left available by the contractual agreements in force between the organizers and other parties (as far as such agreements are known or knowable), and also on the basis of a specific risk assessment.

5.6. Finally, please give examples of any recent Ambush Marketing activity and / or cases in your country. As mentioned, please continue to collect such examples even after you have submitted your national report and email them to the general reporters.

Italian case law faced in few occasions cases of Ambush Marketing. This depends on the relatively novelty of the thematic and the lack of specific regulation on the issue.

One recent case related to the Ambush Marketing regarded the FIFA World Cup 2010.

On July 30th, 2010, the Court of Milan (I HAVE WRITTEN A COMMENT ON THIS DECISION) held a judgment in connection with a card game published by Topps Europe Ltd that makes reference to FIFA World Cup 2010, even without directly infringing/counterfeiting the registered trademarks licensed to the claimant Panini S.p.A

In particular Panini has claimed that Topps, just by referring to FIFA 2010, has violated Panini's exclusive rights on the trademarks of FIFA 2010 and thus has carried out an action for unfair competition by parasitism, saying that Topps has taken advantage of the event's notoriety.

The petition for interim injunction was at the first instance rejected by the Court.

According to the Court of Milan, the notoriety of certain sporting events could not be subject to exclusive rights of exploitation and thus it should be not possible to prevent the release of products inspired to such events.

However during the trial on the merit the same Court has slightly changed its position by recognizing to the official licensee a form of protection under Italian trademark law.

In this respect, the Court stated that the reference to the FIFA World Cup and to its organization cannot be considered unlinked to the protection granted to the trademarks (the cup, the logos of teams and official uniforms).

As a consequence, the Court of Milan has stated that Topps has committed an "illicit of communication" by referring to a sporting event than anyhow involved trademarks registered by the claimant.

By that way, the Court has extended the protection granted to trademark.

At the present stage it is not clear whether this decision could produce effects on the following case law on the issue.

In any case, the decision held by the Court of Milan represents a milestone in the Italian case-law on the issue and an interesting attempt to adapt the prevailing regulation on trademark law to protect companies against acts of Ambush Marketing.

6. LUXEMBURG

National Reporter: Claire Leonelli
Senior Associate
MOLITOR Avocats à la Cour
8, rue Sainte-Zithe
P.O. Box 690
L-2016 Luxembourg
T +352 297 298 1
F +352 297 299
claire.leonelli@molitorlegal.lu
www.molitorlegal.lu

6.1. Please indicate whether there has been any major Sporting Event held in your country recently and/or whether there are plans for such a Sporting Event in the near future.

There are no major sport events held or planned in Luxembourg. Sport events like the « Marathon ING » of the « Gala Tour de France » cannot be considered as major events compared to sport events in larger countries.

6.2. In your country, is there any specific legislation that outlaws Ambush Marketing as such and/or protects trade marks and other intellectual property rights relating to Sporting Events or are there / have there been attempts introduce such legislation?

If the answer is no, please indicate whether you think that the implementation of such specific legislation would be necessary in your country and explain briefly why. If you think that specific legislation is necessary, please explain briefly what you think it should provide.

There is no specific law in Luxembourg regulating Ambush Marketing as such. There are no attempts to introduce such a specific legislation. However there are other laws in the area of intellectual property rights and unfair competition law that may apply.

As a result, the implementation of specific legislation regarding Ambush Marketing does not appear to be necessary in Luxembourg.

Luxembourg law does not grant *expressis verbis* an exclusive right to the organiser of an event. Such a right is only attributed implicitly by the law on electronic media of 27 July 1991, as amended (the "**Electronic Media Law**") concerning the exclusive right to broadcast an event (see below).

6.3. In the absence of (or in addition to) any specific legislation referred to in Question 2.1, please explain briefly on what legal basis might an aggrieved Sporting Event rights holder/sponsor seek redress in respect of any Ambush Marketing activity in your country? Without limitation, please consider: (i) trade mark law, (ii) design law, (iii) copyright law (iv) unfair competition/passing off law, (v) advertising law and regulations, (vi) consumer protection law and regulations etc.

In the absence of any specific legislation regarding Ambush Marketing, the following non-specific legislation may apply.

As for the relations between the parties, there are mainly three parties affected:

- the Organiser of sporting event (the "**Organiser**", e.g. FIFA, Olympic Games Committee etc.),
- the Official Sponsor (the "**Sponsor**")
- and a third party committing the ambush marketing (the "**Ambusher**").

I. Trademark and design law

I.1. Legislation

- **Benelux trademark:** Benelux Convention on Intellectual Property from 16 May 2006, as amended (the "**Benelux Convention**");
- **Benelux design:** Benelux Convention on Intellectual Property of 16 May 2006, as amended (the "**Benelux Convention**");
- **Community trademark:** Council Regulation (EC) No 207/2009 on the Community trade mark (the "**Regulation No 207/2009**");
- **Community design:** Council Regulation (EC) N° 6/2002 of 12 December 2001 on Community Designs (the "**Regulation No 6/2002**)
- Article 20 of the Law of 03 August 2005 concerning sports (the "**Sport Law**") states that that, in order to be protected, olympic emblems and symbols as well as the emblems and symbols of sports federations must comply with the legislation about design law.

I.2. Application to Ambush Marketing

The Organiser might be the owner of a Benelux or Community trademark over of the official name of the event or related terms or devices.

Such trademark might cover either goods (especially derivative products such as clothing, sports related items, etc.) or services such as those relating to the sport event itself, so to the "production" and organization of the sport event.

The Organiser might also be the owner of a Benelux or Community design right over of the appearance of the whole or a part of a product, such a sport clothing and accessories.

I.2.1 The Organiser's means of action and remedies

a) Scope of protection

A registered Benelux or Community trademark confers exclusive rights to its owner. The trademark owner is thus entitled to prevent all third parties not having his consent to any sign use in the course of trade which is identical with the trademark in relation to goods or services which are identical with those for which the trade mark is registered as well as similarly signs creating a likelihood of confusion (Article 2.20 of the Benelux Convention; Article 9 of the Regulation No 207/2009).

Furthermore, the trademark owner can prevent the third parties from using its trademark for goods or services which are neither identical nor similar to those for which the trademark is registered, if it can prove that its trademark has acquired a reputation on the relevant market and if the use of that trademark without due cause would take unfair advantage of the distinctive character or reputation of the trademark (Article 2.20 of the Benelux Convention; Article 9 of the Regulation No 207/2009).

A Benelux design as well as a registered Community design confers to its holder the exclusive right to use it and to prevent any third party not having his consent from using it. The aforementioned use shall cover, in particular, the making, offering, putting on the market, importing, exporting or using of a product in which the design is incorporated or to which it is applied, or stocking such a product for those purposes (Article 3.16 of the Benelux Convention; Article 19 of the Council Regulation (EC) No 6/02).

b) Actions

Luxembourg has implemented Directive 2004/48/EC of 29 April 2004 on the enforcement of intellectual property rights with the law of 22 May 2009 (the “**Law of 2009**”).

This law provides rightholders with new ways to struggle against any infringement to their intangible assets.

As a result, in the event that the ambusher infringes the Organiser's trademark or design, the Organiser can enforce the following actions:

- Measures for preserving evidence

Measures for preserving evidence are uniformed for all IP rights. These measures aim at reducing the risks of destruction of evidence by infringers, and even more, at allowing rightholders to obtain information regarding the existence, origin and scope of the infringement.

The Law of 2009 thus allows the trademark or design rightholders, under certain circumstances, even before the commencement of proceedings on the merits of the case, to request the District Court (“Tribunal d'arrondissement”) to order a detailed description of any good, element, document or process likely to establish the presumed infringement, its origin, destination and scope, as well as the materials and implements used to produce or distribute the infringing goods.

The Court may also order the physical seizure of these goods, material and implements or issue a restraint order regarding the sequestration of the incomes and benefits stemming from the presumed infringement.

Such confiscation procedure, unilaterally initiated by a rightholder, did not exist before the Law of 2009 regarding trademarks and designs for which the above information could only be granted in the course of inter partes proceedings which are deemed contradictory.

- Provisional and precautionary measures

Under the Law of 2009, a trademark or design holder may initiate the two following summary procedures :

- a procedure allowing the judge to order the provisional cessation of the presumed infringing activities, the seizure or delivery up of the presumed infringing goods or the continuation of the activity subject to the lodging of guarantees intended to ensure the compensation of the rightholder ;

This procedure applies to all IP rights and notably to trademarks and designs for which no specific summary proceedings existed until the Law of 2009.

- a procedure allowing the Court to order the precautionary seizure of the movable and immovable property of the alleged infringer, including the blocking of his/her bank accounts and other assets. Such procedure is however limited to the case of an infringement committed on a commercial scale and, must only apply to obvious cases and remains exceptional.

- Right of information

Articles 2.22 (4) and 3.18 (4) of the Benelux Convention provides the possibility for Benelux trademark or design holders, in the context of a proceeding concerning an infringement of an intellectual property right, and in response to a justified and proportionate request of the rightholder, that the competent judicial authorities may order that information on the origin and distribution networks of the goods or services which infringe an intellectual property right be provided by the infringer.

The Law of 2009 has extended this possibility to any IP rights, including thus Community trademark and design.

- Corrective and compensatory measures

Articles 2.21 (2) and 3.17 (2) of the Benelux Convention gives the judge some guidelines regarding the determination of the damages allocated to the owner whose intellectual property rights have been infringed. It allows, in particular, the judge to grant a lump sum as damages.

The above Article also lay down other corrective measures in order to compensate the damage suffered such as:

- the delivery to the plaintiff, as a compensation for the damage suffered, of the infringing goods, along with, in appropriate cases, the materials and implements principally used in the production and/or distribution of these goods ;
- when the infringer acts in bad faith, all or a part of the profit deriving from the infringement, along with the accounting as a compensation for the damage suffered, or else the confiscation of the infringing goods ;
- finally, the recall, definitive removal from the channels of commerce or the destruction of the infringing goods and, in some cases, the materials and implements principally used in the production and/or distribution of these goods.

I.2.2. The Sponsor's means of action and remedies

The right to initiate trademark and design infringement proceedings belongs in principle to the trademark and design holder.

The means of action mentioned under point I.2.1 thus apply to the Sponsor when it is the owner of the infringed trademark or design.

Otherwise, when the Sponsor is only the licensee of a trademark or design held by the Organiser, it is not entitled in principle to initiate infringement proceedings against the infringer. It may however initiate unfair competition action against the infringer on the basis of Article 1382 of the Luxembourg Civil Code providing that it proves that the infringer committed a fault that causes to it a loss.

The licensee of a Benelux trademark or design has the right to act in an action brought by the owner of the trademark in order to obtain redress for a loss directly incurred or to be allocated a proportion of a profit made by a defendant (Articles 2.32 (4) and 3.26 (4) of the Benelux Convention).

It may only bring an independent action in this respect if it has obtained the permission of the Benelux trademark or design owner for that purpose (Articles 2.32 (4) and 3.26 (4) of the Benelux Convention).

Also, the licensee of a Community trademark or design may bring proceedings for infringement of a Community trademark or design only if its proprietor consents thereto. However, the holder of an exclusive licence may bring such proceedings if the proprietor of the trade mark, after formal notice, does not himself bring infringement proceedings within an appropriate period (Article 22 (3) of Regulation No 207/2009 and Article 32 (3) of Regulation No 6/2001).

The licensee of a Community trademark is also entitled to intervene in infringement proceedings brought by the proprietor of the Community trade mark for the purpose of obtaining compensation for damage suffered by him (Article 22 (4) of Regulation No 207/2009 and Article 32 (4) of Regulation No 6/2001).

A license over a Benelux or Community trademark or design must be registered with the relevant office, respectively the Benelux Office of Intellectual Property and the Office for Harmonization in the Internal Market, to be opposable to third parties.

I.2.3. The Ambusher's means of defense

In order to challenge a trademark or design infringement action, the Ambusher may especially allege the following:

a) The trademark or the design is not valid

First, the Ambusher may claim that the trademark or the design is not valid. Without entering into the details of the conditions of the protection of trademarks and designs which would exceed the scope of this study, we want to highlight that it is not always easy to protect the name of a sport event as a trademark.

Such name is indeed frequently very descriptive and trademarks which are devoid of any distinctive character and trademarks which consist exclusively of signs or indications which may serve, in trade, to designate the kind or other characteristics of the goods or services are not valid.

As an example, the Board of Appeal of the OHIM decided on 23 February 2006 that the word trademark "The World Poker Championship" is descriptive of services of class 41 and cannot be validly registered (R 630/2005-4).

b) The sign is used in a descriptive way

Since the trademark owner has an absolute right on their trademark it seems to offer a complete protection against ambushes.

While this is true for Ambush Marketing directly targeting merchandise, it has to be taken into account that the trademark only offers protection if the ambush marketer uses it as a trademark, so in the function of distinguishing the goods or services of one undertaking from those of other undertakings.

If the sign is only used as a description, this cannot be forbidden by the Organiser or Sponsor.

Article 2.23 of the Benelux Convention provides that a trademark owner is not entitled to prohibit a third party from using, in the course of trade: indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of the service, or other characteristics of goods or services; the trade mark where it is necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts; provided he uses them in accordance with honest practices in industrial or commercial matters.

Article 12 of the Regulation No 207/2009 provides the same for the community trademark.

It all depends on the specific case whether the use of a sign is only descriptive or distinguishing. This is especially the case if the name of a good relates to the sport event, like "World Cup 2012 Hotdogs".

The permission of a descriptive use offers some possibilities for Ambushers. By using allusions to the event or by using protected signs for decorative purposes in their advertising, for instance in their window display they might associate their product to the event without infringing trademark law.

II. Copyright law

II.1 Legislation

Luxembourg Law of 18 April 2001 on copyright, related rights and databases, as amended (the "Copyright Law")

II.2. Application to Ambush Marketing

II.2.1. The Organiser and the Sponsor's means of action and remedies

The Copyright Law protects artistically minded work of any kind. It may apply to a mascot, trophies, symbols and logos related to the sport event.

Luxembourg law forbids any copying, dissemination or public display of the work without the consent of the rightsholder. The owner of a copyright is entitled to prevent all third parties not having his consent from using his work.

As a result, if the Ambusher reproduces a device protected by the Organiser or Sponsor's copyright, the Ambusher is liable to them for copyright infringement.

The courses of action opened to the Organiser or to the Sponsor in such an event are similar to those described above in the event of trademark or design infringement. The right holders will then have the possibility enforce a prohibitory injunction, destruction of the merchandise and compensation action (Article 72 of the Copyright Law). The infringement of copyright law also constitutes a criminal offense that can be punished by a monetary penalty or imprisonment (Articles 82 et seq. of the Copyright Law).

II.2.2. The Ambusher means of action and remedies

As for the Ambusher's means of action that Ambusher has to take care that the work he uses is not a copy of the work protected by a copyright. He should try to use the idea that was incorporated by the work to create another new work of his own.

Another effective but risky way might consist in taking a humorous or satirical approach to the protected work of the Organiser. By taking the original work but deforming and changing it in a humorous and thus artistic way it might be protected by the freedom of the arts and the freedom of speech (article 24 of the Constitution of Luxembourg).

III. Unfair competition

III.1. Legislation

Unfair competition is prohibited in Luxembourg by the law on unfair commercial practices, misleading and comparing advertising of 30 July 2002 (the "**Unfair Competition Law**").

Article 14 of the Unfair Competition Law prohibits any commercial practice which is against honest commercial customs or contractual obligations in an attempt to steal a part of or the entire customer base or to harm their competitiveness. Article 17 of the Unfair Competition Law also forbids misleading advertising, i.e. any advertising containing untruthful information or other information suited to deception and likely to impair the commercial behavior of the customer or to harm a competitor.

The Luxembourg Consumer Code also prohibits certain unfair commercial practices (in compliance with the Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market and the Directive 2006/114/EC of the European Parliament and of the Council of 12 December 2006 concerning misleading and comparative advertising).

This Code only applies to Business-to-Consumers relationships. The non-compliance with the Luxembourg Consumer Code requirements may however also constitute unfair competition vis-à-vis the competitors of the non-compliant company.

A company which suffers from unfair competition is entitled to take a summary legal action against its competitor for cessation of the unfair practice (Article 23 of the Unfair Competition Law). The claimant does not have to prove a loss or a real damage but only that such loss or damage is likely to occur.

In case the unfair competitor fails to comply with a court order to stop and desist, it can be ordered to pay a criminal fine from EUR 251.- to 120,000.- (Article 25 of the Unfair Competition Law).

Also, the company suffering from unfair competition may claim damages to its competitor providing to prove that this competitor acted unfairly and that such unfair practice caused to it a loss (Article 1382 of the Luxembourg Civil Code).

III.2. Application to Ambush Marketing

III.2.1. The Sponsor's specific means of action

Assuming that the Sponsor and the Ambusher are competitors, the Sponsor might claim that the Ambusher is liable for unfair competition especially because:

- it misleads the consumers regarding its quality of official sponsor (**a**)
- it misleads the consumers regarding the quality of the product or service (**b**) or also
- where applicable, it uses the image rights that the Sponsor may have acquired on the image of team players (**c**)

a) Misleading regarding affiliations of the Ambusher

The Luxembourg law considers that misleading advertising or commercial practice may constitute unfair competition vis-à-vis the competitors of the advertiser.

Article 14 of the Unfair Competition Law does not contain a list of practices that has to be considered as unfair.

However, to this end, it can be usefully refer to the Luxembourg Consumer Code which defines as unfair certain commercial practices likely to occur in the event of Ambush Marketing.

More specifically, , Article L.122-2 §1 of the Luxembourg Consumer Code states that a commercial practice has to *“be regarded as misleading if it contains false information and is therefore untruthful or in any way, including overall presentation, deceives or is likely to deceive the average consumer, even if the information is factually correct, in relation to one or more of the following elements, and in either case causes or is likely to cause him to take a transactional decision that he would not have taken otherwise:*

(...)

“(c) the extent of the trader's commitments, the motives for the commercial practice and the nature of the sales process, any statement or symbol in relation to direct or indirect sponsorship or approval of the trader or the product;

(...)

“(f) the nature, attributes and rights of the trader or his agent, such as his identity and assets, his qualifications, status, approval, affiliation or connection and ownership of industrial, commercial or intellectual property rights or his awards and distinctions”

Also, Article L.122-2 §2 of the Luxembourg Consumer Code states that a commercial practice has to be *“regarded as misleading if, in its factual context, taking account of all its features and circumstances, it causes or is likely to cause the average consumer to take a transactional decision that he would not have taken otherwise, and it involves:*

(a) any marketing of a product, including comparative advertising, which creates confusion with any products, trade marks, trade names or other distinguishing marks of a competitor”.

These definitions may apply to Ambush Marketing.

Indeed, the public might be misled about the affiliation of the Ambusher and assume that there is a business relationship between the Ambusher and the Organiser.

This is surely the case when the Ambusher claims explicitly to be an official sponsor.

Also there would be a misconception if the media called their publication concerning the sport event "official" without autorisation by the organiser. But the publication of information about

the event such as match schedules and reports about the event are no unfair competition and permitted if no other laws - like trademark and copyright laws - are concerned.

The legal situation is more difficult when it comes to Ambush Marketing that only associates the Ambush Marketer with the event by making allusions to the event. The question if an association is enough to mislead the consumer has to be judged from the point of view of a average attentive and reasonable consumer. There is no Luxembourg jurisprudence on this but it is most likely to assume that most consumers will not be misled by the simple presence of the Ambusher in the proximity of a sport event or by simple allusions. In addition, it can be argued that there is rather no particular obligation for the Ambusher to inform the consumers about the fact that it is not an official sponsor.

The potential risk of deception is reduced further when the official sponsors always identify themselves with the adjunct "official sponsor" or "official licensee". In that case the reasonable consumer can easily distinct official sponsors from non-sponsors. Any misleading is excluded if the Ambusher presents itself humorously as an "unofficial sponsor".

This being said, assuming that a large amount of consumers are misled by thinking the Ambusher is an official sponsor, this misconception still has to be relevant. In other words, the Sponsor still needs to demonstrate that this misconception is likely to induce the consumer to make a transactional decision which he would otherwise not have made, so e.g. to buy a product by a non-official sponsor that he would he not have bought had he known that it was not an official sponsor.

b) Misleading regarding the quality of the product or service

The Luxembourg Consumer Code also states that a commercial can be misleading if it contains untruthful information or other information suited to deception regarding the essential characteristics of the goods or services, such as availability, nature, execution, benefits, risks, composition, accessories, method or date of manufacture, delivery or provision, fitness for purpose, uses, quantity, specification, after-sale customer assistance, complaint handling, geographical or commercial origin, the results to be expected from their use, or the results or material features of tests carried out on the goods or services.

This rule could apply when the fact of being a sponsor means something regarding the quality of the products of the official sponsors. That could be the case for instance if the consumers have the impression that the products of the Sponsors have an "olympic performance" because they are of high quality, or have been chosen by the Organiser for their quality.

c) Image Rights

In the event that the Sponsor has acquired the exclusive right to use the image of sport players for advertising purposes and that the Ambusher uses the image of these sport players without due authorisation, it may constitute a case of unfair competition for the Sponsor against the Ambusher.

