

## Intellectual property

## Penalty shootout ahead

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The main objective of Federation Internationale de Football Association (FIFA) for the 2010 World Cup Tournament is to make it a success not only for the players, the football fans and the game of soccer, but also from a financial point of view and in particular for the sponsors of the event.

Sponsorship is an integral and essential part of a world cup tournament and, without the funds provided by sponsors, the enormous costs involved in running the event could not be met. FIFA sets itself the goal of providing value for money so ensuring sponsors will continue to support the event in the future and maintain its viability.

When FIFA signs up a sponsor for a world cup tournament it undertakes to give that sponsor, and sponsors in general, exclusivity in the use of the event as a platform to parade and promote their brands. More particularly, when FIFA signs up a sponsor that operates in a particular field, for instance providing credit card and other financial facilities, it commits itself to exclude

that sponsor's competitors from using the event as a platform from which to promote their brands. It also assumes an obligation to prevent all non-sponsors from seeking to gain promotional benefit from the event and thus from undermining the privilege sponsors obtain from payment of the sponsorship fees.

It follows that FIFA will strictly control and police the use of the Soccer World Cup as a promotional platform. It must ensure that non-sponsors don't ride on the back of the World Cup and bask in its limelight to the detriment of the sponsors.

To this end FIFA has pursued,

and is actively pursuing in regard to the 2010 World Cup in South Africa, a rigorous rights enforcement programme to curtail unauthorised use of the event for promotion purposes. The threats that FIFA faces in controlling the use of a World Cup Tournament for promotional purposes come basically from two quarters, namely the distribution of counterfeit merchandise and so-called "ambush marketing."

Counterfeit goods are spurious items of merchandise which clone authorised products sold under licence from FIFA and in relation to which FIFA's

various insignia denoting the World Cup is used. Ambush marketing, on the other hand, relates to the conduct of trading and/or promotional activities which misrepresent some form of connection, whether by way of licence or sponsorship, with the World Cup. Alternatively they may, without necessarily suggesting a connection with the event, seek to use the event as a means of promoting the traders' own goods or services, often in competition with an official sponsor.

To forearm itself and to place it in a position to ward off the unwelcome attentions of counterfeiters and ambush marketers, FIFA has for the 2010 World Cup, as it has done with previous World Cups, acquired various forms of protection for intellectual property associated with the event and more particularly its trade marks, designs, artworks and the like. For the 2010 World Cup, FIFA has registered various words and logos, including the official emblem, as trademarks, registered designs, and has sought protection of various marks in terms of s15 of the Merchandise Marks Act. These provide for the Minister of Trade & Industry to declare various trademarks as prohibited marks. It has also arranged for the 2010 World Cup to be declared a protected event in terms of s15A of the Merchandise Marks Act and this measure affords special protection against ambush marketing.

Over and above this, FIFA has placed itself in a position to rely on copyright in various works, the common law of passing-off and unlawful competition and the Trade Practices Act which has a provision criminalising the making of false associations or connections with a sponsored event.

With the 2010 tournament less than three years away, FIFA is launching litigation in the High Court against four transgressors who have infringed its rights. This is the culmination of demands made during the past few years by FIFA against unlawful activities pertaining to the 2010 World Cup and it marks the advent of a new phase of enforcement where it is demonstrating its resolve to deal firmly with recalcitrant wrongdoers.

In mid-November, FIFA issued papers out of the Pretoria High Court against four separate infringers of its rights. The wrongdoers conduct business in, respectively, the trade in key rings, ornaments and the like, restaurant services, accommodation and hospitality services and foodstuffs. Though the nature of the infringing activities brings about variations in the causes of action and claims which FIFA has brought against the transgressors, there is a significant amount of commonality in the various cases.

In general, the four complaints and causes of action rely on a variety of the weapons at FIFA's disposal and they are aimed at the use of marks such as SOUTH AFRICA 2010, SOCCER WORLD CUP, SOUTH AFRICA WORLD CUP and the use of devices depicting soccer balls in conjunction with 2010 or SOUTH AFRICA 2010.

The cases rely on infringement of several of FIFA's registered trademarks consisting of or incorporating the aforementioned elements. The trade mark infringement claims are supported by claims of passing-off, relying on the reputation attaching to the 2010 Soccer World Cup Tournament and



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insignia denoting it and the resultant confusion that arises when third parties use marks or other insignia which suggest a connection in the course of trade with the event or with FIFA.

- Furthermore, FIFA claims that the use of the offending insignia and the transgressors' trading activities in that regard, amount to making undue associations with the event. They thereby derive promotional benefits from it in contravention of s15A of the Merchandise Marks Act and the Trade Practices Act. Contraventions of these statutes are criminal offences and it is argued by FIFA that, by acting contrary to law in conducting the offending trading practices, the transgressors are competing unlawfully with it. On the strength of these unlawful acts, FIFA is seeking interdicts restraining the unlawful conduct, delivery-up of all goods bearing offending marks, costs of suit as well as various other forms of ancillary relief. FIFA also reserves its rights to claim damages from the transgressors in further proceedings.

In one of the cases the transgressor has registered the shape and configuration of its offending product as a design under the Designs Act. In this

instance FIFA is also seeking the cancellation of the registered design on the grounds that, because the distribution of the articles in question is unlawful, the design has been registered in fraud of FIFA's rights. This is a novel point in South African design law and to this extent it is something of a "test case" on the issue in question.

It is likely that these cases will cause considerable interest in the business community, as well as some controversy in view of the nature of the marks which FIFA is seeking to enforce. The cases also mark the first occasion on which civil litigation, based on unlawful competition, has been brought against a party transgressing the criminal provisions of s15A of the Merchandise Marks Act, dealing with ambush marketing.

These legal issues give the cases additional significance and importance and their outcome could well have a significant bearing on the ability of South African law to counteract ambush marketing. This is, in turn, of importance to South Africa's ability to attract major international sporting events, such as world cup tournaments, in the future. ♦

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