The Sponsor could thus benefit from additional legal means to challenge Ambush Marketing.

III.2.2.The Sponsor and Organiser's means of action

As a rule, unfair competition is only applicable between competitors. The Organiser is therefore not entitled to bring an unfair competition against the Ambusher.

Luxembourg case law however admits that a company may have a case against another one, even if it is not a competitor, when it tries to take advantage of the reputation it has acquired or of the investment it has made. Such an action is based on civil liability law (Article 1382 of the Luxembourg Civil Code) and is applicable where there are no intellectual property infringements at hand.

Such a situation is known as parasitism (“*parasitisme*”) or parasitic competition (“*concurrence parasitaire*”) when the parties are competitors.

It is thus considered parasitic competition or parasitism when a person offers goods or services that are replicas of goods or services of a competitor or a third party if he unreasonably exploits or impairs the assessment of the replicated goods or services. In this case, the consumer transfers the positive image and reputation or notoriety of the original to another company or their product. The thinking behind the exploitation of reputation is that a company allies itself to the achievements of the original by its advertising measures or the configuration of their products and that this provokes the image transfer.

This theory could be sustained by the Unfair Competition Law and Article 1382 of the Luxembourg Civil Code but there is no explicit written legislation.

It has recently been applied by a decision of the Luxembourg Court of Appeal of 21 March 2007 (Tango et Tele 2 vs. EPT):

EPT had created a telecommunications product called "Integral" and advertised it in the media. One year later, the competitor Tango created another telecommunication product called "Integral Plus" and used similar logos and the same colours and the same arrangement for the photos in their media campaign.

The plaintiff felt that its reputation was used by the defendant Tango in a parasitic way and that Tango stole their customers in an dishonest way. The court confirmed this point of view.

The Court stated the following characteristics of advertising parasitism:

- Parasitism can exist in the absence of any risk of confusion between the work of the victim and that of the parasite and even if the work of the parasite has an originality itself.
- Parasitism consists of the imitation of the ideas or the work of someone else without having any costs. Such actions allow the parasite company to save financial and intellectual resources they can use to promote their goods.
- To appropriate the work and the investment of someone else without bearing any costs means an action that falsifies the balance of the market and provokes a commercial disturbance.

In another decision of 14 July 2007 from the Appeal Court of Luxembourg (Saint-Paul vs. Editpress), the Court stated about parasitism:

Parasitism does not require to slavishly copy the work of the victim. There is parasitism as soon as one can see the original work through the work of the parasite. Parasitism can be accomplished not only by copying but also by imitation, plagiarizing and by taking over some essential criteria of the original.

This may apply to Ambush Marketing where the Ambusher wants to create an image transfer for its company or its products. The allusion to the sport event induces the transfer of the image. As for which images are transferred there are several alternatives: First, the image of the Organiser. By referring to the sport event consumers are led to think about the organiser or the sponsors so that the ambush transfers their image to the Ambusher or his products. Second, the image of the products of the Organiser, mainly their positive characteristics like quality or prestige. Third, the image of the sport event itself. The positive characteristics of the sport event are transferred to the company or the product of the ambusher.

IV. Broadcast rights

IV.1. Legislation

In Article 53 the Copyright Law grants the broadcaster of an event benefits an exclusive right to broadcast the program, to reproduce the broadcast and to present it in public, including the wired and wireless transmission via cable and satellite and to make it available to the public at a time of their choice.

The law on electronic media of 27 July 1991, as amended (the "**Electronic Media Law**") makes an exception to the exclusive right of the broadcaster in its Articles 28bis and 28ter.

The Electronic Media Law states that an implementing regulation should set a list of major sports events for which the owner of the broadcasting rights loses his exclusive rights and has to make the broadcast of the event available to a large part of the public living in Luxembourg. Furthermore, pursuant to Article 28ter, of the Electronic Media Law, the broadcaster is obliged to let other Luxembourg TV Stations access the event in order to produce short reports for the news. However, until now, no implementing regulation has been enacted and there is no list of such major sports events.

IV.2. Application to Ambush Marketing

In case an Ambuser infringes the broadcaster rights by reproducing a sequence of its program, the broadcaster may take the same actions that have been detailed in section II.2.1. concerning copyrights since the broadcasting right is a similar right. The possible actions laid down in article 72 of the Copyright Law apply to copyrights as well as to the similar rights like the broadcasting rights.

6.4. If you had to advise the organiser of a Sporting Event in your country and a company considering sponsoring that Sporting Event as to the practical steps they may want to take to protect themselves against Ambush Marketing, please set out briefly the key points of what your advice would be. Please indicate whether and which influence ambush marketing and / or specific legislation in this area had on contracts regarding Sporting Events in your jurisdiction.

The Organiser and the Sponsor would have to mainly use trademark law and contractual means to secure the value of the sport event. Some key points would be:

2.4.1 From the Organiser's side:

- To find a distinctive name for the sports event that is non-descriptive;
- To create unique symbols, mascots, logos for the event;
- To register distinctive trademarks for sport events in the relevant categories and any possible merchandising product;
- To register every available internet domain associated with the event;
- To create very detailed manuals and guidelines about how the signs are to be used and how the license rights are to be used;
- To set up extensive contractual obligations in sponsorship agreements regarding the use of the Sport Event's trademarks, logos etc. and prohibiting unauthorized advertising use and sub-licensing;
- To set up detailed rules of the house for the premises especially forbidding advertising or symbols of companies that are not sponsors with the owners of the premises where the sport event is held and forbidding any non official sponsors to use its advertising space;
- To set up contracts with the cities in which the event is held in order to keep the space around the place of the event advertising-free for non-sponsors, including the airspace above the premises;
- While selling the TV-rights, to set up license contracts to control commercial public viewing and sponsorship of the transmitted program prohibiting unauthorized use or sub-licensing for advertising purposes

2.4.1 From the Sponsor's Side

- To register any trademark or design license with the relevant IP Offices;
- To obtain the Organiser's authorisation to take legal action against trademark, design or copyright infringer;
- To always present itself as an "official sponsor";
- If possible, to register distinctive trademarks or designs in relation to the event (if applicable with the consent of the Organiser);
- To closely watch the market and to react as quickly as possible in the event of unfair competition;
- To demand the Organiser to present its official sponsors on its communication tools and material.

- 6.5. If you had to advise a company who would like to use the opportunity of a Sporting Event for a legal, albeit perhaps risky, marketing campaign but refuses to become a sponsor or official licensee, please set out briefly the key points of what your advice would be.**

The Ambusher should try to operate in the gray area: Allude the sport event without infringing trademark law, creating products that do not present a risk of confusion. If the protected trademark is used directly, it should be used only in a descriptive way.

Concerning trademark law, the Ambusher infringes trademark law by using a sign that creates a likelihood of confusion with the trademark of the organiser or if the consumer associates the ambush sign with the registered trademark, thus interpreting the ambush sign as an officially licensed trademark. Since the distinctiveness of the trademark might be very limited as explained above this still leaves some room for Ambush Marketers to use a sign that might be considered as not similar.

Concerning the details and other key points we refer to the observations above.

- 6.6. Finally, please give examples of any recent Ambush Marketing activity and / or cases in your country. As mentioned, please continue to collect such examples even after you have submitted your national report and email them to the general reporters.**

There are no examples of ambush marketing for sport events in Luxembourg.

7. POLAND

National Reporter: Jan Roliński
WKB
Wierciński, Kwieciński, Baehr Sp. k.
ul. Polna 11
00-633 Warsaw
Poland
+ 48 508 01 94 98
Jan.Rolinski@wkb.com.pl

7.1. Major Sporting Event in Poland

Between 8 June and 1 July 2012 the final tournament of the 2012 UEFA European Football Championship, commonly referred to as Euro 2012, will be hosted by Poland and Ukraine.

In connection to this event, many interesting issues may arise in relation to Ambush Marketing. Please find below information on Ambush Marketing in Poland before and during UEFA Euro 2012.

7.2. Legislation on Ambush Marketing

There is no specific legislation that outlaws explicitly Ambush Marketing actions as such in Poland, in particular any act of law which defines actions which are regarded as the Ambush Marketing and any specific claims or rules of their enforcement. The reason for this may be that Poland has never hosted events like the Olympic Games, the FIFA World Cup or the UEFA Euro before. Actions against Ambush Marketing are to be based on regulation already applicable for intellectual property and fair competition protection.

Poland provided a number of guarantees and undertook obligations related to the protection of intellectual property connected with UEFA Euro 2012 (in cooperation with institutions such as the Polish Patent Office, the Ministry of Culture and National Heritage, the Ministry of the Economy, the Ministry of Justice, the Police, the Customs Service, the Office of Competition and Consumer Protection, host cities and the Polish Football Association).

7.3. Guarantees and obligations in relation to the UEFA Euro 2012

PL.2012 which is a special purpose entity established by the Ministry of Sport and Tourism coordinates preparations for Euro 2012, including protection of IP and against Ambush Marketing.

Poland and Ukraine have undertaken to protect UEFA marks and labeling, as well as other intellectual property rights referring to EURO 2012. The guarantee covers legal protection of word marks and logos connected with the tournament, counteracting unfair marketing practices (ambush marketing, illegal gadget production), prohibited practices related to ticket sale and unlicensed public broadcasting of tournaments.

Minister of Sports and Tourism established the Rights Protection Committee, which

comprises representatives of offices and institutions engaged in the protection of intellectual rights, among others of the Polish Patent Office, Ministry of Finance, Office of Competition and Consumer Protection, the Polish National Police and Ministry of Justice.

The rules and regulations of using and protecting tournament symbols must be generally acknowledged and applied in all projects. Therefore the National Coordination for Intellectual Property Protection of the company PL.2012 cooperates with the competent coordinators of such projects as: safety (cooperation in designing the legal framework, influence of "parasite marketing" on public order, regulations on public broadcasting of matches), volunteer activities (enabling volunteers to use tournament symbols, financing voluntary activities by sponsors, labelling volunteers' clothing by third entities), promotion (use of tournament symbols for marketing purposes, the issue of national sponsors), transport (use of tournament symbols for marking transport routes, Polish Pass), social projects.

Attached to the this Report, you may find detailed list of the guarantees and the units that provide them.

It is worth noting that the Committee was also responsible for drafting the legal framework for the protection of intellectual property rights before and during UEFA EURO 2012. However, in the end no such legislation was adopted.

One of the possibilities had been that this legislation should refer not only to EURO 2012, but to any Major Sporting Event taking place in Poland.

7.4. Is the new legislation needed?

x. Rules on protection of trademarks and other signs

The Polish law on trademarks is merely unified with the EU directives both in the field of terms of protection and its enforcement. It seems however that additional rules concerning the protection of trademarks and unregistered signs against ambush marketing conducts would strengthen their protection in the course of the sporting events. This results from the very specific nature of the designations related to the sporting events and their strength in promotion. In particular, new rules could apply to use of designation which are not confusingly similar (meaning there is no likelihood of confusion as to the origin of the products or service) but they evoke associations with the ongoing or expected sporting event, its organisers and financial sponsors.

New laws could introduce a specific *sui generis* protection for symbols relating to Major Sports Events that would go beyond the scope of trademark law and its main principles (obligation to use for products designation, distinctiveness, likelihood of confusion) and thereby provide more protection adequate to the value of the trademarks which have less products' origin designation features but a strong promotional force.

Therefore, the new legislation could do specify the criteria of protection that are more adequate to the purpose of the trademarks and signs associated with sporting events and organisation as well as more efficient enforcement measures to be applied during sporting events.

Poland has undertaken to protect intellectual property rights referring to EURO 2012 - marks such as: "*Poland Ukraine 2012*", "*EURO 2012*" or the graphic signs that are presented below, were registered.



Attached to this Report, please find a list of registered signs for the Euro 2012.

As a result, any partial or complete reference to the wording or graphic symbols, which are subject to the protection of trademarks owned by UEFA or any modification thereof shall constitute illegal use of these marks, unless UEFA grants its consent or license on such use.

From 2007 a special team of experts has been established within the Patent Office, which conducts proceedings relating to the registration of identifications connected with UEFA, the registration of identifications that may potentially infringe UEFA identifications and proceedings against infringement of symbols related to Euro 2012.

This team also provides a faster procedure for the registration of symbols relating to UEFA. The applications are examined in a period lasting no longer than 6 months from the filing of the application. An expedited procedure is also used in case of an application for invalidation of a certain industrial property right.

This team shall continue to work till the end of Euro 2012.

xi. Rules on the protection of trademarks and other signs

The rules presented above refer to activities connected to registered trademarks and other symbols. However, Ambush Marketing activities may take different forms that not addressed by the regulations detailed above.

Those aspects of Ambush Marketing which involve evoking commercial associations between a particular business and the Major Sporting Event, e.g. by unauthorised use of designations relating to the Event, could be addressed by the trademark law or general rules of unfair competition law.

These are, however, ineffective against other forms of Ambush Marketing, generally defined as Ambush Marketing "*by intrusion*" (giving a brand or name exposure through the medium of the publicity attracted by the Event). For that reason, they require an adequate legal

response, in order to protect the legitimate interests of the Event's organisers and the official sponsors that are vital to the Event.

Of course, as long as the said legitimate interests and exclusive rights are respected, third parties should be able to refer to the Sports Event in their advertising or other commercial activities. Due to economic and social factors, including unquestionable benefits for the country, it is particularly justified to limit the scope of such "unauthorised" commercial activities in countries hosting Major Sports Events.

Particular provisions of Polish law that may apply to fight some aspects of Ambush Marketing may be found below.

7.5. Legal basis for the rights holder to seek redress in respect of Ambush Marketing

Currently, there are no provisions under Polish law explicitly referring to Ambush Marketing. However, some aspects of Ambush Marketing can be addressed by the instruments of industrial property law, copyright law or law on unfair competition practices.

7.6. Trademark and design law

The regulations on trademarks and designs are contained in a single Act on Industrial Property Law dated 30 June 2000 (Journal of Laws No. 119 of 2003, Pos. 1117, hereinafter referred to as "*IPL*").

A right holder whose industrial property right has been infringed may demand that the infringing party:

- cease the infringement,
- surrender the unlawfully obtained profits, and
- in case of infringement caused by fault also redress the damage:
 - (i) in accordance with the general principles of law,
 - (ii) by the payment of a sum of money at the amount corresponding to the license fee or other reasonable compensation, which while being vindicated would have been due in return for consent given by the right holder to exploit his invention.

The court may issue an interim injunction to stop infringing activities and seize the counterfeiting production. Such injunction is granted in average within 3 – 21 days from the date of the application filing.

Under IPL, in order to successfully defend against the claim, the defendant needs to prove that the infringement did not take place or that in certain circumstances the protection granted under IPL would constitute abuse of the rights. The defendant may also commence proceedings to invalidate the particular industrial property right.

Additionally, according to the penal provisions of the IPL, anyone marking goods with a counterfeit trademark or a registered trademark, he or she is not entitled to use, for the purpose

of placing them on the market or placing on the market goods bearing such trademark shall be liable to a fine, limitation of freedom or imprisonment for a period of up to two years.

The unregistered designs may enjoy protection on the basis of EU Regulation No 6/2002 of 12 December 2001 on Community designs (OJ EC No L 3 of 5.1.2002, p.1) for the period of three years. Such design confers on its holder the exclusive right to use it and to prevent any third party not having his consent from using it, if the contested use results from copying the protected design.

7.7. Copyright law

Some labels, slogans and products relating to the Major Sporting Event, such as for example, mascots or logos, which were not registered under IPL, may still acquire protection on the basis of the Act on Copyright and Related Rights dated 4 February 1995 (Journal of Laws No. 24 of 1994, Pos. 83, with amendments, hereinafter referred to as the “*Copyright Law*”).

The subject matter of protection, under Copyright Law, is a “*work*” defined as any manifestation of the creative activity of individual nature, established in any form, irrespective of its value, designation or manner of expression.

Therefore, to be successful, the holder/sponsor of the Major Sporting Event needs to prove that the product relating to the Major Sporting Event constitutes a “*work*” as defined above.

Under Copyright Law, the successful claimant whose rights have been infringed, may demand remedies, in particular that the infringing party:

- cease the infringement;
- eliminate the consequences of the infringement;
- repair the inflicted damage:
 - a) on the general terms or
 - b) by payment of double or, where the infringement is culpable, triple the amount of respective remuneration that would have been due as of the time of claiming it in exchange for the right holder’s consent for the use of the work;
- render the acquired benefits.

Irrespective of the claims specified above, the right holder may demand:

- single or multiple announcements in the shape of press declarations having the proper wording and form, or communication to the public, of all or a part of a court pronouncement issued in the examined case, in the manner and within the scope defined by the court;
- payment by the person who breached the author's economic rights of an appropriate sum of at least double the probable value of the benefits received by the offender in favour of the Fund referred in Copyright Law, provided that the infringement was culpable and has been committed.

Same as in case of industrial property infringement, the court may issue an interim injunction prohibiting infringement of the rights even before the statement of claim is filed.

In order to successfully defend against the claim, the defendant needs to prove that the product relating to the Major Sporting Event is not classified as a “*work*” as defined under the Copyright Law.

7.8. Unfair competition practices

Actions against Ambush Marketing may be based on the Act on Combating Unfair Competition Practices dated 16 April 1993 (Journal of Laws No. 153 of 2003, Pos. 1503, with amendments, hereinafter referred to as “*CUCP*”). *CUCP* defines an act of unfair competition as an activity contrary to the law or good practices which threatens or infringes the interest of another business or consumer (article 3 of *CUCP*). Based on this general definition it is possible to seek protection under *CUCP* against various types of infringing actions of Ambush Marketing.

CUCP specify several types of acts of unfair competition:

- Use of misleading designations of enterprise (Article 5 of *CUCP*).
- Use of misleading designations of products (which may mislead consumers in relation to the origin, quantity, quality, components, manufacturing process, usefulness, possible application, repair, maintenance and another significant features of products or services, as well as concealing the risks connected with their use - Article 10 of *CUCP*).
- Imitating a product such that it may mislead consumers as to the identity of the producer or product (Article 13 of *CUCP*).
- Disseminating untrue or misleading information about oneself or another business or undertaking in order to yield benefits or bring (Article 14 of *CUCP*).

The acts of unfair competition defined in articles 5, 10, 13, 14 and 16 may combat only certain forms of Ambush Marketing. For example, Article 10 would best tackle businesses who use identification of products or services in a manner which may mislead consumers as to the origin of the product or service, or whether it was manufactured under the official UEFA license; or which may indicate that a certain product is of the same quality as a product used by the players during Euro 2012.

Article 13 in particular may be used against businesses which manufacture products identical, or very alike, to the products manufactured by UEFA or official sponsors of Euro 2012.

Article 14 may be used against companies who disseminate untrue or misleading information about themselves such as, for example, that they are the official sponsor of the Major Sporting Event, in order to yield benefits, such as publicity or sale of the products.

Other acts relating to Ambush Marketing, that are not regulated by the provisions mentioned above, may be combated on the basis of the general clause contained in Article 3 of *CUCP*. However, the organizer or the official sponsor of the Major Sporting Event may have difficulties in combating acts that only generally refer to the Major Sporting Event, such as those that suggest associations with the Event, or refer to the sport played there, but which do

not imitate the products or identifications of the organizer or official sponsors of the Major Sporting Event.

In the current legal system, it would be difficult to consider such acts as acts of unfair competition, because the claimant would have to prove that there are good commercial practices established that require entities that have no license from the organiser to refrain from references to the Major Sporting Event.

Under CUCP, the successful claimant may obtain the following remedies:

- 1) cessation of prohibited practices,
- 2) removing the effects of prohibited practices,
- 3) making one or more statements of appropriate content and form,
- 4) repairing the damage, pursuant to general rules,
- 5) handing over unjustified benefits, pursuant to general rules,
- 6) adjudication of an adequate amount of money to be contributed to a chosen social goal connected with support for Polish culture or related to the protection of national heritage – where the act of unfair competition has been deliberate.

What is important, the case law has recently developed in the direction that CUCP may be enforced against the business entities only (and against the individuals only in case CUCP states that explicitly). The exact definition of a business is provided by the Article 2 of CUCP that states: *“businesses, for the purpose of the present Act, shall mean natural and legal persons and organizational units without legal status, which by performing, even casually, paid or professional activity participate in economic activity”*. This means that an individual athlete, a group of team athletes, supporters or a sports club may not be held liable for the acts mentioned above if they are not conducting business activity. Even if they are acting for another sponsor or producer, there would be no infringement of CUCP, as it is hard to prove that the ordering entity was a direct cause of those actions.

7.9. Advertising law

There is no specific act regulating advertising relating to Ambush Marketing in Poland. However, and the general rules of advertising are provided by CUCP.

Ambush Marketing may involve promotion activities that are in contrary to good commercial customs or that mislead the customers, and thus potentially influence his/her decision to purchase a product or service (Article 16 of CUCL section 1 point 1 and 2).

This article may be used particularly in cases where a non-sponsor produces material suggesting that he is an official sponsor of the Major Sporting Event or claims that his products or services are official products/services of the Major Sporting Event.

However, the above Article cannot be applied in cases where the intention is only to draw attention to the Major Sporting Event or to the area of sport connected with it.

The remedies for the successful claimant whose rights have been infringed are the same as those stipulated in point 4.3.

7.10. Practical steps to be taken by the organiser and sponsor of a Major Sporting Event against Ambush Marketing

First of all, both the organiser and the sponsor of a Major Sporting Event should jointly promote awareness of their role in the organisation of the Sporting Event. The marketing campaign should also contain the information that the organiser and the sponsor will strongly oppose any actions which may impede the rights of those undertaking legitimate marketing activities. This campaign should also include information that Ambush Marketing is against the law and every possible legal step will be taken to counteract such activities.

Additionally, sponsors of Major Sporting Events should try to detail, in their agreements with the organisers, the steps to be taken against Ambush Marketing. In particular, appropriate provisions should be made in the regulations for the event that enable precise control of the participants and things they bring into the stadium (including the clothes they wear – so a situation similar to the “*Bavaria girls*” case can be avoided).

It is worth also noting that the organiser should buy all the advertising space in the area of the stadium and then licence it to the official sponsors (so a situation where the unofficial sponsor places his advertisements all around the stadium and thus creates an impression that he is, in fact, the official one, can be avoided).

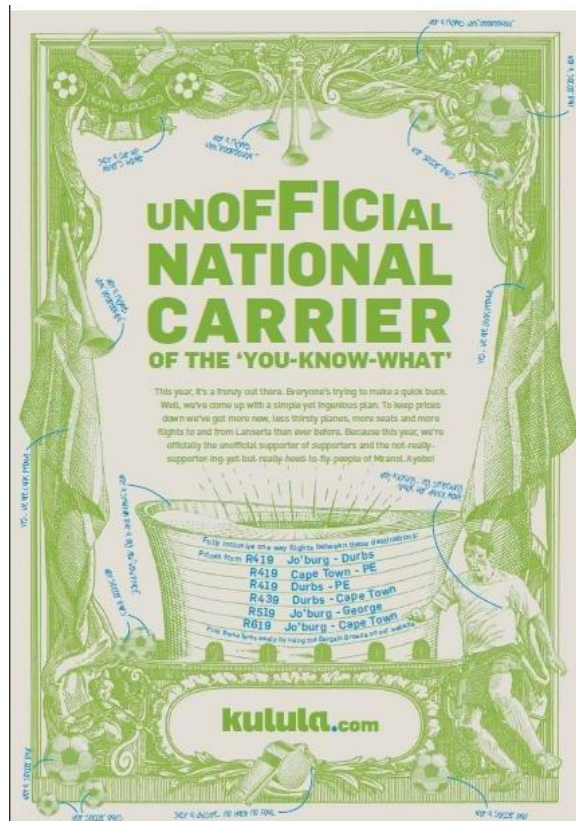
7.11. How to prepare a marketing campaign during Euro 2012

Marketing activities can be performed in a more cautious manner, i.e. without direct reference to the Major Sporting Event, so that advertising products can only generally refer to the Major Sporting Event. The example may be as follows: the producer of a drink could disseminate advertisements containing the following sentence: “*Our boys drink only this before the game*” or show support for a team through slogans like: “*Today we keep our fingers crossed*”.

This type of marketing may be successful as the organiser or the official sponsor of the Major Sporting Event may find it difficult to combat acts that only generally refer to the Major Sporting Event, by creating associations with the event, or referring to the practiced sport, but do not involve manufacturing products imitating those produced by the organiser or official sponsor of the Major Sporting Event.

This may be illustrated by an example of a successful campaign by South African airline, Kukula, which before the FIFA World Cup 2010, produced a marketing campaign containing pictures of a stadium, wuwuzele, football players and a huge slogan: “*Unofficial National Carrier of the You-Know-What*”

Please see the poster of the advertisement below:



7.12. Examples of Ambush Marketing in Poland

There are not many examples of Ambush Marketing in relation to Major Sporting Events in Poland. However, as UEFA EURO 2012 approaches, more and more examples of Ambush Marketing are expected to arise!

Below you may find examples of marketing campaigns referring to Major Sporting Events that caused controversies in Poland.

7.13. Pepsi vs. Coca Cola

During UEFA EURO 2004, which was sponsored by Coca Cola, the biggest Polish website dedicated entirely to the tournament published a series of Pepsi adverts stating that Pepsi is an official sponsor ... of this website.



source: Onet.pl

7.14. Tesco during Euro 2008

During the finals of the UEFA EURO 2008, the chain of Tesco stores announced a competition that could suggest that the store was an official sponsor of the tournament. The advertising posters contained images of a football, the colours of the Polish flag and the following slogan: *“Buy Polish products, go to Euro”*. The winner could get free tickets to see the finals.



source: www.dajeszprace.pl

**Kibicuj drużynie
polskiego produktu**

Kupuj polskie produkty, jedź na Euro!

- Odwiedź Tesco i kup 3 dowolne produkty oznaczone logo
- Wyślij sms o treści DRUZYNA na nr 7160*
- Do wygrania:
 - gotówka na wyjazd na Euro
 - zestawy polskich produktów
 - bony zakupowe Tesco

*Kod sms: 1 4 warianty 11.22 (warianty) bez opłat, aby być odbiorcą nagrody. Nie pominieć 24.07.08-30.07.08. Dodatkowe informacje kliknij na stronie www.dajeszprace.pl oraz www.tesco.pl

One could also have been misled as to the official sponsor of Euro 2008 by the package of a Polish wafer called “*Prince Polo*”, which had pictures of a football, the colours of the Polish flag and the slogan: “*Poland, score the goal!*”. The producer of the wafer justified this advert by saying that he wished to join supporters during the wonderful football festival, so they could enjoy it more.



Attachments:

Guarantees for the UEFA Euro 2012,
List of the registered signs for the Euro 2012.

8. SRI LANKA

National Reporter: John Wilson
JOHN WILSON PARTNERS,
Attorneys-at-Law & Notaries Public,
365 Dam Street,
Colombo 12,
Sri Lanka.
T: +94 11 2324579
F: +94 11 2446954
john@srilankalaw.com

8.1. Please indicate whether there has been any major Sporting Event held in your country recently and/or whether there are plans for such a Sporting Event in the near future.

Yes. Cricket World Cup in early 2011. Various cricket matches since then.

8.2. In your country, is there any specific legislation that outlaws Ambush Marketing as such and/or protects trade marks and other intellectual property rights relating to Sporting Events or are there / have there been attempts introduce such legislation?

xii.

a. If the answer is yes:

•
i) Please briefly summarise the key provisions of that specific legislation and explain in general terms to what extent these differ from the general rules of trade mark, unfair competition and other intellectual property law applicable in your country.

xiii.

- **There is no specific legislation in Sri Lanka that outlaws Ambush Marketing as such and/or protects trademarks and other intellectual property rights relating to Sporting Events. There are no, nor have there been, as far as we are aware, attempts to introduce such legislation.**
- **A broad definition of the term “Ambush Marketing” includes wide ranging marketing activities by which a business seeks to capture or leverage off the goodwill surrounding an event for which it is not a sponsor. This Ambush Marketing seeks to derive the many benefits of association with the event without the burden of paying sponsorship fees.**
- **However a narrower definition of Ambush Marketing defines it as deliberate confusion of the public regarding the Ambush Marketer’s association with an event, thus weakening the marketing efforts of the actual sponsors.**
- **There are no specific statutes, legislation and/or other regulation in place in Sri Lanka regarding advertising etc. for Sporting Events of the type mentioned and that prevent Ambush Marketing activities.**
- **The only legislation that might capture the essence of the narrower definition of “Ambush Marketing” are the provisions relating to unfair competition in the Sri Lankan Intellectual Property Act no. 36 of 2003.**
- **Section 160(1)(a) of the Intellectual Property Act No. 36 of 2003 provides that “Any act or practice carried out or engaged in, in the course of industrial or commercial activities, that is contrary to honest practices shall constitute an act of unfair competition.”**
- **Therefore any commercial activity including advertising that may be interpreted as contrary to honest practices would constitute an act of unfair competition and in terms of the provisions of section 170 of the Act, the relevant Court may grant an injunction restraining the commencing and/or continuing of such activity and the Court may in addition award damages.**

- **Thus, it is possible that advertising that creates deliberate confusion of the public regarding the Ambush Marketer’s association with a sporting event, weakening the marketing efforts of the actual sponsors, could be interpreted as an act contrary to honest practices and is therefore an act of unfair competition within the meaning of section 160(1)(a) of the Intellectual Property Act.**
- **However, thus far, there are no judgments and/or decisions and/or any other judicial pronouncement from any court of law in Sri Lanka in terms of which there has been a finding that such “Ambush Marketing” activities constitute an act of unfair competition under the provisions of the Intellectual Property Act.**
 - (ii) Focusing on trade marks specifically, please explain briefly whether (and, if so, in what way) under the specific legislation in your country the scope of protection given to trade marks that relate to a Sporting Event is broader than the scope of protection given to other trade marks under general trade mark law. For example, is there any difference in what the trade mark rights holder needs to prove? Are the legitimate interests of the defendant given the same level of consideration? Are the remedies different?
- **There is no specific legislation that outlaws Ambush Marketing as such and/or protects in a manner different from any other trademark, trademarks and other intellectual property rights relating to Sporting Events.**
- **There are no, nor have there been, as far as we are aware, attempts to introduce such legislation.**
 - (iii) If you have identified above that the scope of protection given to trade marks that relate to a Sporting Event is broader than the scope of protection given to other trade marks, explain briefly whether you think that such broader protection is justified and whether it achieves the right balance between the rights of Sporting Event rights holders/their sponsors and those of other companies/traders.

Does not arise.

- (iv) What are the reasons or arguments given officially or unofficially to justify specific legislation for Sporting Events? Please explain whether and why you consider these explanations legally substantive or not.

xiv.

Does not arise.

- b. If the answer is no, please indicate whether you think that the implementation of such specific legislation would be necessary in your country and explain briefly why. If you think that specific legislation is necessary, please explain briefly what you think it should provide.

The provisions of the Intellectual Property Act provide a reasonably balanced approach and in my view specific legislation would not be needed.

8.3. In the absence of (or in addition to) any specific legislation referred to in Question 2.1, please explain briefly on what legal basis might an aggrieved Sporting Event rights holder/sponsor seek redress in respect of any Ambush Marketing activity in your country? Without limitation, please consider: (i) trade mark law, (ii) design law, (iii) copyright law (iv) unfair competition/passing off law, (v) advertising law and regulations, (vi) consumer protection law and regulations etc.

xv.

- i) Infringement of the exclusive rights of the i) owner of a registered trademark to use the trademark ii) of the owner of a registered industrial design to use the trademark iii) of the the owner of copyright would entitle the rights holder to sue for an injunction preventing such infringement and to seek damages. There are no provisions in any regulation gazetted under any other Act such as the Sri Lanka Rupavahini Corporation Act or the Consumer Affairs Authority Act or in the provisions of those enactments relevant to the issue of Ambush Marketing in relation to Sporting Events.

As regard unfair competition, please refer the comments previously made.

xvi. For each course of action identified above, explain briefly what the Sporting Event rights holder/sponsor needs to prove in order to be successful.

- proof that the Plaintiff is the owner of the intellectual property right(s)
- that the Defendant has infringed the exclusive rights of the Plaintiff in regard to those intellectual property right(s)
- loss and damage

In regard to actions where the cause of action is based on unfair competition, the Plaintiff would have to prove that the acts of unfair competition happened and loss and damage.

When seeking equitable relief such as an injunction, the Plaintiff should not be guilty of laches, must come to Court with clean hands and must fully disclose (not suppress) any material facts. The balance of convenience should favour the Plaintiff.

xvii. For each course of action identified above, explain briefly what remedies the successful claimant may obtain.

Injunction (enjoining order and/or subsequently interim injunction and/or finally permanent injunction) and/or damages.

xviii. For each course of action identified above, explain briefly what the defendant needs to achieve to successfully fend off the claim.

That there is no infringement of the intellectual property rights, or in the case of a cause of action based on unfair competition that the defendant has not engaged in conduct contrary to honest or lawful practices in commercial matters.

In the case of injunctive relief, that the Plaintiff has suppressed material facts and/or that the balance of convenience does not favour the grant of an injunction.

xix. Please explain whether there are any differences (and if yes which) in the application or interpretation of specific or non-specific legislation if the aggrieved party is not a Sporting Event rights holder/sponsor but rather

an individual athlete or his sponsor;

a group of team athletes or their sponsor;

a sports club or organization (assuming that the concrete case is not related to an event held by such organization) or its sponsor.

Does not arise.

8.4. If you had to advise (i) the organiser of a Sporting Event in your country and (ii) a company considering sponsoring that Sporting Event as to the practical steps they may want to take to protect themselves against Ambush Marketing, please set out briefly the key points of what your advice would be. Please indicate whether and which influence ambush marketing and/or specific legislation in this area had on contracts regarding Sporting Events in your jurisdiction.

Exercise vigilance and use the police to enforce the penal provisions contained in the Intellectual Property Act.

As regards the stadiums themselves, normally such stadiums would be handed over to the organiser by the relevant national governing body prior to the commencement of the Sporting Event and the organiser would therefore have control over the items distributed within the stadiums and also over the items which may be bought into the stadiums by the spectators.

However the organiser would not have any authority to prevent an Ambush marketer from distributing any of its branded material outside the stadiums provided that such material does not have reference to the Sporting Event/organiser or create deliberate confusion of the public regarding the Ambush Marketer's association with the Sporting Event.

In regard to the use of likenesses of participating athletes, we would also advise that there would be no strong legal basis for the organisers to restrict the use of competitor images by the Ambush Marketer, or the use of the player's name etc. subject to the following caveat. The organiser may have a cause of action under the unfair competition provisions of the Intellectual Property Act if the use of the player image by the Ambush Marketer is calculated to show a direct association of the Ambush Marketer with the Sporting Event or of trademarks, industrial design, logos, copyright belonging to the organiser is used along with such image or likeness.

Further such likeness should not be derived from images which belong to the Organiser such as where such image is of action taking place during the sporting event.

I would also advise the client that informational references to the Sporting Event that do not include reproduction of match content cannot be prevented by the organiser, unless calculated to create deliberate confusion of the public regarding the Ambush Marketer's association with the Sporting Event. Informational references that include reproduction of match content, if done for the purpose of news reporting or reporting of current events, would be covered under the provisions relating to fair use set forth in section 11 of the Intellectual Property Act and therefore the organiser would not be able to prevent such informational references. Factors such as the purpose and character of such use, nature of the protected work, the amount and substantiality of the portion used and the effect of the use upon the potential market could be considered in determining whether the use is fair use within the meaning of the Intellectual Property Act.

- 8.5. If you had to advise a company who would like to use the opportunity of a Sporting Event for a legal, albeit perhaps risky, marketing campaign but refuses to become a sponsor or official licensee, please set out briefly the key points of what your advice would be.**

Our advice would be substantially the same as set out in the answer to 2.4 above.

- 8.6. Finally, please give examples of any recent Ambush Marketing activity and / or cases in your country. As mentioned, please continue to collect such examples even after you have submitted your national report and email them to the general reporters.**

Not aware of any.

9. SWEDEN

National Reporter: Erik Ullberg
WISTRAND
P.O. Box 11920
SE-404 39 Göteborg
Sweden
erik.ullberg@wistrand.se
Direct +46 (0)31 771 21 76
Tel +46 (0)31 771 21 00
Fax +46 (0)31 771 21 50
www.wistrand.se

9.1. Please indicate whether there has been any major Sporting Event held in your country recently and/or whether there are plans for such a Sporting Event in the near future.

There has not been any major Sporting Events in the scale of the Olympics or FIFA World Cup in Sweden recently, but during the last years Sweden has hosted amongst others the Men's Handball World and Championship (2011) and the UEFA under 21 Euro Championship (2009).

Additionally, this year Sweden will host the 2012 IIHF Ice Hockey World Championship (jointly with Finland).

9.2. In your country, is there any specific legislation that outlaws Ambush Marketing as such and/or protects trade marks and other intellectual property rights relating to Sporting Events or are there / have there been attempts introduce such legislation?

As far as known there have been no attempts to adopt such specific legislation.

a. If the answer is yes:

- i. Please briefly summarise the key provisions of that specific legislation and explain in general terms to what extent these differ from the general rules of trade mark, unfair competition and other intellectual property law applicable in your country.
- ii. Focusing on trade marks specifically, please explain briefly whether (and, if so, in what way) under the specific legislation in your country the scope of protection given to trade marks that relate to a Sporting Event is broader than the scope of protection given to other trade marks under general trade mark law. For example, is there any difference in what the trade mark rights holder needs to prove? Are the legitimate interests of the defendant given the same level of consideration? Are the remedies different?
- iii. If you have identified above that the scope of protection given to trade marks that relate to a Sporting Event is broader than the scope of protection given to other trade marks, explain briefly whether you think

that such broader protection is justified and whether it achieves the right balance between the rights of Sporting Event rights holders/their sponsors and those of other companies/traders.

iv. What are the reasons or arguments given officially or unofficially to justify specific legislation for Sporting Events? Please explain whether and why you consider these explanations legally substantive or not.

b. If the answer is no, please indicate whether you think that the implementation of such specific legislation would be necessary in your country and explain briefly why. If you think that specific legislation is necessary, please explain briefly what you think it should provide.

I consider specific legislation to be necessary in Sweden if Sweden is to host a major Sporting Event of a larger scale. The reason for this is that the “problem” of ambush marketing is relatively difficult to come to terms with using existing marketing-, trademark-, or copyright legislation, mainly because the legal process tend to be too slow to have a real practical impact.

9.3. In the absence of (or in addition to) any specific legislation referred to in Question 2.1, please explain briefly on what legal basis might an aggrieved Sporting Event rights holder/sponsor seek redress in respect of any Ambush Marketing activity in your country? Without limitation, please consider: (i) trade mark law, (ii) design law, (iii) copyright law (iv) unfair competition/passing off law, (v) advertising law and regulations, (vi) consumer protection law and regulations etc.

a. For each course of action identified above, explain briefly what the Sporting Event rights holder/sponsor needs to prove in order to be successful.

(i) Trademark law

Under the Swedish Trademarks Act the rights holder needs to prove that the ambush marketer has used the rights holder’s, registered or unregistered, trademark (or a confusingly similar mark) in its ambush events. Furthermore it needs to be proved that the use of the infringing mark has been conducted in the ambush marketer’s business activities.

Reputable marks enjoy extended protection outside their registered scope. In order to be able to rely on this extended protection a rights holder must show the existence of the well-known mark and prove that the infringing mark takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.

To give an example: the International Olympic Committee (IOC) has registered a great number of trademarks in Sweden *e.g.* the Olympic rings as a figurative mark and “OS” as a word mark (OS being the commonly used Swedish acronym for Olympiska Spelen, which is Swedish for the Olympic Games). It is important to note that individual elements may be simultaneously protected as a trademark as well as a copyrighted work, cf (iii) below.

(ii) Design law

Under the Swedish Designs Protection Act the rights holder needs to prove that the ambush marketer has used, in its ambush events (commercial activity presumed), a design which infringes the rights holder's registered design.

It should be noted that unregistered designs may be invoked in Sweden under the under Council Regulation (EG) No. 6/2002 on Community Designs.

(iii) Copyright law

Under the Swedish Copyrights Act the rights holder first and foremost needs to prove that the work it considers to be infringed is a protected by copyright. The rights holder then needs to prove that the work used in the ambush events infringes the rights holder's copyright.

In addition to being protected as a trademark, it should be noted that the Olympic rings are also certainly protected by copyright. Other elements are protected by copyright as well, *inter alia* the various slogans and the official mascots. Hence, it is not possible to make use of any of the protected phenomena mentioned above without infringing the IOC's rights

(iv) Unfair competition/passing off

The Swedish act generally applicable to marketing of for commercial purposes is the Swedish Marketing Practices Act (MPA). This is likely to be first course of redress in the event of ambush marketing.

The MPA stipulates, *inter alia*, that marketing must be in accordance with good marketing practices and not be misleading.

The MPA also contains provisions on use of brands of others, comparative advertising and misuse of the good reputation of someone, *e.g.* a competing entity. These provisions could possibly be used against an ambush marketing activity, but the MPA is not construed with ambush marketing in mind. To my knowledge the Marketing Court has never tried a case concerning ambush marketing.

Only marks (and distinctive products as the case may be) and businesses which are sufficiently known in the relevant market will usually be afforded protection under the MPA from improper use of a third party. In order to be able to enjoy protection against unfair use of reputation it must also be possible to determine a link between the concerned companies.

In addition it must generally be established that the marketing activity has affected the recipient's ability to make a well-founded transaction decision.

(v) Advertising law

Please refer to (iv) Unfair competition/passing off above.

Additionally, besides statutory rules, questions regarding good marketing practice are dealt with within the trade and industry's proprietary regulatory system. The body of interest regarding ambush marketing is the Advertising Ombudsman (RO). The RO's task is to give announcements on good marketing practice. The announcements are usually based on the International Chamber of Commerce's (ICC) various codes, first and foremost the Code of

Advertising and Marketing Communication Practice. The RO's decisions are publicly available and are sent to the media for information. The RO does however not dispose of any economic means of sanction.

Ambush marketing is explicitly mentioned in chapter B of the ICC's Code of Advertising and Marketing Communication Practice. Article B4 stipulates that: "No party should seek to give the impression that it is a sponsor of any event or of media coverage of an event, whether sponsored or not, if it is not in fact an official sponsor of the property or of media coverage." It is this provision that RO would base a potential announcement on. As far as I am aware the RO has yet to try a case concerning ambush marketing.

(vi) Consumer protection law

Usually issues related to ambush marketing will not be dealt with by the Consumer protection laws, but consumers interests are in this regard safeguarded by the means referred to in (iv) Unfair competition/passing off and (v) Advertising law above.

- b. For each course of action identified above, explain briefly what remedies the successful claimant may obtain.

The following remedies exist for a copyright, design or trademarks holder

- Injunction (interim and final)
- Order to provide information
- Infringement investigation
- Compensation (damages etc.)
- Destruction or other reasonable disposition of infringing samples
- Impounding of infringing samples
- Order to publish the judgment

As for the MPA the remedies are somewhat more limited. For instance it is not possible to request an order of information or an infringement investigation, but injunctions (also interim) and compensation are available.

- c. For each course of action identified above, explain briefly what the defendant needs to achieve to successfully fend off the claim.

In relation to the IP laws (the Swedish Trademarks Act etc.) the burden of proof generally lies with the applicant. Nonetheless, a defendant will normally strive to rebut the circumstances put forward by the applicant.

Under the MPA a marketer must be able to prove that the marketing has been in accordance with good marketing practices and has not been misleading. Usually a defendant will also argue that the marketing activity has not affected the recipient's ability to make a well-founded transaction decision. If the marketing is not made for commercial purposes, then miss may be valid defence.

- d. Please explain whether there are any differences (and if yes which) in the application or interpretation of specific or non-specific legislation if the aggrieved party is not a Sporting Event rights holder/sponsor but rather
- vii) an individual athlete or his sponsor;
 - viii) a group of team athletes or their sponsor;
 - ix) a sports club or organization (assuming that the concrete case is not related to an event held by such organization) or its sponsor.

There is generally no difference provided that an applicant is a right holder/adequately concerned by an infringement under any of the IP laws.

However, it should be noted that besides the Swedish Consumer Ombudsman, only traders and groups of consumers are competent to bring actions under the MPA.

9.4. If you had to advise (i) the organiser of a Sporting Event in your country and (ii) a company considering sponsoring that Sporting Event as to the practical steps they may want to take to protect themselves against Ambush Marketing, please set out briefly the key points of what your advice would be. Please indicate whether and which influence ambush marketing and/or specific legislation in this area had on contracts regarding Sporting Events in your jurisdiction.

- a. Event functionaries should be informed on ambush marketing and of who the official sponsors are so that they can identify and act upon ambush marketing attempts.
- b. The official sponsors should be aware that the price for being an official sponsor may comprise more than just the fee for becoming an official sponsor. The official sponsors may need to buy each and every available advertising space in order to diminish the risk of ambush marketing.
- c. Sponsors should ensure that event organisers are contractually bound to take action against ambush marketers within a set period of time after such activity is brought to their attention. In order for such actions to be of practical value they may need to be coordinated with relevant authorities. For instance, during the European Championship in Athletics, held in Gothenburg, Sweden (2006) the Office for City Planning (sw. stadsbyggnadskontoret) cooperated with the Swedish Enforcement Agency (sw. Kronofogden) in order to create new routines of how to prevent ambush marketing. For example, a special task force with the responsibility to remove tapestries with content constituting ambush marketing was created.
- d. Media organizations should be requested not to allow ambush marketing and to restrict advertising in broadcasts to official sponsors only.
- e. Event organisers should consider imposing obligations on media organisations to restrict advertising and promotion during broadcasts/webcasts to official sponsors only.

Event organisers may wish to buy up all the billboard and other advertising space in the vicinity of the event and then resell to official sponsors only. An official sponsors should consider to contractually bind event organisers to do so.

- f. Event organisers and sponsors may wish to consider mounting official sponsor awareness campaigns so that the public know which sponsors are official.
- g. The ticket terms and conditions should expressly state that tickets are non-transferable and cannot be used for advertising, sales promotion or any other commercial purposes without the prior written approval of the event organiser.

9.5. If you had to advise a company who would like to use the opportunity of a Sporting Event for a legal, albeit perhaps risky, marketing campaign but refuses to become a sponsor or official licensee, please set out briefly the key points of what your advice would be.

In order to diminish the risk for legal consequences an ambush marketer should at least strive not to

- use a third party's protected mark,
- use material that is protected by copyright or a design right,
- give the impression that the ambush marketer is an official sponsor to the Sporting Event (unless it is) in question or otherwise mislead the recipients.

9.6. Finally, please give examples of any recent Ambush Marketing activity and / or cases in your country. As mentioned, please continue to collect such examples even after you have submitted your national report and email them to the general reporters.

a. The Olympic pizza

In 2006, the year of the Olympic Winter Games in Turin, a pizza cook in a middle sized (by Swedish standards) city created what he called the OS pizza. The pizza cook received a letter from the Swedish Olympic Committee (SOK), in which it demanded to know under which circumstances the registered trademark "OS" had been used. The pizza cook answered, apologized and changed the name of the pizza into Winter-pizza. The SOK was not satisfied, but claimed damages amounting to SEK 50.000 (approximately USD 7.800). The pizza cook recorded one of the conversations he had with the SOK's representative, in which the representative more or less says that either the cook pays SEK 5.000 now, or the SOK will maintain its claim for SEK 50.000. The cook accepted the compromise. Then he went to the media with the recordings. The media coverage was massive and the matter caused SOK loads of bad will.

b. MAX v. the UEFA

In 2009 Sweden hosted the European Championships in football for players under 21 years of age. One of the cities thought to host games during these championships was Borås. Borås has a relatively new football arena (Borås Arena), in which commercial actors rent premises. One of the companies renting premises in the arena is the Swedish hamburger restaurant MAX.

The problem, for MAX, was that a competing hamburger company is one of the Union of European Football Association's (UEFA) main sponsors. The UEFA would only allow official sponsors to be present during the championships, and therefore demanded that MAX shut down during the four days in question and also that MAX covered its sign-boards. MAX refused to do so, claiming it had a viable lease entitling it to carry out business also on the days in question. The UEFA then threatened to not have the game in question played at Borås Arena, but instead have it played at an alternative location. Facing this threat MAX withdrew because it did not want to deprive the people of Borås the pleasures of the event. The situation caused quite a lot of discussion, in media as well as around the water cooler. Eventually MAX decided to conduct an on-line survey together with a regional newspaper, the survey was to show the general public's view on whether MAX should bow to UEFA's demands, or carry on its business as usual. Ninety-three percent of the persons partaking in the survey voted for MAX carrying on as usual. MAX decided to follow the result of the survey, and hence refused to close down. The UEFA therefore chose to have the game played at an alternative location.

10. SWITZERLAND

National Reporter: Dr. Thilo Pachmann
Froriep Renggli Attorneys at law
Bellerivestrasse 201
CH-8034 Zürich
Switzerland
+41 44 386 60 00
tpachmann@froriep.ch

10.1. Please indicate whether there has been any major Sporting Event held in your country recently and/or whether there are plans for such a Sporting Event in the near future?

The biggest sporting event which has ever taken place in Switzerland was the UEFA EURO 2008. The finals of the 13th European Football Championship were held in Switzerland and Austria from 7 to 29 June 2008. There were 16 national teams taking part in this tournament with games being played in eight different cities. In total 1,14 million spectators watched the 31 games live in the stadiums and many more through television²².

Apart of this event many other international championships were held in Switzerland. After the year 1998 the IIHF Ice Hockey World Championships were again held in Switzerland between 24 April and 10 May 2009, with events being held in both Bern and Kloten. Russia won the championship with a 2-1 victory in the final against Canada. Another major sporting event that took place in Switzerland were the 37th FIS Alpine World Ski Championships. The ski races took place in St. Moritz from the 2 to 16 February 2003. Around 170'000 spectators enjoyed the thrilling competition in St. Moritz. Furthermore the races were broadcasted around the world through television and print media²³. Only recently the Cycling World Championships were held in Mendrisio in the year 2009 and the European Championships in Figure Skating in Berne in the year 2011.

Furthermore, Switzerland stages every year an ATP 500 Tournament in Basel, the Swiss Indoors in Zurich as well as an ATP 250 Tournament in Gstaad. In Alpine Skiing Switzerland holds every year one of the biggest downhill races in Wengen at the Lauberhorn as well as the world cup races in Adelboden, Lenzerheide and St. Moritz. Of course there are also a lot of world cup tournaments regularly held in Switzerland, such as the CSI Zurich (a

²² http://en.wikipedia.org/wiki/UEFA_Euro_2008.

²³ <http://www.skiworldcup.stmoritz.ch>.

world class equestrian tournament), the Beach Volley World Cups, the Swiss Cup Gymnastics and the Weltklasse Zurich as well as Athletissima Lausanne (two world class athletics meetings). Of national importance are the events of “Schwingen”, a Swiss kind of wrestling, which attracts 40’000 spectators for its biggest event.

The staging of major sporting events is based on the Concept of the Swiss Federal Council for Sports Politics in Switzerland²⁴. The BASPO, the federal institute for sports, as well as Swiss Olympic, the National Olympic Committee of Switzerland, are in charge to further the holding of major sporting events. According to the new Sport Encouragement Act²⁵ which will come into force in 2012 or 2013 Switzerland will finally also legally be obligated to encourage and support the holding of major sporting events financially and factually. In this regard Switzerland will work together with its Cantons and the Sport Federations.

After the plans to hold the winter Olympics in Sion during the years 1998, 2002 and 2006 had failed, Switzerland is – especially based on the new Sport Encouragement Act – making again plans to bid for the winter Olympics in 2022. The project combines the major skiing resorts in Davos and St. Moritz in the Canton of Graubünden.

For all these reasons the holding of major sporting events is an important priority in Switzerland.

10.2. In your country, is there any specific legislation that outlaws Ambush Marketing as such and/or protects trade marks and other intellectual property rights relating to Sporting events or are there / have there been attempts to introduce such legislation?

No, in Switzerland there is no specific legislation that outlaws ambush marketing and/or protects in special way sporting events through trade mark law or other intellectual property rights.

However, before the biggest sporting event ever held in Switzerland, the UEFA EURO 2008, there was a serious attempt to introduce a specific legislation that would have outlawed ambush marketing entirely. UEFA tried – as a precondition for the holding of their championships – to have a specific legislation introduced²⁶. Therefore, the Federal Council prepared a draft for a modification of the Unfair Competition Act (“UCA”), which included

²⁴ Concept of the Swiss Federal Council for Sports Politics in Switzerland dated 30 November 2000.

²⁵ In German “Sportfördergesetz”.

²⁶ Accompanying report of Seco dated 17 May 2006, p. 3; HILTY/VON DER CRONE/WEBER, p. 702.

a new art. 3 lit. e^{bis} UCA. After lengthy discussions the proposal was turned down. In the end, the UEFA EURO 2008 took place without too much ambush marketing.

The proposed article 3 lit. e^{bis} UCA against ambush marketing stated, that “dishonest acts, in particular anyone, who takes reference to a third party, its goods, works or performances in a parasitical way and thereby utilises its good reputation without a sufficient reason, shall be deemed to have committed an act of unfair competition.” In comparison to the existing general rules of the UCA the introduction of this new article would have led to a better protection for organisers of events. Any kind of taking reference in a *parasitic* way would have been forbidden, which would have gone much further than the existing protection, which basically only forbids misleading comparisons²⁷. Therefore, art. 3 lit. e^{bis} UCA was very welcomed by the organisers of cultural, sporting, economic or other events and their partners²⁸.

During the consultation of the draft for a modification of the UCA a lot of doubts arose. Different sides argued that such a new article is not necessary, not useful and/or not justified²⁹. The possibilities of competitors to sell their products and services would have been very much limited which would have created a factual restraint of the economic activities³⁰. According to the majority of the authors such an article in UCA would have led to a dysfunctional legislation for the Swiss economy.³¹ In addition, it was argued that the draft was not precise enough, which would have extended the power of the organizers far beyond their rights. This is why the Federal Counsel stopped the project with its decision dated 22 November 2006.

²⁷ Accompanying report of Seco dated 17 May 2006, p. 6 s.

²⁸ Accompanying report of Seco dated 17 May 2006, p. 3.

²⁹ OETIKER, p. 381.

³⁰ HILTY/VON DER CRONE/WEBER, p. 704.

³¹ HILTY/VON DER CRONE/WEBER, p. 704.

10.3. In addition to any specific legislation referred to in question 1, please explain briefly on what legal basis might an aggrieved Sporting Event rights holder/sponsor seek redress in respect of any Ambush Marketing activity in your country?

10.4. Trademark Law

a. What does the Sporting Event Rights Holder / Sponsor Need to Prove in Order to be Successful?

Trademark law is an important legal instrument to prevent ambush marketing. The Swiss Trademark Act prohibits the use of identical or similar signs for certain goods and services if their use results in a likelihood of confusion. Organizers of sporting events can, therefore, register trademarks such as words, letters, numbers, graphical representations, three-dimensional shapes or a combination thereof. In Switzerland it is even possible to register sounds.

Excluded from the protection are, however, according to art. 2 Swiss Trademark Act (i) trademarks belonging to the public domain, unless the mark has asserted itself as a trademark for the goods or services for which it is claimed, (ii) forms, that amount to the essence of the goods, and forms of the goods or packaging that are necessary for technical reasons, (iii) misleading trademarks and (iv) trademarks that violate public order, good manners or valid law. Also excluded from trademark protection are according to art. 3 Swiss Trademark Act trademarks that are (i) identical to an earlier mark and are designated for the same goods or services, (ii). are identical to an earlier trademark and designated for the same type of goods and services creating a risk of confusion, (iii) and are similar to an earlier trademark and designated for the same or similar goods and services creating a risk of confusion.

For this reason trademarks such as “European Championships” or “World Championships” will, therefore, in Switzerland not be registered for the protection of sporting events. Also the image of a football can not be registered as a trademark for services in relation to the sport of football. Hence, the sports organizers have to protect their trademarks for example in connection with their own name and they have to create special logos for their event.³²

Thus, a sporting event rights holder or a sponsor need to prove that they are the owner of a registered trademark for goods and services for which the counterparty is using the same or a similar mark which causes a likelihood of confusion.

³² E.g. “FIFA World Championships 2010”, “UEFA EURO 2008”.

b. What Legal Remedies are Possible?

According to art. 55 Swiss Trademark Act whoever is violated in his or her rights to the trademark or indication of origin can request that the judge:

1. prohibits an impending violation,
2. eliminates an existing violation, or
3. require the defendant to provide the source of the objects in his or her possession identified with the trademark or indication of origin.

Based on the Swiss Civil Procedure Act these legal requests can also be claimed as provisional measures (*ex parte* or *inter partes*) if the applicant shows credibly that (i) a right to which he is entitled is being violated or feared to be violated, and (ii) such violation threatens to cause a not easily repairable harm to the applicant.

Furthermore, whoever has been violated in his or her rights to the trademark or indication of origin can ask according to the Swiss Code of Obligations (art. 41 ss., Art. 419 ss.) for a compensation of damages, reparations as well as restitution under the provisions pertaining to negotiorum gestorum.

c. What does the Defendant Need to Achieve to Successfully Defend the Claim?

The defendant can basically defend the claim by proving that the sign he uses is (i) not the same, (ii) the sign is not used for the same or similar goods and services, and (iii) the similar sign is not likely to cause a confusion.

Furthermore, he can also attack the registered trademark itself by claiming that it was not rightfully registered as the registered trademark itself is excluded from a protection according to art. 2 and art. 3 Swiss Trademark Act (see above para. 3.1).

d. *Are there any Differences in the Application or Interpretation of the Legislation if the Aggrieved Party is not an Event Rights Holder / Sponsor but (i) an Individual Athlete or his Sponsor, (ii) a Group of Team Athletes or their Sponsor or (iii) a Sports Club or Organization (Assuming that the Concrete Case is Not Related to an Event Held by such Organization) or its Sponsor?*

No, there is no special application or interpretation of the legislation for anyone of these persons.

10.5. Design Law

a. What does the Sporting Event Rights Holder / Sponsor Need to Prove in Order to be Successful?

Sporting event rights holder/sponsors have the possibility to register their designs, and therewith to protect them against ambush marketing. In Switzerland designs can be protected according to the Swiss Design Act.

According to art. 2 Swiss Design Act creations which are new and differ from existing objects in characteristic points are protected. Such designs can be registered with the Swiss Federal Institute of Intellectual Property, Berne.

A legal protection is according to art. 4 Swiss Design Act excluded if (i) no design is registered, (ii) the design is not a creation which is new and differs from existing objects in characteristic points, (iii) the characteristic points of the design are technically necessary, (iv) the design violates Swiss law or international conventions, and (v) the design violates the public order or *bona mores*.

In short, a sporting event rights holder or a sponsor needs to prove that he is (i) the owner of a registered design and (ii) that the counterparty is using a similar sign with the same characteristic points which gives a similar overall impression (art. 8 Swiss Design Act).

b. What Legal Remedies are Possible?

The owner of the design is then able to prohibit a third party from using the same or a similar designs for commercial reasons (art. 9 Abs. 1 Swiss Design Act). According to art. 35 Swiss Design Act the rights holder can ask the judge to

1. prohibit an impending violation,
2. eliminate an existing violation, or
3. require the defendant to provide the source of the objects in his or her possession identified with the design or indication of origin.

Based on the Swiss Civil Procedure Act in connection with art. 38 Swiss Design Act these legal requests can also be claimed as provisional measures (*ex parte* or *inter partes*) if the applicant shows credibly that (i) a right to which he is entitled is being violated or feared to be violated, and (ii) such violation threatens to cause a not easily repairable harm to the applicant.

Furthermore, whoever has been violated in his or her rights can ask according to the Swiss Code of Obligations (art. 41 ss., Art. 419 ss.) for a compensation of damages, reparations as well as restitution under the provisions pertaining to negotiorum gestorum.

c. What does the Defendant Need to Achieve to Successfully Defend the Claim?

The defendant can defend a claim by proving that the registered design of the sporting event rights holder is (i) not new or not characteristic enough and/or (ii) that the sign he uses is neither similar nor able to create the same overall impression³³. Furthermore, the defendant can of course claim that a protection for the design is excluded according to art. 4 Swiss Design Act.

d. *Are there any Differences in the Application or Interpretation of the Legislation if the Aggrieved Party is not an Event Rights Holder / Sponsor but (i) an Individual Athlete or his Sponsor, (ii) a Group of Team Athletes or their Sponsor or (iii) a Sports Club or Organization (Assuming that the Concrete Case is Not Related to an Event Held by such Organization) or its Sponsor?*

³³ NOTH, p. 36 s.
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No, there is no special application or interpretation of the legislation for anyone of these persons.

10.6. Copyright Law

- a. What does the Sporting Event Rights Holder / Sponsor Need to Prove in Order to be Successful?

According to art. 1 and art. 2 Swiss Copyright Act the creator of intellectual creations in literature and art irrespective of their value or purpose is protected. The main requirement is that these creations have an individual character. According to the current standing of the cognition of arts there are no exact benchmarks for a stringent boundary between the creations eligible for copyright and those in the public domain. In the extent that copyright seeks the protection of qualified human communication, the precise communication situations, in which the objects meet the public have to be analysed in addition to the actual creation. Especially in today's cultural activities it is only the context, or rather the circumstances of the presentation, which separates the trivial, ordinary from the outstanding individual³⁴.

Based on the actual state of the doctrine and jurisprudence sporting events themselves are not considered as a creation according to the Swiss copyright law³⁵. The same is true according to the jurisprudence of the ECJ, which held recently that "the English Premier League can not claim any copyrights regarding its football games, as these sporting events are not intellectual creations of a creator and therewith no creations in the sense of the copyright act"³⁶.

Event songs, event slogans or event logos are, however, basically protected by the copyright law³⁷. Furthermore, also the pictures and the videos made from a certain sporting event could qualify as creations which are protected by the copyright law. As regards the live signals of the television the situation is, however, not yet completely clear. Such signals could eventually be qualified as proprietary work in the sense of an 'other audio-visual work' under the Swiss Copyright Act³⁸.

³⁴ Art. 2 Swiss Copyright Act; cf. as well art. 3 and art. 11 Swiss Copyright Act.

³⁵ VALLONI/PACHMANN, p. 103.

³⁶ Decision of the ECJ of 4 October 2011 in the matters C-403/08 and C-429/08.

³⁷ THALER, p. 165.

³⁸ VALLONI/PACHMANN, p. 103.

To sum it up, Sporting event rights holder or a sponsor needs to prove that (i) he is the creator, and (ii) that his creation is qualified as a creation with an individual character under the Swiss Copyright Act.

b. What Legal Remedies are Possible?

The owner of the copyright is entitled to prohibit a third party from using the same or a similar creation for commercial reasons (art. 9 and art. 10 Swiss Copyright Act). According to art. 62 Swiss Copyright Act the rights holder can ask the judge to

1. prohibit an impending violation,
2. eliminate an existing violation, or
3. require the defendant to provide the source of the objects in his or her possession identified with the design or indication of origin.

Based on the Swiss Civil Procedure Act in connection with art. 65 Swiss Copyright Act these legal requests can also be claimed as provisional measures (*ex parte* or *inter partes*) if the applicant shows credibly that (i) a right to which he is entitled is being violated or feared to be violated, and (ii) such violation threatens to cause a not easily repairable harm to the applicant.

Furthermore, whoever has been violated in his or her rights can ask according to the Swiss Code of Obligations (art. 41 ss., Art. 419 ss.) for a compensation of damages, reparations as well as restitution under the provisions pertaining to negotiorum gestorum.

c. What does the Defendant Need to Achieve to Successfully Defend the Claim?

The defendant can defend the claim by proving that (i) the creation is not qualified as a creation with an individual character under the Swiss Copyright Act, or (ii) that the sporting event rights holder is not the creator of these creations. The latter might in fact be a very good reason to defend claims as it is not always clear who the creator was.

d. *Are there any Differences in the Application or Interpretation of the Legislation if the Aggrieved Party is not an Event Rights Holder / Sponsor but (i) an Individual Athlete or his Sponsor, (ii) a Group of Team Athletes or their Sponsor or (iii) a Sports Club or Organization (Assuming that the Concrete Case is Not Related to an Event Held by such Organization) or its Sponsor?*

No, there is no special application or interpretation of the legislation for anyone of these persons.

10.7. Unfair Competition Law

a. What does the Sporting Event Rights Holder / Sponsor Need to Prove in Order to be Successful?

The unfair competition law is apart of the intellectual property rights probably the most important legal basis to prevent ambush marketing. The UCA protects competitors against unfair competition by (i) several particularly defined offenses (art. 3 to art. 8 UCA) and (ii) by a sweeping clause (so called “Generalklausel” according to art. 2 UCA).

According to the sweeping clause any behaviour or business practice that is deceptive or that in any other way infringes the principle of good faith and which affects the relationship between competitors or between suppliers and customers is deemed unfair and unlawful. Decisive is the overall impression which a concrete campaign leaves on an average human being. Unfortunately, so far this clause has not often been used to fight against ambush marketing even though certain ways of ambush marketing can only be prevented via this

provision. Art. 2 UCA could for example be used, if a non-sponsor entices the visitors in front of a stadium or on the way to the stadium to violate the general terms and condition of the event through methodical equipment with the clothes and messages of a non-sponsor³⁹.

Furthermore, there are various particularly defined offenses in the UCA which protect certain aspects of ambush marketing such as the following:

- According to art. 3 lit. a UCA anyone shall be deemed to have committed an act of unfair competition who disparages another person, his goods, his works, his services, his prices or his business circumstances by incorrect, misleading or needlessly injurious statement. Subtle ways of ambush marketing are, therefore, quite difficult to forbid via this provision⁴⁰.
- According to art. 3 lit. b UCA anyone shall be deemed to have committed an act of unfair competition who makes incorrect or misleading statements in respect of himself, his undertaking, his trade name, his goods, his works, his services, his prices, his stock or his business circumstances or who, by such statements, favors one party to the detriment of competitors. The danger of misleading statements would for example be given, if an ambusher makes a statement that would show a not-existing contractual agreement with the organiser of an event which the average addressee would not be able to recognise as such⁴¹.
- According to art. 3 lit. b UCA anyone shall be deemed to have committed an act of unfair competition who takes steps that are such as to cause confusion with the goods, works, services or businesses of other. An event slogan of an ambusher that creates a confusion for the customers because it is very similar to the official slogan could therewith be prohibited⁴².
- According to art. 3 lit. e UCA anyone shall be deemed to have committed an act of unfair competition who compares in an incorrect, misleading, needlessly injurious or imitative manner his person, his goods, his works, his services or his prices with those of a competitor or who, by such comparison, favors one party to the detriment of competitors. However, comparative advertisement between competitors is basically allowed.

³⁹ HILTY/VON DER CRONE/WEBER, p. 707.

⁴⁰ THALER, p. 169.

⁴¹ THALER, p. 169.

⁴² NOTH, p. 48f.

To sum it up, a sporting event rights holder or a sponsor needs to prove that a third party has shown a deceitful or a in another way the principle of good faith violating behaviour or business conduct which affects the relation between competitors or between vendors and customers. Namely a behaviour or business conduct that includes a degrading, a danger of misleading, a danger of confusion, a linked comparison and/or an exploitation of reputation violates the UCA.

b. What Legal Remedies are Possible?

A competitor who is violated by unfair competition can ask the judge according to art. 9 UCA to

1. prohibit an impending violation,
2. eliminate an existing violation, or
3. establish the illegality of the violation if the violation still subsists.

Based on the Swiss Civil Procedure Act in connection with art. 14 UCA these legal requests can also be claimed as provisional measures (*ex parte* or *inter partes*) if the applicant shows credibly that (i) a right to which he is entitled is being violated or feared to be violated, and (ii) such violation threatens to cause a not easily repairable harm to the applicant.

Furthermore, whoever has been violated in his or her rights can ask according to the Swiss Code of Obligations (art. 41 ss., Art. 419 ss.) for a compensation of damages, reparations as well as restitution under the provisions pertaining to negotiorum gestiorum.

c. What does the Defendant Need to Achieve to Successfully Defend the Claim?

The defendant can fend off the claim by proving that his behaviour or business conduct was fair, proper, transparent, true and clear and therefore neither deceitful nor a in another way able to violate the principle of good faith⁴³.

d. *Are there any Differences in the Application or Interpretation of the Legislation if the Aggrieved Party is not an Event Rights Holder / Sponsor but (i) an Individual Athlete or his Sponsor, (ii) a Group of Team Athletes or their Sponsor or (iii) a Sports Club or Organization (Assuming that the Concrete Case is Not Related to an Event Held by such Organization) or its Sponsor?*

No, there is no special application or interpretation of the legislation for anyone of these persons. However, the discussions about the introduction of a new provision in the UCA

⁴³ NOTH, p. 38.

have raised the awareness that certain ways of ambush marketing can be qualified as violations of the sweeping clause (art. 2 UCA).

10.8. Public Concessions

- a. What does the Sporting Event Rights Holder / Sponsor Need to Prove in Order to be Successful?

In Switzerland an organiser of an sporting event could ask for the granting of a public concession. A public concession would give the sporting event organizer the permission to exclusively use the public ground⁴⁴. Therewith, the sporting event organizer could prohibit any ambush marketing activities on the public ground for which the public concession was granted. It is, however, not easy to get such a public concession as such a public concession is only given if the constitutional rights of the sporting event organiser prevail over the constitutional rights of the affected third parties such as their personal and economic freedom⁴⁵.

To sum it up, the sporting event rights holder or sponsor would need to prove that he is in possession of a public concession and that this public concession is violated by a third party.

- b. What Legal Remedies are Possible?

The public concession gives its holder ownership rights. Based on these ownership rights such as the ownership itself according to art. 641 ss. Swiss Civil Code and the rights of possession according to art. 926 ss. Swiss Civil Code the holder of the public concession can ask the judge to:

1. prohibit an impending violation,
2. eliminate an existing violation, or
3. establish the illegality of the violation if the violation still subsists.

Based on the Swiss Civil Procedure Act these legal requests can also be claimed as provisional measures (*ex parte* or *inter partes*) if the applicant shows credibly that (i) a right to which he is entitled is being violated or feared to be violated, and (ii) such violation threatens to cause a not easily repairable harm to the applicant.

Furthermore, whoever has been violated in his or her rights can ask according to the Swiss Code of Obligations (art. 41 ss., Art. 419 ss.) for a compensation of damages, reparations as well as restitution under the provisions pertaining to negotiorum gestiorum.

⁴⁴ HILTY/VON DER CRONE/WEBER, p. 703.

⁴⁵ THALER, p. 166.

- c. What does the Defendant Need to Achieve to Successfully Defend the Claim?

The defendant can defend the claim by proving that the public concession of the sporting event rights holder or sponsor violates his constitutional rights, namely the commercial freedom (art. 27 Constitution) and the personal freedom (art. 10 Constitution) or even the freedom of speech (art. 16 Constitution).

- d. *Are there any Differences in the Application or Interpretation of the Legislation if the Aggrieved Party is not an Event Rights Holder / Sponsor but (i) an Individual Athlete or his Sponsor, (ii) a Group of Team Athletes or their Sponsor or (iii) a Sports Club or Organization (Assuming that the Concrete Case is Not Related to an Event Held by such Organization) or its Sponsor?*

No, basically there is no special application or interpretation of the legislation for anyone of these persons. However, it will be more difficult to get a public concession for individual athletes and single sponsors in comparison to the international sports organisations as the interest of one individual person usually not prevails over the interests of a lot of persons whose constitutional rights are constrained.

10.9. Property Rights

- a. What does the Sporting Event Rights Holder / Sponsor Need to Prove in Order to be Successful?

The property rights, i.e. ownership and possession, are a very important basis for the organiser of an event to prevent ambush marketing. Therewith, the organiser can limit the access to a venue and define house rules including a code of behaviour as he has the only power to manage the private building⁴⁶.

In order to be successful against an ambusher the sporting events rights holder has to prove that he is the owner or at least the possessor of the building and that the ambusher is violating his property rights.

- b. What Legal Remedies are Possible?

Based on these ownership rights such as the ownership itself according to art. 641 ss. Swiss Civil Code and the rights of possession according to art. 926 ss. Swiss Civil Code the holder of the public concession can ask the judge to:

1. prohibit an impending violation,
2. eliminate an existing violation, or

⁴⁶ HILTY/VON DER CRONE/WEBER, p. 703.

3. establish the illegality of the violation if the violation still subsists.

Based on the Swiss Civil Procedure Act these legal requests can also be claimed as provisional measures (*ex parte* or *inter partes*) if the applicant shows credibly that (i) a right to which he is entitled is being violated or feared to be violated, and (ii) such violation threatens to cause a not easily repairable harm to the applicant.

Furthermore, whoever has been violated in his or her rights can ask according to the Swiss Code of Obligations (art. 41 ss., Art. 419 ss.) for a compensation of damages, reparations as well as restitution under the provisions pertaining to negotiorum gestorum.

c. What does the Defendant Need to Achieve to Successfully Defend the Claim?

The defendant can defend the claim by proving that the organizer of the sporting event rights holder or sponsor does not have any property rights or that he was (contractually) allowed to enter the building.

If the sporting event rights holder is a monopolistic sports federation, the defendant could also claim that his constitutional rights, namely the commercial freedom (art. 27 Constitution) and the personal freedom (art. 10 Constitution) or even the freedom of speech (art. 16 Constitution), are being violated. The reason thereof is, that in such monopolistic situations the Swiss jurisprudence has acknowledged that the constitutional rights are indirectly applicable also on the relationship between private parties and not only between the state and a private person⁴⁷.

d. *Are there any Differences in the Application or Interpretation of the Legislation if the Aggrieved Party is not an Event Rights Holder / Sponsor but (i) an Individual Athlete or his Sponsor, (ii) a Group of Team Athletes or their Sponsor or (iii) a Sports Club or Organization (Assuming that the Concrete Case is Not Related to an Event Held by such Organization) or its Sponsor?*

No, there is no special application or interpretation of the legislation for anyone of these persons.

10.10. Contract Law

a. What does the Sporting Event Rights Holder / Sponsor Need to Prove in Order to be Successful?

The organiser of a sporting event can secure his position through contracts in a lot of different ways:

⁴⁷ VALLONI/PACHMANN, p. 92.

- With the venue operators the organiser of a sporting event can conclude contracts regarding advertisement concepts⁴⁸. Therewith, the sponsors of the sporting event rights holder can be protected contractually at least in the stadium.
- With the sale of tickets the visitors of an event can be contractually obligated to obey to predefined rules which are defined in general terms and conditions⁴⁹.
- Through the participation contract athletes and teams can be restricted in their own commercialisation rights in favour of the organiser⁵⁰. The most famous example are the Olympic Games where the athletes are completely restricted to have any personal sponsors nine days before and three days after the Olympic Games.⁵¹

In order to be successful with a contractual claim against an ambusher the sporting event rights holder would have to prove the existence of a contract and his contractual rights.

b. What Legal Remedies are Possible?

Based on the contract the sporting event rights holder or sponsor is able to claim based on art. 97 ss. Code of Obligations his contractual right and ask the judge to enforce them.

Based on the Swiss Civil Procedure Act these contractual claim can also be claimed as provisional measures (*ex parte* or *inter partes*) if the applicant shows credibly that (i) a right to which he is entitled is being violated or feared to be violated, and (ii) such violation threatens to cause a not easily repairable harm to the applicant.

Furthermore, whoever has been violated in his or her rights can ask according to art. 97 ss. Swiss Code of Obligations for a compensation of damages.

c. What does the Defendant Need to Achieve to Successfully Defend the Claim?

In many situations there will be no special contract between the sporting event rights holder or sponsor and the ambusher. Thus, the defendant can defend the claim by proving that the organizer of the sporting event rights holder or sponsor does not have a contract with him or any such contractual claims.

d. *Are there any Differences in the Application or Interpretation of the Legislation if the Aggrieved Party is not an Event Rights Holder / Sponsor but (i) an Individual Athlete or his Sponsor, (ii) a Group of Team Athletes or their Sponsor or (ii) a Sports Club or*

⁴⁸ THALER, p. 167.

⁴⁹ HILTY/VON DER CRONE/WEBER, p. 703.

⁵⁰ THALER, p. 167.

⁵¹ Rule 40 Olympic Charter.

Organization (Assuming that the Concrete Case is Not Related to an Event Held by such Organization) or its Sponsor?

No, there is no special application or interpretation of the legislation for anyone of these persons.

10.11. Personality including Naming Rights

- a. What does the Sporting Event Rights Holder / Sponsor Need to Prove in Order to be Successful?

Just like any other (natural or legal) person the sporting event rights holder or sponsor is a holder of its own personality rights according to art. 28 Civil Code. Under certain circumstances these personality rights could be violated by ambush marketing. This is for example the case if an ambusher uses pictures of the event rights holder, the sponsor or the participating athletes without any permission⁵².

In order to be successful with a claim based on his personality rights against an ambusher the sporting event rights holder would have to prove the he is entitled to such personality rights.

- b. What Legal Remedies are Possible?

Based on its personality rights the sporting event rights holder or sponsor is able to claim based on art. 28 ss. Civil Code his personality right and ask the judge to:

1. prohibit an impending violation,
2. eliminate an existing violation, or
3. establish the illegality of the violation if the violation still subsists.

Based on the Swiss Civil Procedure Act these contractual claim can also be claimed as provisional measures (*ex parte* or *inter partes*) if the applicant shows credibly that (i) a right to which he is entitled is being violated or feared to be violated, and (ii) such violation threatens to cause a not easily repairable harm to the applicant.

Furthermore, whoever has been violated in his or her rights can ask according to the Swiss Code of Obligations (art. 41 ss., Art. 419 ss.) for a compensation of damages, reparations as well as restitution under the provisions pertaining to negotiorum gestiorum.

⁵² THALER, p. 166.

c. What does the Defendant Need to Achieve to Successfully Defend the Claim?

The defendant can defend the claim that the organizer of the sporting event rights holder or sponsor does not have any such personality rights or that his own personality rights prevail. The latter is in particular the case in situations where a monopolistic organisation infringes the personality rights of an individual. In such a case the individual is entitled to claim access to the monopolistic organisation and its events⁵³. Therewith, the personality rights of the organizer are limited.

Nevertheless, in Switzerland it is for example not allowed to organise and coordinate appearances of bigger groups of people, who dress up or behave in a certain way for the benefit of the ambush. The personality and constitutional rights of these people do not protect such a behaviour⁵⁴.

d. *Are there any Differences in the Application or Interpretation of the Legislation if the Aggrieved Party is not an Event Rights Holder / Sponsor but (i) an Individual Athlete or his Sponsor, (ii) a Group of Team Athletes or their Sponsor or (iii) a Sports Club or Organization (Assuming that the Concrete Case is Not Related to an Event Held by such Organization) or its Sponsor?*

No, there is no special application or interpretation of the legislation for anyone of these persons.

10.12. If you had to advise the organiser of a Sporting Event in your country and a company considering sponsoring that Sporting Event as to the practical steps they may want to take to protect themselves against Ambush Marketing, please set out briefly the key points of what your advise would be. Please indicate whether and which influence Ambush Marketing and/or specific legislation in this area had on contracts regarding Sporting events in your jurisdiction.

The first step which should be taken legally is an early national and international registration of (event-) brands, designs and domain names. In this regard it could also make sense to register similar (event-) brands, designs and domain names in order to make it more difficult for ambushers to associate with the sporting event. Moreover, it should also be tried to register descriptive (event-) brands (even if the Federal Institute refuses to register them in the end).

⁵³ VALLONI/PACHMANN, p. 92; see also BGE 86 II 365 s.; 111 II 245 s.

⁵⁴ THALER, p. 171.

In a second step it is advisable to ask the government for public concessions to guarantee the exclusivity of the sporting event organizer on the public ground around the sport venues. In addition to a public concession the organiser of a sporting event should make contracts with the state and the communities in order to get additional protection.

In a third step the contractual rights need to be secured as much as possible with all the potential stakeholders. Contracts with the venue rights holder, the sponsors, the participating teams and athletes as well as the future spectators will help to prevent loopholes and collisions with the intended advertising campaign. As there is (apart of the UCA) not really any special legislation regarding ambush marketing the contractual side is very important. This is in particular also true for a potential sponsor who needs to secure his position in his contracts with the sporting event organizer.

Thereafter, the main focus should be laid on factual instruments such as securing control over the venues through property and possession. Very effective is also the advance purchasing of all existing advertising panels around the venues and on the main routes to the venues during the sporting event⁵⁵. These advertising panels can thereafter be sold to the official sponsors.

Finally, it is very important to inform the public and the competitors, about the sponsoring conditions as well as the advertising rights and possibilities⁵⁶. The awareness of the ambush marketing problematic can be increased with anti ambush programmes⁵⁷. If all the stakeholders know their rights exactly it will be very difficult for an ambusher to make illegally use of the sporting event.

10.13. If you had to advise a company who would like to use the opportunity of a Sporting Event for a legal, albeit perhaps risky, marketing campaign but refuses to become a sponsor or official licensee, please set out briefly the key points of what your advise would be.

A non-sponsor can generally use sporting events by exercising “smart” ambush marketing. Such a “smart” ambush marketing is possible if the reference to the sporting event is not too strong, systematic and/or planned. The campaign itself must not be misleading and must not

⁵⁵ THALER, p. 170.

⁵⁶ THALER, p. 170.

⁵⁷ NOTH, p. 57.; THALER, p. 170.

cause a danger of confusion. Furthermore, personal rights and intellectual property rights have to be respected⁵⁸.

In the “smart” ambush marketing campaign the ambusher should rely on its own personality rights and constitutional rights as well as on its own naming rights and intellectual property rights.⁵⁹ These rights are in particular effective in monopolistic situations.⁶⁰ Furthermore, the ambusher should use common descriptions which the sporting event organizer can not monopolize for itself. If these rights are properly used it will be difficult for the sporting event rights holder to forbid the marketing campaign.

10.14. Finally, please give examples of any recent Ambush Marketing activity and/or cases in your country.

The most famous ambush marketing activities go back to the UEFA EURO 2008. During this competition Migros, the biggest retailer in Switzerland, launched the “M’08” campaign.



Subject of the campaign was a fan championship throughout Switzerland that was broadcasted by Swiss television including disciplines like goal shouting, television throwing, a football quiz and goal wall shooting. The show was watched by about one million people in Switzerland at home⁶¹.

⁵⁸ THALER, p. 171.

⁵⁹ See above question no. 3.

⁶⁰ VALLONI/PACHMANN, p. 92; HILTY/VON DER CRONE/WEBER, p. 704 s. and p. 411 s..

⁶¹ For more information have a look at www.m08.ch or www.youtube.com/watch?v=SimX9OTcfRU.



Migros called its campaign “M’08”. Therewith, a clear reference to “EM 08”⁶² was made. However, from Migros’ point of view (and arguably also its customers) the “M”, which was coloured in the famous orange colour of Migros, was supposed to stand for “Migros”.

Despite the clear connection to the EURO 2008 UEFA did not take any actions against this campaign. The reason thereof is that the description “EM” is a public good. The use of the description “M’08” did therefore not violate any trademark rights of UEFA. Furthermore, the orange “M” is very famous in Switzerland and showed a clear reference to Migros which would have made it very difficult to argue that the unfair competition law was violated. In addition Migros was not a direct competitor of any of the official sponsors of the UEFA EURO 2008. Therefore, the official sponsors did not put any pressure on UEFA to prohibit such campaign⁶³.

During the UEFA EURO 2008 there were also a lot of other campaigns which are, however, less famous. The insurance company Groupe Mutuel used a sign that contained (i) a football, (ii) the “Matterhorn”, and (iii) the number “08”. Therewith, a clear reference to the UEFA EURO 2008 was made. However, UEFA did also not take any legal actions in this case either.

Freistoss zu tiefen Prämien.

**Verlangen Sie eine
Offerte für Ihre
Krankenversicherung
und gewinnen Sie
Europa-Reisen und
Plasma-TVs.**



⁶² „EM“ is the German shortcut for “Europameisterschaft”, i.e. European Championship.

⁶³ GRÜTER, p. 6; THALER, p. 173.

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11. UNITED ARAB EMIRATES

National Reporter: Yann Mrazek and Damir Valeev

mrazek@cramer-salamian.com

valeev@cramer-salamian.com

Cramer-Salamian

P.O Box 186549

Dubai, UAE

Tel.: + 971 (0) 4 227 7427

Fax: + 971 (0) 4 234 0904

www.cramer-salamian.ch

11.1. Please indicate whether there has been any major Sporting Event held in your country recently and/or whether there are plans for such a Sporting Event in the near future.

The United Arab Emirates (UAE) hosts a considerable number of international Sporting Events in a wide range of sports.

Highlights of the recent years have been such annual circuits as:

- Formula One Etihad Airways Abu Dhabi Grand Prix;
- Dubai Duty Free ATP and WTA Tennis Championships;
- Dubai Omega PGA Desert Classic;
- Abu Dhabi HSBC Golf Championship;
- Emirates Airline Dubai Rugby Sevens;
- Dubai Horse Racing World Cup.

Dubai also hosted the 10th FINA World Swimming Championships in 2010 and FIFA Beach Soccer World Cup in 2009 and 2011.

Abu Dhabi in turn hosted the FIFA Club World Cup (Asia) in 2010.

Furthermore, the UAE National Olympic Committee has recently confirmed its plans to bid for 2024 Olympic Games, skipping its initial application for the Olympics in 2020.

Additionally, the winning bid of Qatar to host the 2022 FIFA World Cup is widely expected to boost sports marketing and sponsorship activity in the Middle East region.

11.2. In your country, is there any specific legislation that outlaws Ambush Marketing as such and/or protects trade marks and other intellectual property rights relating to Sporting Events or are there / have there been attempts introduce such legislation?

The UAE laws do not provide specific regulations in respect to protection of intellectual property rights relating to the Sporting Events neither directly outlaw Ambush Marketing practices.

The UAE has enacted general regulations covering various aspects of intellectual property rights protection. The primary intellectual property laws are:

- (i) the UAE Federal Law No. (8) of 2002 concerning Trademarks (the “**UAE Trademark Law**”);
- (ii) the UAE Federal Law No. (17) of 2002 Pertaining to the Industrial Regulation and Protection of Patents, Industrial Drawings, and Designs (the “**UAE Patent and Design Law**”); and
- (iii) the UAE Federal Law No. (7) of 2002 Pertaining Copyright and Related Rights (the “**UAE Copyright Law**”).

These principal intellectual property laws are supplemented by additional legislation, including a federal regulation on electronic commerce and cybercrimes, namely the Federal Law No. (1) of 2006 on Electronic Transactions and Commerce and the Federal Law No. (2) of 2006 on Prevention of Information Technology Crimes.

Protection against Ambush Marketing practices can be further sought through the provisions of UAE Federal Law No. (5) of 1985 pertaining to Civil Transactions (the “**UAE Civil Transactions Law**”) and the UAE Federal Law No.(18) of 1993 pertaining the Commercial Transactions (the “**UAE Commercial Transactions Law**”). The relevant mechanism can be further applied by virtue of the UAE Federal Law No. (24) of 2006 pertaining Consumer Protection (the “**UAE Consumer Protection Law**”).

The UAE is a signatory to the main international agreements related to intellectual property, including the Paris Convention for the Protection of Industrial Property⁶⁴, the Patent Cooperation Treaty⁶⁵, the Berne Convention for the Protection of Literary and Artistic Works⁶⁶, the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations⁶⁷, and the WIPO “Internet Treaties”, i.e. WIPO Copyright Treaty⁶⁸ and WIPO Performances and Phonograms Treaty⁶⁹.

⁶⁴ Since September 19, 1996.

⁶⁵ Since March 10, 1997.

⁶⁶ Since July 14, 2004.

⁶⁷ Since January 14, 2005.

⁶⁸ Since July 14, 2004.

⁶⁹ Since June 9, 2005.

In addition, the UAE is a member of key international organizations involved in protection of intellectual property rights, such as the World Intellectual Property Organization (WIPO)⁷⁰ and the World Trade Organization (WTO)⁷¹.

As a member of the Gulf Cooperation Council (GCC) the UAE has also ratified the Unified GCC Trademark Law of 2006 by the Federal Decree No. (52) of 2007.

Although there is a substantial legal framework providing for protection of intellectual property rights in the UAE, an expanding list of major Sporting Events and subsequently increasing number of the sponsorship deals in the UAE sports market call for targeted protection against the Ambush Marketing practices.

Furthermore, the international marketing outreach of the UAE major companies (such as Emirates Airlines⁷², Etihad Airways⁷³, Dubai Duty Free⁷⁴) chiefly lies in the field of sports and sponsorship of major Sporting Events.

International brand building and cross-jurisdictional exposure of the UAE companies require operating within a framework of intellectual property rights protection. The same mechanisms, providing *inter alia* prevention on Ambush Marketing practices, should be implemented on the domestic level.

UAE companies, namely Emirates Airlines, have already faced negative influence of the Ambush Marketing practices in conjunction with sponsoring of FIFA 2006 World Cup in Germany. The issue is thoroughly discussed in the last section of the present Questionnaire.

⁷⁰ Since September 24, 1974.

⁷¹ Since April 10, 1996.

⁷² The sponsorship portfolio of Emirates Airlines among others includes: sponsorship of FIFA World Cup; shirt sponsorship and arena branding of football club Arsenal; shirt sponsorship of football clubs AC Milan, Paris Saint Germain, Hamburg SV; official airline status of FC Real Madrid; title sponsorship of Rugby World Cup 2011; title sponsorship of Rugby Sevens in Dubai, London and Edinburg; official partner status of the International Cricket Council; official airline status of the United States Tennis Association (USTA) for sponsorship of US Open and the title sponsorship of the “Emirates Airline US Open Series”. For the full list of Emirates’ sponsorship deals kindly see: <http://www.emirates.com/english/about/sponsorships/sponsorships.aspx>

⁷³ Etihad Airways’ sponsorships currently comprise of the following highlights: title sponsorship of Melbourne’s premier multi purpose sports and entertainment venue – Etihad Stadium; title sponsorship of the Formula 1 Etihad Airways Abu Dhabi Grand Prix; official shirt sponsor and partner of Manchester City FC. For the full list of sponsorship deals of Etihad Airways kindly see:

<http://www.etihadairways.com/sites/Etihad/global/en/aboutetihad/oursponsorships/Pages/oursponsorship.aspx>

⁷⁴ Dubai Duty Free is a title sponsor of ATP and WTA Dubai Tennis Championships.

The UAE's plans to bid for the 2024 Olympic Games will further imply undertakings to the IOC to introduce specific legal guarantees for protection of official sponsors' rights, including prohibition of the Ambush Marketing practice.

Furthermore, it is widely anticipated that the sports related regulation to be implemented in Qatar in line with the FIFA requirements for FIFA World Cup hosting nations will in larger scale affect all countries of the Gulf Cooperation Council (GCC), of which the UAE is an active member of.

In consideration on the foregoing, and following the trend of the sports law and arbitration development in the UAE⁷⁵, we believe specific regulation in respect to protection of intellectual property rights relating to Sporting Events will eventually be implemented in the jurisdiction.

Specialized regulations in this respect should clearly define Ambush Marketing and provide the mechanisms for legal protection of exclusive rights' holders in order to prevent the Ambush Marketing practices during major Sporting Events.

More specifically, the regulations should prohibit the companies that are not official sponsors of Sporting Event to explore any representation in a manner likely to suggest to the public an association between goods or services, or a person who provides goods and services and the Sporting Event.

In this regard the regulation should bound event organizers, ticket sellers, broadcasters, teams and athletes by the undertakings not to expose the products of competitors neither facilitate such exposure in a manner that will associate the competitors as an official sponsor of the Sporting Event.

The provisions of the proposed regulation shall also set up an institutional framework of national authorities responsible for monitoring and prevention of Ambush Marketing practices in conjunction with Sporting Events.

⁷⁵ The latest developments feature the agreement reached between Court of Arbitration for Sport (CAS) and Abu Dhabi Judicial Department (ADJD) to set up a chamber for the Court of Arbitration for Sport (CAS) to be based in Abu Dhabi, UAE and operating in the auspice of Abu Dhabi Abu Dhabi Commercial Conciliation & Arbitration Centre (ADCCAC).

The regulation should further stipulate the responsibility for infringement of exclusive rights' holders and provide for additional remedies, such as injunctive relief, cease and desist orders, in a broader scale and more effective manner.

On the other hand the restrictions shall be limited for particular periods of time and specifically related to the Sporting Events not to diminish the freedom of advertising and rules of fair competition.

11.3. In the absence of (or in addition to) any specific legislation referred to in Question 2.1, please explain briefly on what legal basis might an aggrieved Sporting Event rights holder/sponsor seek redress in respect of any Ambush Marketing activity in your country? Without limitation, please consider: (i) trade mark law, (ii) design law, (iii) copyright law, (iv) unfair competition/passing off law, (v) advertising law and regulations, (vi) consumer protection law and regulations etc.

As referred above, the UAE does not provide any specific regulation that explicitly addresses the issue of Ambush Marketing. Sponsors and organizers of major Sporting Events should therefore rely on general provisions of intellectual property laws as well as contractual mechanisms in order to protect the exclusivity of official sponsoring.

- (i) **Trademark law.** Under the UAE Trademark Law, if a marketing campaign includes the unauthorized use of any words, symbols, logos or slogans that are similar to or identical with the protected trademarks, the mark-owner may ban such use and seek injunctive relief to end the ambush campaign immediately. Trade mark-owner may further sue for damages under the provisions of the UAE Trademark Law.

More specifically, Article 37 of the UAE Trademark Law provides that:

“Any person who commits any of the following acts shall be punished by an imprisonment and by a fine not less than (5.000) five thousand UAE Dirhams, or by one of those penalties.

- 1. Whoever counterfeits a trademark, which is lawfully registered or imitates it in such a manner as to mislead the public, or uses in bad faith a counterfeited or an imitated trademark;*
- 2. Whoever unlawfully uses a registered trademark owned by another party;*
- 3. Whoever puts, in in bad faith, a registered trademark owned by another party, on his products;*
- 4. Whoever sells or offers for sale or circulation or possesses for the purpose of sale, products bearing a counterfeited or an imitated trademark, or unlawfully put, with his recognition;*

5. *Whoever intentionally offers rendering services under a forged, imitated or unlawfully used trademark”.*

Article 39 of the UAE Trademark Law further stipulates responsibility for the repeated offences referenced above⁷⁶.

Any person which incurs a harm as a result of any of the acts mentioned above may raise a case before the concerned Civil Court to claim from the person who committed such act a compensation suitable with the damage incurred⁷⁷.

- (ii) **Design law.** The UAE Patent and Design Law provides a similar mechanism for protection of the relevant categories of intellectual property rights and therefore can be used in preventing Ambush Marketing practices.

Article 61 of the UAE Patent and Design Law provides the following penalties in this respect:

“Without prejudice to the stronger penal actions provided for in other laws, any party submitting false documents or giving incorrect information to obtain a letters patent or a utility certificate shall be sentenced into imprisonment for a period not less than 3 month and not more than 2 years and/or be charged not less than (5.000) five thousand UAE Dirhams and not more than (100.000) one hundred thousand UAE Dirhams. This shall also be applicable to any party simulating an invention, a manufacture method, an element of practical knowledge, or an industrial drawing or design”.

- (iii) **Copyright law.** The UAE Copyright Law broadly defines infringements of the moral and economic rights of the author or related right holders. In essence, a similar range of remedies is available for protection of copyright holders.

In accordance to Article 37 of the UAE Copyright Law:

⁷⁶ *“Any person who commits for the second time one of the offences mentioned in Articles 37 of the Law, shall be punished with the same punishment in addition to the closure of his commercial store or enterprise for a period not less than fifteen days and not exceeding six months, together with the publication of the judgment on the expense of the convict”.*

⁷⁷ Pursuant to Article 40 of the UAE Trademark Law.

“Without prejudice to any severer punishment in any other law, anyone who commits without a written permission from the author or the holder of the neighboring right or their successors any of the following acts will be punished by imprisonment for a period not less than two months and payment of fine not less than ten thousand UAE Dirhams (10.000), but not exceeding fifty thousand (50.000) UAE Dirhams or by one of the two penalties:

- 1. Infringement of any of the literary or economic rights of the author or the holder of the neighboring right stipulated in this law, including making any work, performance, phonogram, broadcasting program of stipulated protection in this law, available to the public through the computer, internet, information or communications nets or other means;*
- 2. Sale, rental, or putting in circulation by any way whatsoever a work, phonogram, broadcasting program protected in accordance with the provisions of this law. The penalty stipulated in this article shall be doubled according to the number of the infringed works, performances, programs, or the recordings. In case of the repeated infringement the penalty shall be imprisonment for a period not less than six (6) months and payment of fine not less than fifty thousands (50.000) AED Dirhams”.*

(iv) Unfair Competition/Passing Off Law. The provisions for protection of fair competition can be found in the UAE Consumer Protection Law and the Decision of the UAE Council of Ministers No. (12) pertaining to the Implementing Regulation to the UAE Federal Law No. (24) of 2006 on the Consumer Protection (the “**UAE Consumer Protection Law Implementing Regulations**”).

The UAE Consumer Protection Law does however not specifically provide for the measures available against unfair competition. Therefore, the legal remedies which can be sought in this respect are based on the mechanisms stipulated in the general

commercial legislation of the UAE and more specifically the UAE Civil Transactions Law and the UAE Commercial Transactions Law.

The trademark owner has an exclusive right to use his trademark to distinguish his goods or services from those of the others⁷⁸. Therefore, whoever imitates, forges, or uses a trademark owned by a third party, is committing trademark infringement which may cause damage to the trademark owner. Such practices entitle the trademark owner among other remedies available to institute a law suit under unfair competition⁷⁹.

- (v) **Advertising Law and Regulations.** The UAE legal framework does not provide for centralized advertising regulation. Instead, various acts contain provision in respect different types of advertising practises.

The relevant provisions can be found at the Federal Law No. (15) of 1980 concerning Publications and Publishing (the “**UAE Media Law**”). The requirements of the UAE Media Law are strict and generally reflect the sensitive approach of the national legal system to the moral and cultural aspects of media and public relations⁸⁰.

Article 56 of the UAE Media Law provides that:

“No film or a commercial advertisement shall be allowed to be shown in a cinema hall unless permission is obtained from the film censorship

⁷⁸ As stipulated in the UAE Trademark Law.

⁷⁹ Pursuant to the provision of Article 282 of the UAE Civil Transactions Law and Article 65 of the UAE Commercial Transactions Law.

“A trader may not disclose such matters as are inconsistent with the reality regarding the origin or description of his goods, or any other matters pertaining to their nature or importance. He may not either declare falsely that he holds a status or degree or award, nor may he resort to any other misleading means, with the intent thereby to usurp the customers of a competitor trader; or else, he shall be liable for compensation”.

⁸⁰ Article 82 of the UAE Media Law provides that:

“Publications or advertisements shall not include any phrases, expressions or pictures that are inconsistent with public conduct, or otherwise mislead public”.

committee. Documents required to be submitted along with the application shall be determined by a decision by the minister”.

In practice, the UAE authorities primarily supervise the *moral* aspects of the advertisement, and only subsidiarily commercial and fair competition guarantees⁸¹.

A draft of the new UAE Media Law is currently under discussion and aims at the liberalization of the media in the UAE, ensuring larger freedom of speech and of the political press.

We further highlight that means of street advertisement (e.g. billboards, banners, etc.) are subject to the approval by the Municipality Council.

In most cases the Municipality considers the approval of the advertisement on a discretionary basis, and therefore, takes the position of exclusive rights' holders into consideration in respect to preventing Ambush Marketing practices.

The same approach is employed by the National Media Council the UAE Telecommunications Regulatory Authority in respect to broadcasting content and the digital media respectively.

- (vi) **Consumer Protection Law and Regulations.** The UAE Consumer Protection Law and the UAE Consumer Protection Law Implementing Regulations set a legal framework for protection of the consumer's rights.

⁸¹ E.g. at the end of 2011, the sports gear producer Puma introduced to the UAE market a limited-edition of Puma SpeedCat shoes in the colour of the UAE flag in commemoration of the UAE 40th Anniversary of Independence. Under the public pressure and the government authorities' informal advice – based on the notion that placing a national flag on the shoes undermines the national values – Puma was forced to release an apology statement and remove all concerned product from the stored across the UAE. *The product in question is illustrated below:*



The Consumer Protection Department within the Ministry of Economy further sets the operating requirements and supervises among others marketing and advertising practices employed in conjunction with the products and services promotion.

a. For each course of action identified above, explain briefly what the Sporting Event rights holder/sponsor needs to prove in order to be successful.

- (i) Trademark law.** Pursuant to Article 41 of the UAE Trademark Law the aggrieved party is required to provide the following evidences of registered trademark infringement in order to initiate the administrative procedures against the breaching party:

“The owner of a trademark may, at any time, even before raising any civil or criminal claim, file a petition supported by an official certificate testifying the registration of the mark, to ask for an order from the concerned court, in order to take the necessary conservatory measures, in particular, the following:

- 1. Arrange gathering of a detailed information on the machines and instruments which are being or have been used to commit any of the offences mentioned in this Law, involving among others local or imported products or goods, store signboards, envelopes or papers, etc. on which the mark, or the statement, the subject of the offence, may have been put;*
- 2. Effecting the confinement on the things mentioned in the preceding part, after paying a guarantee, to be fixed by the court, to compensate the person whose products have been seized, if deemed necessary.
The court may delegate one or more experts to assist in implementing of the conservatory measures. Owners of internationally recognized trademarks are excluded from the provision of providing a registration certificate”.*

The burden of evidence at this stage lies with the Claimant.

It is a widely accepted practice of the UAE Courts to appoint experts whose conclusions do not bind – but very often strongly influence – the Court. The specifics of the sports industry may require the appointment of specialized sports marketing related organization as experts.

The claimant may formulate a request to the court for industry’s specifics to be considered in the appointment of the expert.

- (ii) Design law.** Similarly, the UAE Patent and Design Law provide for protection of industrial intellectual property rights through preliminary measures in line with the relevant administrative procedures.

In accordance with Article 60 of the UAE Patent and Design Law:

“The owner of the deed or the assignee of the industrial property rights provided for in this Law may request the competent court to issue a precautionary seizure order for the invention, drawing, design, or for parts thereof using the industrial property of any kind referred to hereinbefore in the event the infringement or other illegal activities are being undertaken in violation of this Law or in conflict with the contracts or licenses issued thereunder”.

Article 61 of the UAE Patent and Design Law further stipulates the procedural mechanism of injunctive relief⁸²:

The Law however does not define the evidence to be presented in line with the administrative action. Based on practice common to all categories of intellectual property rights the evidence shall be supported by the original of industrial intellectual property rights registration and preliminary proof of breaching activity sufficient to proceed with preliminary measures.

- (iii) **Copyright law.** The UAE Law courts follows the common practice of gathering of the initial date pertaining to the copyright infringement and appointing of an expert for further proceedings. The current caseload does not contain any illustrative cases related to Ambush Marketing practices.
- (iv) **Unfair Competition/Passing Off Law.** As referred in the preceding section the UAE Consumer Protection Law does not provide specific procedure for evidencing unfair competition practices. General provisions of UAE Federal Law No. (10) of 1992 on the Issuance of the Evidence Act for Civil and Commercial Transactions (the “**UAE Law**

⁸² *“The applicant of the precautionary seizure should deposit a bail evaluated by the court prior to issuing its order for seizure and the seizer should file the relevant action within eight (8) days as from the date of the issuance of the court’s order otherwise the matter shall be deemed null and void. Moreover, it is permissible for the attached person to file an action for compensation within ninety (90) days as from the date of the termination of the previous term or from the date of issuing the final decision of refusing the relevant action, which the seizer preferred...”*

on Evidence for Civil and Commercial Transactions”) shall therefore be applied in order to proceed with building a proof base for the claim against Ambush Marketing practices.

The UAE Law on Evidence for Civil and Commercial Transactions provides a vast range of means of evidence (e.g. verification, testimony, expert report, etc.) that may be required in order to proof the grounds of the claim.

- (v) **Advertising Law and Regulations.** The UAE Media Law does not contain specific requirements in respect to the evidence to be presented in order to proof the illegal means of advertising and marketing campaign. The relevant procedures shall be based on the provisions of the UAE Civil Transactions Law and the UAE Commercial Transactions Law.

In practice, the corresponding supervisory authorities – such as the UAE National Media Council for the broadcasting advertisement and the Municipality Council for street advertisement – apply the relevant procedures on a discretionary basis and may therefore prescribe specific requirements in respect to the evidencing of illegal advertising activity.

- (vi) **Consumer Protection Law and Regulations.** Although provisions of the UAE Consumer Protection Law can in principal be used in order to stop the competitor’s illegal marketing activity, the Law primarily targets issues related to the *quality* of the product and services.

It is unlikely that the consumer protection legislation and the corresponding authorities can be directly involved in anti-Ambush Marketing action, unless the competitor’s products or services are in breach of the quality requirements under the provisions of the consumer protection law.

b. For each course of action identified above, explain briefly what remedies the successful claimant may obtain.

- (i) **Trademark law.** As referred above the UAE Trademark Law provides for preliminary measures in a course of administrative action, which can be further complemented by acriminal or civil action.

The remedies awarded by the court in accordance with the relevant provisions of Articles 42 and 43 of the UAE Trademark Law include the following:

“The aggrieved party shall be entitled to file a lawsuit demanding the breaching party to pay the compensation within ninety days of the deadline mentioned in the final paragraph of Article 41 of this Law (sic. availing cease and desist order), if no court action was filed against the breaching party, or from the issuance date of the final verdict on the lawsuit filed against it...”

[...]

The court may, in any civil or criminal case, order the confiscation of the seized products or which may be seized later, and deduct their price from the fines or compensations, or for the disposal thereof in any other manner deemed appropriate by the court. The court also may order the destruction of the unlawful marks, or, if necessary, order the destruction of the products, envelopes, packing materials and other things which bear such marks or bear illegal statements, and machines and instruments used in particular in the act of counterfeit. The court may also order the publication of the judgment in the Official Gazette or in one of the daily newspapers at the expense of the convicted party”.

Remedies that can therefore be sought through a criminal action including the following: raids on the premises where counterfeit goods are stored; seizure of goods; of counterfeit goods; and/or punishment of the infringer.

The following remedies are available by way of civil action: a precautionary attachment; an interim injunction; a perpetual injunction and attachment with declaration that the goods are counterfeit; the appointment of an expert to give an opinion; and/or a claim for costs and damages.

The remedies provided in a course of an administrative action, such as injunctive relief and confiscation, can be effective for combating Ambush Marketing practises, where a swift action is crucial to prevent competitor’s unauthorized activity in a course of Sporting Event.

Furthermore, in order to prevent the competing companies from distributing their products in conjunction with a major Sporting Event, the organizing committee should initially register Sporting Event-related trademarks for a whole variety of goods and services to be further available to the official sponsors only.

- (ii) **Design law.** The UAE Patent and Design Law implements a similar mechanism for protection of industrial intellectual property rights, providing a platform both for criminal and civil actions.

Article 63 of the UAE Patent and Design Law specifying the following in this respect:

“The court may in a civil or penal lawsuit rule to confiscate the impounded objects or those to be impounded at a later stage. The court may also order the destruction or impairment of the objects resulting from illegal activities, including machineries and tools adopted for infringement. The court may oblige the convicted party to publish the decision in the industrial property circular or in one of the daily newspaper. Such a court order can also be effective in case of acquittal by the court...”

The remedies available under the UAE Patent and Design Law therefore range from “naming and shaming” measures to confiscation and compensation. These remedies remain however mostly untested in the jurisdiction in conjunction with the sports industry.

- (iii) **Copyright law.** The UAE Copyright Law provides for a similar range of remedies for the copyright and neighbouring rights infringements, stating in its Article 40 among others the following:

“Without the prejudice to other penalties stipulated in this Law the court may order confiscation of the forged copies or the ones derived from them and destroying them. It may further order confiscation of the equipment and the instruments used in committing the infringement which can only be used for this purpose and close up the company where the forgery has been produced for not more than six months.

The summary of the judgement of incrimination shall be published in a daily newspaper or more on the account of the judged person”.

The intellectual property laws in the UAE apply a common set of remedies. We further note that the relevant protection can be sought in conjunction with the UAE commitments under the international treaties and the membership of the UAE in the international sporting bodies.

- (iv) **Unfair Competition/Passing Off Law.** A set of remedies is available under the UAE Consumer Protection Law and additionally under the relevant provisions of the UAE Civil Transactions Law and the UAE Commercial Transactions Law.

The latter provide for a full range of remedies available in the jurisdiction. We do however note that in the absence of a specialized Competition Law in the UAE, a legal actions based on unfair completion, and the relevant proceedings thereof, will be based on the general framework of the commercial rights protection.

Nevertheless, the specific remedies in this respect can be sought through the UAE Consumer Protection Department which is empowered among others to take the necessary actions against prohibited unfair competition practices. Such actions and measures in accordance to the UAE Consumer Protection Law Implementing Regulations shall be determined by the UAE Consumer Protection Department at its discretion at the acceptable level.

- (v) **Advertising Law and Regulations.** Chapter 8 (Penalties) of the UAE Media Law provide a full range of responsibility of the media organizations for misleading and immoral information, which include among others fines, temporary and constant closure of the media organizations and companies, confiscation, compensation through civil action.

The relevant procedures and the actual remedies in this respect are based on the provisions of the UAE Civil Transactions Law and the UAE Commercial Transactions Law and implementing regulations.

In practice, the corresponding supervisory authorities – such as the UAE National Media Council for the broadcasting advertisement and the Municipality Council for street advertisement – apply the relevant procedures on a discretionary basis and therefore may prescribe specific requirements in respect to evidencing illegal advertising activity.

- (vi) **Consumer Protection Law and Regulations.** The UAE Consumer Protection Law sets a fine of not less than 10,000 UAE Dirhams if a product does not meet the minimum requirements and bears the risks associated with using it.

In addition, the court may rule to confiscate or destroy the product along with the equipment and raw materials used in its manufacture.

Refusal to recall the defective products is deemed to be a criminal offence under the UAE Federal Law No. (4) of 1979 on Suppression of Fraud and Deceit in Commercial Transactions.

The UAE Consumer Protection Law also grant a very broad power to the Minister of Economy to suspend trading by any business that does not comply with the Law for up to a week and to also refer the issue of permanent closure of the business and disposal of any goods which do not comply with the Law to the courts.

However, as mentioned in our comments to the previous section in respect to the UAE Consumer Protection Law – considering quality control focus of the afore-referenced law – it is unlikely the same can effectively be applied in order to prevent or cease the Ambush Marketing activity.

- c. **For each course of action identified above, explain briefly what the defendant needs to achieve to successfully fend off the claim.**

- (i) **Trademark law.** The measures to be undertaken by the defendant to fend itself off the claim may vary and are at all times case specific. The defendant e.g. may require the court to establish the competitor's trademark – or the relevant intellectual property right – being duly registered or licensed.

Reference to the rules of free competition, provided there was no evident infringement of the competitor's intellectual property right, may further affect the position of the court in this respect.

Finally, specifics of the sports marketing industry and non-existence of anti-Ambush Marketing regulations in the UAE may preclude the local courts to employ a proactive approach towards combating Ambush Marketing practices.

- (ii) **Design law.** *Kindly refer to the comments in Section (i) above.*
- (iii) **Copyright law.** In addition to the comments referred to in Section (i) above, in the event of copyright protection the defendant may employ an argument of protection of a freedom of speech, provided his marketing practices include featuring of sports news and sports results of public domain.
- (iv) **Unfair Competition/Passing Off Law.** Strategy of possible defence through the provision of the competition law can be based on the principle of the “fair competition”. However, considering the absence of the caseload in this respect it is hard to predict whether the local courts will apply this approach towards marketing strategies, involving certain elements of Ambush Marketing practices.
- (v) **Advertising Law and Regulations.** The principle of freedom of advertising can be effectively employed by the competitors to promote its goods and services provided such companies do not implicitly associate themselves with the Sporting Event. It is evident that the borderline of the prohibited practices and the legal marketing tools is not always clear.
- (vi) **Consumer Protection Law and Regulations.** Unauthorized companies can under the certain conditions fend off the claim against its marketing campaigns based on the provisions of the consumer protection laws.

Although the concept of anti-trust is not implemented in the jurisdiction, a *de facto* monopolistic position of the official sponsor, as the case may be, can be used in court as an argument for providing the consumers with information regarding the alternative products in the course of fair competition practice.

- d. **Please explain whether there are any differences (and if yes which) in the application or interpretation of specific or non-specific legislation if the aggrieved party is not a Sporting Event rights holder/sponsor but rather**
 - i. an individual athlete or his sponsor;
 - ii. a group of team athletes or their sponsor;
 - iii. a sports club or organization (assuming that the concrete case is not related to an event held by such organization) or its sponsor.

Since the above-discussed UAE regulations do not contain specific provisions in respect to Sporting Events and the parties involved, the existing legal framework does not provide differentiated treatment in respect to sponsors, athletes, teams or sports club.

Aggrieved parties in jurisdiction benefit from the same range of remedies available under the national laws and follow the similar procedures for legal actions against damaging Ambush Marketing practices.

It is further explicit under the requirements of the UAE intellectual property laws that the claimant should be duly authorized, i.e. should be a registered holder of the relevant intellectual property right or should be duly licensed to operate the same.

The UAE sports-related regulation likewise does not provide any specific provisions in respect to the different approach for protection of interests of athletes, clubs, teams and sponsors in conjunction with their commercial activity.

It is however evident that the procedure may vary in respect to the individuals, companies and national federations, as the case may be.

11.4. If you had to advise (i) the organiser of a Sporting Event in your country and (ii) a company considering sponsoring that Sporting Event as to the practical steps they may want to take to protect themselves against Ambush Marketing, please set out briefly the key points of what your advice would be. Please indicate whether and which influence ambush marketing and/or specific legislation in this area had on contracts regarding Sporting Events in your jurisdiction.

Although the Sporting Event organizers and the sponsors can avail themselves the provisions of the national legislation in respect to their intellectual property rights protection, it is crucial to implement practical measures in order to address swiftly potential Ambush Marketing practices.

The event organizers may entertain among others the following steps:

- Launching of an education campaign among the staff involved on the basics of intellectual property and Ambush Marketing including advertisements on the event venue and other means targeting the public, retailers, potential sponsors, suppliers, licensees and athlete agents;
- Involving professional market surveillance services in respect to potential infringements of the exclusive sponsors' rights;
- Prohibition of the athletes from giving non-official sponsors unsolicited publicity during the Sporting Events by virtue of a requirement to sign Membership Terms and Conditions;
- Prohibition of merchandising or using any materials of products of the non-authorized companies for the promotional and marketing purposes.

The companies sponsoring the Sporting Event in turn may employ the following tools in order to anticipate and prevent the negative impact of the Ambush Marketing strategies:

- Implement full intellectual property protection in respect of the relevant goods and services, obtaining the registration in all relevant categories available in the UAE jurisdiction;

- A comprehensive and targeted sponsorship agreement should be executed with the event managers. An additional memorandum with relevant national sports and Intellectual property authorities would further secure the exclusive rights' holders;

The growing awareness of Ambush Marketing practices had a practical influence on the contractual undertakings in line with hosting of international Sporting Events in the jurisdiction of the UAE.

For instance, in conjunction with FIFA Club World Cup hosted by Abu Dhabi in 2010, a prohibition of Ambush Marketing practices was implemented through contractual undertakings of the event managers.

Flash Entertainment FZ-LLC, a company appointed by the UAE Football Association to conduct event management and ticket sales for FIFA Club World Cup 2010 has executed an agreement with FIFA whereby it has undertaken to be bound by FIFA General Terms and Conditions (the “**General Terms and Conditions**”) among others prohibiting ambush marketing practices.

More specifically, Section 6 (Prohibitions Regarding Ambush Marketing and Other Marketing Activities) of the General Terms and Conditions provided that ticket holders are strictly prohibited from:

[“6.2 ... using, wearing, possessing or holding promotional or commercial objects and materials, or offering to sell, selling or possessing with the intent to sell drinks, food, souvenirs, clothes, or other promotional and/or commercial items

[...]

6.4 ... handing out pamphlets or information relating to, or in any way promoting or drawing attention to, any business, cause, charity or concern, whether commercial or not...

[...]

6.5 ... using a Ticket for commercial purposes, such as without limitation, for promotions or advertising activities, use as a prize in a competition, game, auctions or sweepstake...]

The General Terms and Conditions further prohibited the following practice:

“6.6 Tickets may not be sold, or otherwise included for commercial purposes as part of a travel package (for example combining Tickets with flights and/or a hotel room night) or as part of a hospitality package (for example combining Tickets with pre or post Match catering services in proximity to the Stadia), without the prior written approval of FIFA”.

It is therefore a prudent approach to implement anti-Ambush Marketing mechanisms through the framework of contractual undertakings. The said approach reinforced by the means of

legal protection provided by the national legislation can mitigate the risk of abusing exclusive rights of the official sponsors by the competitors.

11.5. If you had to advise a company who would like to use the opportunity of a Sporting Event for a legal, albeit perhaps risky, marketing campaign but refuses to become a sponsor or official licensee, please set out briefly the key points of what your advice would be.

Despite the highly restrictive and zero tolerance approach currently implemented in respect to non-authorized companies building up their marketing strategies in conjunction with major Sporting Events, a sensible brand-leveraging strategy can be put in place under certain conditions.

In fact we anticipate that the same will take place in the Middle East region as we go closer to the 2022 World Cup – the hosting of which was granted to Qatar.

The current official airways sponsor of FIFA and FIFA World Cup event is a UAE company – Emirates Airways. At the same time, it is likely that FIFA will contract with Qatar Airways for sponsorship of its home world championship.

It is evident that the Emirates Airlines will use its best endeavours to avail from arguably the most attractive marketing sport event in the world taking place in a neighboring country.

Therefore, among others, commonly used practices in the industry – such as increasing flights to the region, creating packages to visit different destinations in the region (most predictably, Dubai and Qatar) for a discounted package – along with the emergence of digital marketing tools (such as posting videos on YouTube, advertising through Twitter, Facebook and other social networks, issuing applications for the media devices) are expected to be widely explored.

It is further anticipated that Emirates Airlines will continue to build its brand through sponsorship of football projects, which may expand towards teams in the Middle East, and possibly even Qatar.

Although, a wide range of strategies is seemingly available it is crucial to employ a cautious approach not involving direct branding and associating the company's marketing campaign with the Sports Event and its venue.

In line with these precautionary measures the company should refrain among others from: using the officially registered words and logos; using of soccer balls or other soccer images; including tickets give-aways in the promotional packages; branding items in/around the stadiums.

11.6. Finally, please give examples of any recent Ambush Marketing activity and / or cases in your country. As mentioned, please continue to collect such examples even after you have submitted your national report and email them to the general reporters.

There have not been any significant illustrative examples of legal actions involving Ambush Marketing practices in the UAE, principally due to the emerging stage of the sports market in the country, as well as relatively “young” intellectual property protection framework.

Nevertheless, UAE companies (mainly Emirates Airlines) were directly involved in disputes related to the subject of the present questionnaire.

In 2006, Emirates Airlines signed a major sponsorship deal with FIFA. For an agreed investment of USD 195 mln, the airline became FIFA’s official partner from 2007 to 2014. The deal came on top of an existing EUR 30 mln contract between Emirates and FIFA to act as a sponsor of the 2006 FIFA World Cup.

In the meantime, Lufthansa, the German airline, launched an advertisement campaign featuring athletes, air planes and footballs, vividly placing a “soccer nose” (pic.1) and “LH-2006” swoosh (pic.2) on its planes, along with an invitation “to share the passion with Germany's soccer airline”.



Pic.1 Lufthansa “soccer nose” featuring Germany’s passion for football



Pics.2 “LH-2006” swoosh featuring soccer ball on the top and the alternative logo used by Lufthansa

This clearly led passengers to believe that Lufthansa was a *bona fide* FIFA World Cup sponsor – which it wasn't.

In fact, despite the attempts of the Emirates Airlines to cease such unauthorized marketing activity, the German airline did manage to challenge the accusations and operate the described campaign through the whole period of the event.

Other – but mostly insignificant – examples of Ambush Marketing occasionally take place in conjunction with the Rugby Sevens in Dubai, and in the national football league, where local companies try to avail the publicity of the events to promote their brand/products.

We are not however aware of any disputes in the UAE jurisdiction based on a claim against Ambush Marketing practices.

12. UNITED KINGDOM

National Reporter: Richard Dickinson
Arnold & Porter (UK) LLP
Tower 42
25 Old Broad Street
London
EC2N 1 HQ
United Kingdom

Alexander Fox
Manches LLP
Aldwych House
81 Aldwych
London
WC2B 4 RP
United Kingdom

12.1. Please indicate whether there has been any major Sporting Event held in your country recently and/or whether there are plans for such a Sporting Event in the near future.

- London 2012 Olympic Games (27 July-12 August 2012)
- London 2012 Paralympic Games (29 August-9 September 2012)
- Wimbledon (June-July 2011)
- ATP World Tours Finals (November 2011)
- AEGON Tennis Masters (November 2011)
- Wimbledon (25 June-8 July 2012)
- Commonwealth Games 2014 (Glasgow-July-August 2014)
- Rugby World Cup (September-October 2015)

12.2. In your country, is there any specific legislation that outlaws Ambush Marketing as such and/or protects trade marks and other intellectual property rights relating to Sporting Events or are there / have there been attempts introduce such legislation?

There is no UK legislation outlawing ambush marketing generally nor any legislation protecting trade marks and other intellectual property rights relating to Sporting Events in particular, save for specific legislation concerning the Olympics and the London 2012 Games. In the absence of legislation, ordinary intellectual property rights (such as registered trade marks, copyright, passing off etc.) may assist.

In addition, there are statutory consumer protection regulations and non-statutory advertising codes.

a) If the answer is yes:

- a. Please briefly summarise the key provisions of that specific legislation and explain in general terms to what extent these differ from the general rules of

trade mark, unfair competition and other intellectual property law applicable in your country.

As mentioned at paragraph 1.2, there is specific legislation relating to the Olympics and the London 2012 Games (Olympics and Paralympics). These are:

- **Olympic Symbol etc. (Protection) Act 1995**
- **London Olympic Games and Paralympic Games Act 2006**
- **London Olympic Games and Paralympic Games (Advertising and Trading) (England) Regulations 2011**

Olympic Symbol etc. (Protection) Act 1995 and the London Olympic Games and Paralympic Games Act 2006

Although the legislation does not define or deal with ambush marketing specifically, and Official sponsors and event organisers have traditionally sought redress through the more traditional forms of IP protection, this legislation seeks to prevent “unauthorised commercial association” with the Olympics and the London Games. The 2006 Act and the 2011 Regulations will be terminated by the end of 2012.

Key provisions:

The Olympic Symbol etc. (Protection) Act 1995 and the London Olympic Games and Paralympic Games Act 2006 created two separate “association rights”:

- The exclusive right to be associated with the Olympics or the Paralympics in general, known as the Olympic Association Right (“**OAR**”) and the Paralympics Association Right (“**PAR**”); and
- The right to be associated with the London 2012 Olympic and Paralympic Games, known as the London Olympic Association Right (“**LOAR**”).

Under the Olympic Symbol etc. (Protection) Act 1995, only the British Olympic Association (BOA) has the exclusive right (the OAR or the PAR) to use certain Olympic mottos or symbols known as “controlled representations” including:

- The main Olympic symbol (the five circle emblem);
- Motto “*Citius, Altius, Fortius*”;
- Words “Olympic(s)”, “Olympian(s)” and “Olympiad(s)”; or
- Anything so similar that would also create an association with the Olympics (e.g. a six circle emblem).

The OAR prevents:

- The unauthorised “use” of a representation of the protected symbols, motto or words in the course of trade; and
- Anything that is so similar to the symbols or motto as would likely cause the public to think there is an “association” with it.

“Use” has a wide definition. It can include offering for sale, packaging or importing goods whose packaging bears such a representation. “In the course of trade” has its ordinary meaning and includes use in advertising and on goods, and in relation to the supply of

services. “Association” includes any kind of contractual, commercial or corporate relationship or the provision of financial services in relation to the Olympic Games.

It is a criminal offence to apply the controlled representations to goods/packaging without authorisation and with a view to gain, or intent to cause loss to another. Unauthorised use of a controlled representation in the course of trade is presumed to infringe. The burden of proof is on the advertiser/user to show that, in the particular circumstances, no such association is made out, or that one of the defences applies. It is a defence to show that the use is unlikely to suggest an association with the Olympics or Paralympics, or that it is an “honestly made statement”.

The London Olympic Games and Paralympic Games Act 2006 effectively extended the scope of the OAR for the London Games. It introduced the PAR, which is analogous to the OAR and offers protection for the Paralympics symbol, motto and associated words, and the LOAR.

As the OAR (and the new PAR), the LOAR prevents the unauthorised use in the course of trade of any representation (of any kind) in a manner likely to suggest to the public that there is an association or nexus between the London Olympics and any particular goods or services or the person(s) who provide(s) those goods or services. However, the scope of the 2006 is far wider as, unlike the 1995 Act, there is no list of “controlled representations”; rather, the Act covers the use of any representation, verbal or non-verbal, which suggests a link/association with the London Games. To assist, the Act sets out a number of non-exhaustive expressions which the courts may take into account as being suggestive of an “association”:

First Group	Second Group	
Games	Gold	Medals
Two Thousand and Twelve	Silver	Sponsor
2012	Bronze	Summer
Twenty twelve	London	

The courts can consider a combination of expressions in the first group, or a combination of expressions in the first group with any of the expressions from the second, less restrictive, group as being suggestive of an association, e.g. “*Watch the 2012 Games here this summer*” or “*Get fit in time for the 2012 Games this summer*”. It is important to note that use of one of these expressions does not sound the death knell for an advert, but it may be taken into account by the courts.

Businesses, marketers and advertisers are largely prevented therefore from using representations which would cause the public to associate it with the Olympics, Paralympics or the London Games, unless they are an official sponsor or have the sanction of the London Organising Committee of the Olympic Games (“**LOCOG**”).

This goes considerably further than mere reliance on IPRs such as registered trade marks, which would protect against use of the registered Olympic symbol or the word Olympic, or anything similar which would cause or is capable of causing confusion on the part of the public, to cover even mere associations using faintly innocuous words such as “2012”, “Games”, and the tort of passing off, which can be difficult to make out successfully (see paragraph 1.3a(d) below).

The London Olympic Games and Paralympic Games (Advertising and Trading) (England) Regulations 2011

These Regulations (brought in at the end of 2011) control certain types of “advertising activity” and street trading in the vicinity of the London 2012 events. It is the only act of the three to deal specifically with ambush marketing campaigns, which are defined as campaigns (whether consisting of one act or a series of acts) intended specifically to advertise a good or service or a person who provides a good or service in an event zone during the relevant event period.

Restrictions will be in place from the day before an event or series of events starts until the end of the last day of the event(s) or series in that location or “event zone”.

“Advertising activity” includes displaying, projecting or exhibiting an advertisement (including on “apparatus”, personal property, an animal or an apparatus carried or held by an animal) or distributing or providing promotional material. It also includes displaying adverts as part of an “ambush marketing campaign”, including carrying or holding personal property on which an advert is displayed, wearing advertising attire or displaying an advertisement on an individual’s body.

The police have immediate powers to stop and prevent unauthorised advertising and trading. Penalties include potentially unlimited fines (on indictment).

Again, these restrictions go considerably further than reliance on traditional IP law.

- b. Focusing on trade marks specifically, please explain briefly whether (and, if so, in what way) under the specific legislation in your country the scope of protection given to trade marks that relate to a Sporting Event is broader than the scope of protection given to other trade marks under general trade mark law. For example, is there any difference in what the trade mark rights holder needs to prove? Are the legitimate interests of the defendant given the same level of consideration? Are the remedies different?**

i) As mentioned, the above legislation only applies to the Olympics/Paralympics and the London 2012 Games, and in relation to those Sporting Events, the scope of protection given to representations which suggest a connection with the Games (whether or not they are also registered trade marks) is wider than under general trade mark law. However for all other Sporting Events, reliance would need to be placed on trade mark law or passing off.

- c. If you have identified above that the scope of protection given to trade marks that relate to a Sporting Event is broader than the scope of protection given to other trade marks, explain briefly whether you think that such broader protection is justified and whether it achieves the right balance between the rights of Sporting Event rights holders/their sponsors and those of other companies/traders.**

ii) The argument for broader protection put forward in relation to the Olympic and Paralympic Games is that ambush marketing diminishes the value of lucrative

corporate sponsorship for the International Olympic Committee (IOC) and the host city.

iii) Official sponsorship attracts some of the biggest and best known brands in the world and those who pay to be the official sponsors (usually one per category, food, telecoms etc.) expect to receive considerable financial benefit from the recognition attached to being sponsors. As a trade-off, official sponsors expect the host organisers (such as LOCOG) to clamp down on advertising/ambush marketing by non-sponsors. The result is that specific UK legislation (e.g. LOAR and OAR) now offers very wide protection for Olympic event organisers and official sponsors.

iv) Consequently, advertisers, brand owners, advertising agencies and PR companies alike face difficulties if they wish to run a marketing campaign or event in any way tied to the Olympics or the London Games. This is a difficult balance to strike and it is possible to argue that, in relation to the London Games at least, the balance is not weighted evenly.

d. What are the reasons or arguments given officially or unofficially to justify specific legislation for Sporting Events? Please explain whether and why you consider these explanations legally substantive or not.

v) See above. The official party line for the London 2012 legislation is that it helps LOCOG prevent activities that damage its ability to generate revenue for the Games. That revenue (made up of sponsorship revenue, ticket/merchandise sales and TV broadcasting rights) forms a large part of LOCOG's operating budget for the Games.

vi) LOCOG argues that if ambush marketing, the sale of counterfeit and unofficial goods and other similar activities is left unchecked, they will undermine its ability to generate revenue for the Games. If LOCOG misses its revenue targets, the quality of the Games will suffer and the potential for leaving a financial legacy for sport in the UK will be lost.

vii) The specific legislation may be justified on a practical and/or financial basis, where dynamic and targeted ambush marketing by an official sponsor's core competitor which is pursued only for financial gain may directly affect the value of future sponsorship, but the effect is that the legislation prevents other more innocuous advertising which merely attempt to tap into "Olympic fever". However, as clever ambushing tactics are able to circumvent intellectual property rights and event organisers and sponsors have traditionally found it difficult to fit the majority of ambush incidents into the confines of general intellectual property laws, a wider protection for the Olympics and the London Games may be justified. Indeed, as organising committees of previous Olympic Games and Paralympic Games have experienced problems with ambush marketing, the IOC has placed contractual obligations on LOCOG to ensure that this problem is addressed.

viii) To extend the provisions to other Sporting Events or other national events (e.g. the Queen's Diamond Jubilee) would possibly be a step too far.

- b) **If the answer is no, please indicate whether you think that the implementation of such specific legislation would be necessary in your country and explain briefly why. If you think that specific legislation is necessary, please explain briefly what you think it should provide.**

ix)

x) We do not think it would be necessary to expand the protection against ambush marketing in other Sporting Events. Organisers of other Sporting Events are able to rely on general intellectual property laws which provide for civil penalties and remedies.

- 12.3. In the absence of (or in addition to) any specific legislation referred to in Question 2.1, please explain briefly on what legal basis might an aggrieved Sporting Event rights holder/sponsor seek redress in respect of any Ambush Marketing activity in your country? Without limitation, please consider: (i) trade mark law, (ii) design law, (iii) copyright law (iv) unfair competition/passing off law, (v) advertising law and regulations, (vi) consumer protection law and regulations etc.**

xi)

- e. **For each course of action identified above, explain briefly what the Sporting Event rights holder/sponsor needs to prove in order to be successful.**

- (a) Trade marks

Two pieces of legislation: the Trade Marks Act 1994 for national registered marks and the Community Trade Mark Regulation 207/2009/EC for EU registered trade marks. This response deals with the UK Trade Marks Act (TMA) exclusively.

The Sporting Event rights holder/sponsor may be able to bring infringement proceedings against an ambush marketer where it uses any identical or similar marks to those registered by the rights holder/sponsor on advertising or products. For example, this would cover the situation where an ambusher makes use of the 5 Olympic rings (or a variation thereof, e.g. five sausages to advertise food) or an event name or logo, trading name, style or get-up.

It may be necessary to show some element of confusion, for example that the public believes the ambusher to be the official sponsor or that it is connected officially to the Sporting Event or believes there is some association between the ambush marketer and the Event. Or it may be necessary to show that the ambusher has taken unfair advantage of the reputation linked to the registered mark (for example, where the infringing use of the registered Event logo lends credibility to the ambusher's goods or services).

- (b) Designs

- The owner of design right in a design has the exclusive right to reproduce the design for "commercial purposes" by making either (a) articles to that design or (b) a design document recording the design for the

purpose of enabling such articles to be made (such as an engineering drawing).

- Primary infringement occurs when a person, without the licence of the design right owner, does or authorises another to do anything which is the exclusive right of the design right owner. Generally the court will consider whether the similarities between the defendant's product and the claimants' design raised an inference of copying. In doing so, the court would bear in mind that functional features might be similar because they were performing a function, not because of copying. If there was an inference, the court would consider the defendant's explanation of the origins of its product. The court would then compare the defendant's product and the design objectively, on the basis that the infringing article must be produced wholly or substantially to the design.
- Secondary infringement involves commercial importation of or dealing in articles which the infringer knows or has reason to believe are infringing articles.

(c) Copyright

As above, there are two different classes of infringing act – acts of primary infringement and acts of secondary infringement. Acts of primary infringement are "strict liability" offences, meaning that no knowledge or intention is required to be shown on the part of the defendant to establish liability. For acts of secondary infringement, the defendant is required to have had certain specified knowledge, or reasonable grounds for having such knowledge, at the time of the offence.

To succeed in a copyright action for primary infringement, the claimant will need to prove on the facts that the defendant did one of the following:

- Copied the relevant work;
- Issued copies of the work to the public;
- Rented or lent the work to the public;
- Performed, showed or played the work in public;
- Communicated the work to the public;
- Made an adaptation of the work; or
- Authorised another person (without licence) to do any of the above.

Infringement arises where one of the restricted acts is committed in respect of the whole or a substantial part of the work, either directly or indirectly.

There are also several acts of secondary infringement which include:

- Doing certain activities in relation to an article which the secondary infringer knows (or has reason to believe) is an infringing copy, e.g. selling it, letting it for hire, distributing it etc;
- Transmitting the work via a telecommunications system;
- Giving permission for use of the work in a place of public entertainment; and
- Making, selling, letting for hire etc, any device designed or adapted for making copies of copyright works.

(d) Passing off

Unlike registered trade marks, the tort of passing off does not afford the owner of the goodwill a monopoly in the mark or get-up; it protects the trader's business against what might in broad terms be called a certain type of "unfair competition".

The Sporting Event rights holder/sponsor will need to satisfy the three elements or "classic trinity" of passing off to be successful; these were set out by the UK Courts in *Reckitt & Colman Products Ltd v Borden Inc* [1990] RPC 341:

- A goodwill or reputation attached to the goods or services offered by the claimant;
- A misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by him are the goods or services of the claimant; and
- Damage to the claimant, by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the claimant, e.g. diversion of sales, damage to reputation, erosion of goodwill etc.

A well-known example of this is the case involving Eddy Irvine, who sued Talksport for using a photograph of him (without consent) which had been digitally manipulated to show him listening to a radio with "Talk Radio" emblazoned on it. The photograph was used in a brochure as part of a limited campaign aimed at potential advertisers and was a false endorsement.

An example of this in the context of ambush marketing of Sporting Events might be the sale of unofficial merchandise.

(e) Advertising law/regulations

There is some protection against ambushing marketing offered by the non-statutory advertising codes, the Code of Non-broadcast Advertising, Sales Promotion and Direct Marketing (CAP Code), which covers non-broadcast advertising and the Broadcast Advertising Code (BCAP Code), which covers broadcast advertising.

The CAP Code and its equivalent broadcasting code require, amongst other things, that adverts are legal, decent, honest and truthful and do not falsely claim official endorsement. Failure to comply can lead to censure by the Advertising Standards Authority (ASA). The Sporting Event organiser or sponsor would be able to complain to the ASA, which will then review the relevant advert for compliance with the Codes and publish its findings -

which, if negative, may draw bad publicity for the advertiser. The ASA has no substantial powers but it can, request that the offending advert be withdrawn, request that publishers and other media providers refuse to provide advertising space for such advertisements unless they are altered to comply with the relevant codes. It can also refer misleading advertisements to the Office of Fair Trading (OFT) if offending advertisers do not take down or alter their advertisements at the ASA's request. The OFT would then demand an undertaking from the advertiser to withdraw it which, if breached. The OFT may also prosecute the offending advertiser under the Consumer Protection from Unfair Trading Regulations 2008 (see below).

(f) Consumer protection law

The Consumer Protection from Unfair Trading Regulations 2008 provide a general prohibition on traders treating consumers unfairly and requires businesses not to mislead consumers through acts or omissions or subject them to aggressive commercial practices.

The Regulations are enforced by the OFT; they do not give consumers or competitors a right of action for themselves. The Regulations would therefore not be of much immediate value to a Sporting Event organiser or sponsor, but they may be able to make a complaint to the OFT.

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f. For each course of action identified above, explain briefly what remedies the successful claimant may obtain.

(a) Trade marks

• A successful claimant may seek and obtain: injunction (interim and final); damages or an account of profits; an order for erasure, removal or obliteration of offending signs from infringing goods, materials or articles; and/or an order for delivery up and/or destruction of infringing goods, materials or articles.

(b) Designs

• The remedies available to the design right owner include: damages or an account of profits (additional damages may be awarded in circumstances where the infringement is flagrant or the defendant has benefited from his infringement); an injunction; order for delivery up or destruction of the infringing articles.

(c) Copyright

Interlocutory relief (search orders, freezing orders and interim injunctions); order for delivery up; seizure of infringing copies and other articles; forfeiture; final injunctions; damages or an account of profits.

(d) Passing off

- Similar to trade mark infringement, e.g. an injunction (final or interim); damages or an account of profits; an order for delivery up and/or destruction of infringing goods, materials or articles.

(e) Advertising law/regulations

- The Codes would not offer the Sporting Event organiser or sponsor a remedy directly, but they may benefit indirectly where the ambush marketer is required to take down its advertising which is in breach of the Codes.

(f) Consumer protection law

- As above, there are no direct remedies for the Sporting Event organiser and/or sponsor, but a successful outcome may benefit indirectly.

g. For each course of action identified above, explain briefly what the defendant needs to achieve to successfully fend off the claim.

(a) Trade marks

Realistically, where an ambusher uses any identical or similar marks to those registered by the rights holder/sponsor (e.g. event name or logo, shape marks (5 rings) or a trading name, style or get-up) on advertising or products, it is unlikely to be able to defend the claim. Most of the defences apply only where the defendant uses the registered mark legitimately because:

- It is using its own name (e.g. “Wimbledon Glazers”);
- It is using indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services (e.g. “Wimbledon Glazers” operating in Wimbledon);
- It is necessary to indicate the intended purpose of a product or service; or
- It has prior rights over the registered mark.

and the use is in accordance with honest practices in industrial or commercial matters.

(b) Designs

The defendant can challenge the claim in several ways:

- Challenge the claim that the disputed article was produced wholly or substantially to the design;
- Challenge the validity of the design right;
- Plead innocent infringement.
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(c) Copyright

- Stock defences would be:

- Copyright does not subsist in the work;
 - The claimant does not own the work;
 - There is no copying of a whole or a substantial part of the work.
- In addition, there is a very long list of free-standing statutory defences (or “permitted acts”) to a copyright claim, including (not exhaustive):
- Making a temporary copy;
 - Fair dealing in the work (copying etc.) for research or private study;
 - Use of the work for reasons of criticism, review and news reporting;
 - Incidental inclusion;
 - Domestic purposes;
 - Performing, playing or showing the work in an educational establishment;
 - Use in libraries;
 - Use in parliamentary and judicial proceedings;
 - Making a back-up copy of a computer program.

(d) Passing off

Defences to passing off include use of own name; use other than in the course of trade; claimant has no goodwill or reputation; claimant's acquiescence; or no provable loss to the claimant.

(e) Advertising law/regulations

- The advertiser would need to convince the ASA that its advertising was not in breach of the Codes - e.g. that it clearly made out that it was not linked to the Sporting Event, so that there was no possibility of the public linking it with the Event.

(f) Consumer protection law

- There Regulations provide for strict liability offences, however an ambusher would have a defence where it can prove that the offence (e.g. the misleading advert) was due to mistake, reliance on information supplied by another person, the act or default of another person, an accident or another cause beyond its control and that it took all reasonable precautions and due diligence to avoid the offence.

h. Please explain whether there are any differences (and if yes which) in the application or interpretation of specific or non-specific legislation if the aggrieved party is not a Sporting Event rights holder/sponsor but rather:

xii) an individual athlete or his sponsor;

xiii) a group of team athletes or their sponsor;

xiv) a sports club or organization (assuming that the concrete case is not related to an event held by such organization) or its sponsor.

- The specific legislation relating to the Olympics/Paralympics and London 2012 Games confers rights on the BOA, LOCOG and the IOC, rather than any of the above. Non-specific legislation, such as the IP rights outlined above, may be available to athletes (e.g. a company using the image of an Olympic athlete to endorse their products (without consent) may amount to passing off), sponsors, sports clubs and organisations, but it will depend on what the ambush marketer is doing and whether it infringes those rights, e.g. a sponsor's or sports club's trade marks.

- Clever ambushing tactics may well circumvent IP rights; event organisers and sponsors have traditionally found it difficult to fit the majority of ambush incidents into the confines of general IP laws.

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12.4. If you had to advise (i) the organiser of a Sporting Event in your country and (ii) a company considering sponsoring that Sporting Event as to the practical steps they may want to take to protect themselves against Ambush Marketing, please set out briefly the key points of what your advice would be. Please indicate whether and which influence ambush marketing and/or specific legislation in this area had on contracts regarding Sporting Events in your jurisdiction.

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- **Sporting Event organiser.**

- There are various steps that the Sporting Event organiser can take to prevent ambush marketing, for example:

- (a) Buy up the advertising space surrounding the venue;

- (b) Impose back-to-back contractual obligations on contractors, suppliers, venue owners and landowners in the immediate vicinity to oblige them to proactively prevent ambush marketing;

- (c) Include specific terms and conditions on event tickets. For example:

- (i) Preventing ticket holders from engaging in any form of activity which may result in an unauthorised commercial association with the Event or which makes unauthorised use of logos etc;

- (ii) Preventing ticket holders from using, wearing, possessing or holding promotional or commercial objects and materials, or offering to sell, selling or possessing with the intent to sell drinks, food, souvenirs, clothes, or other promotional and/or commercial items within the event venue;

- (iii) Preventing ticket holders from providing any type of commercial service or undertaking any commercial promotions in the venue or during the event, unless expressly authorised by the organiser in writing prior to the event;

- (d) Keep the venue “clean” and free from commercial messages for parties not officially associated with the event; and
- (e) Registering domain names (identical or similar) associated with the event to avoid ambushers taking advantage.

- **Sporting Event sponsor**

- A Sporting Event sponsor will want to maximise its investment and will therefore expect the Sporting Event organiser to take proactive steps to prevent ambush marketing by other companies which would diminish the value of its sponsorship. There may be an obligation in the sponsorship agreement that provides that the organiser will take reasonable steps to prevent ambush marketing - if not, it would be advisable for the sponsor to request something to that effect.

- Depending on what the ambush marketer is doing, the Sporting Event sponsor may be able to take steps against it directly for trade mark infringement, copyright right infringement or passing off etc.

12.5. If you had to advise a company who would like to use the opportunity of a Sporting Event for a legal, albeit perhaps risky, marketing campaign but refuses to become a sponsor or official licensee, please set out briefly the key points of what your advice would be.

As we mention above, advertisers, brand owners, advertising agencies and PR companies alike face difficulties if they wish to run a marketing campaign or event in any way tied to the Olympics. However, there is less regulation for other types of Sporting Events held in the UK. Arguably, a well-crafted marketing campaign for Sporting Events other than the Olympics which have no specific legislation, is less risky (provided, of course, the company takes steps to avoid IP infringement and adheres to consumer protection laws).

However, a company would need to ensure that it does not suggest a relationship between itself and the sponsor or official licensee. Therefore the company should avoid using the name or logo of the event in its marketing campaigns or any known trade marks and should avoid using any advertising language that would suggest the company was an official sponsor.

Judging boundaries of what is, or is not, acceptable may be difficult in respect of smaller events. The Olympics, on the other hand, is arguably more simple as the IOC and LOCOG have produced guidance on what may or may not suggest an “association” with the event and the specific legislation is fairly prescriptive. We have discussed some of these above, but by way of illustration LOCOG considers the following may be likely to create an association with the London Olympics:

- Depiction of Olympic venues.
- Use of five Olympic colours.
- Use of Olympic style torch/flame.
- Use of words associated with Olympic qualities (spirit, endeavour, friendship, winning, determination).

- Depiction of Olympic sports (particularly several at once).
- Use of XXX or 30th (2012 Games will be Games of the XXX (30th) Olympiad).

12.6. Finally, please give examples of any recent Ambush Marketing activity and / or cases in your country. As mentioned, please continue to collect such examples even after you have submitted your national report and email them to the general reporters.

As far as we are aware, there have not been any notable cases of ambush marketing activity in the UK. Of course, this could be set to change in the forthcoming months as the UK plays host to the Olympics.

We are advising on this issue in time for the Olympics. Subject to client confidentiality and/or live issues, it is hoped that recent examples could be used at the Summer Annual Congress.