

# GSLTR

## Global Sports Law and Taxation Reports

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# Sport as a brand and its legal protection in South Africa

by Dr Owen Dean<sup>1</sup>

## Introduction

In days of yore sport was a recreational pastime and it was played for pleasure and, on an international level, for the honour of one's country. Sportsmen and women took part in sport on a voluntary basis and, save perhaps for receiving reimbursement for their expenses, little or no payment was made to them, no matter how proficient they were and famous they became, both nationally and internationally.

Times, however, have changed and most major sports are now played at top level on a professional basis. Major sporting stars receive very substantial incomes for plying their trade. Major sports have now become big business and vast sums of money are involved in staging major tournaments. They have now become part of the entertainment industry and sports events and participants in those events are virtually on a par with major entertainment artists and entertainment events of whatever form and nature.

In the light of the fact that sports, sports events and sportsmen and women have become business enterprises it is not surprising that trade marks and brands have entered into, and become a feature, of the sports environment.

Brands manifest themselves in the sporting environment in basically two ways, namely through sponsorships where sponsors of major sporting events, teams and the like use their involvement in order to gain publicity and prestige for their own brands, and through sporting enterprises adopting and promoting their own brands. It has become commonplace for sportsmen and women, sports teams, major event organisers, and even national sporting bodies, to adopt their own brands in order to identify a trade connection between themselves and their enterprises,

and to distinguish their sporting manifestations from similar manifestations of others. These brands take the form of word trade marks, often the names of famous individuals, and/or logos which create a visual symbol of the sporting enterprise.

South Africa is very representative of the trends described above and this all came to a head, and was brought into sharp focus, by the 2010 FIFA World Cup held in South Africa. The FIFA World Cup is the world's major sporting event and the circumstances of this event provide a good example of, and insight into, the role that branding plays in major sports, both generally and more especially in South Africa.

## Sports branding experiences in South Africa

The 2010 FIFA World Cup held in South Africa epitomises the protection of sports branding in South Africa and it makes a good case study of what opportunities and challenges are open to sports enterprises to capitalise on branding. In addition, there have been two other episodes in recent times which also shed light on the issues and implications surrounding protecting sports brands in South Africa. These further episodes relate to the SPRINGBOK emblem utilised by South African rugby as its national emblem, and to the mark BAFANA BAFANA which has become famous as denoting the South African national football team.

This article will examine the issues and circumstances of these three episodes and how they have impacted on sports branding and its protection in South Africa, and will focus on what can be learned from them.

## The 2010 FIFA World Cup

By virtue of the length of the period over

which the Fédération Internationale de Football Association (FIFA) has staged soccer World Cups (the first football World Cup was held in Uruguay in July 1930), together with the importance and emphasis that FIFA has placed on branding in connection with the football World Cup, it has developed a very clear policy for protection of brands relating to the tournament. This has come to the fore more and more over the most recent few World Cups and probably reached its zenith with the 2010 FIFA World Cup.

As a general proposition, FIFA adopts and protects several different categories of brands in connection with the World Cup. In the first place, there are various generic brands which apply to FIFA's activities in general and to every World Cup, such as the mark FIFA, a representation of the World Cup trophy, etc. In the second place, there are brands which denote the particular tournament itself, such as GERMANY 2006 and SOUTH AFRICA 2010. Thirdly, there are event specific brands such as the official emblem for each World Cup, the appearance of the official mascot for the tournament, and the name of that mascot. In the case of South Africa 2010, the official mascot was a caricature of a feline predator and its name was ZAKUMI.

At the forefront of FIFA's program to protect its brands in connection with the World Cup was the registration of trade marks. This form of protection forms the cornerstone of FIFA's strategy to protect its brands.

The generic trade marks, such as the mark FIFA, have been registered in South Africa for many years in respect of a wide range of goods and services and consequently no special steps in that regard were necessary in preparation for the staging of the 2010 tournament.

In regard to the designation of the event, FIFA registered, *inter alia*, the trade marks SOUTH AFRICA 2010 and WORLD

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CUP 2010 in a wide range of classes.<sup>2</sup>

With regard to the event's specific marks, FIFA registered the official logo, the so-called FOOTBALL PLAYER & DEVICE mark, the word ZAKUMI and the MASCOT DEVICE mark in an extensive range of classes.<sup>3</sup> In many respects, the official logo was the principal event specific mark. It therefore required the most comprehensive protection possible. In addition to registration as a trade mark, as aforementioned, the official logo was also registered as a design under the Designs Act in several classes.<sup>4</sup>

For the purposes of the 2006 FIFA World Cup in Germany, FIFA also registered, or sought to register, various trade marks designating the event. It registered the trade marks FUSSBALL WM 2006 and WM 2006 (*Weltmeisterschaft* is the German word meaning "world championship", a term commonly used in Germany to indicate world championship international sports events) at the German Trade Mark Office and they also filed applications for the marks WORLD CUP 2006, GERMANY 2006, WM 2006, WORLD CUP GERMANY and WORLD CUP 2006 GERMANY at the Office for Harmonisation of the Internal Market (OHIM). Registration of all of the foregoing marks was sought in respect of a very extensive range of goods and services relating to, or to be associated with,

football championships. After FIFA had threatened trade mark infringement proceedings in Germany against Ferrero oHG mbH, this company sought and obtained cancellation of the trade mark FUSSBALL WM 2006 and WM 2006 before the German Federal Supreme Court.<sup>5</sup> Similarly, Ferrero opposed FIFA's trade mark applications before OHIM and these marks were refused, or only allowed registration in classes relatively unrelated to a world cup tournament, by the First Board of Appeal of OHIM.<sup>6</sup> The basis of the adverse decisions against FIFA's aforementioned marks was that they were basically descriptive of the event itself and therefore non-distinctive.

In South Africa, interestingly, the corresponding South African marks, e.g. SOUTH AFRICA 2010 and WORLD CUP 2010 relating to the 2010 World Cup were allowed to proceed to registration by the Registrar of Trade Marks, and without any objection from any third party, notwithstanding the decisions which had been reached by the European tribunals. South African trade mark law and the European laws are very similar on the question of the non-registrability of descriptive marks and one would have thought that the South African marks would have suffered the same fate, or at least that they would have been the subjects of objections, as were their European counterparts. As it happens, the 2010 FIFA World Cup came and

went without a single challenge to these marks, this despite the fact that they were relied upon for purposes of the enforcement of FIFA's rights in their marks.

The Merchandise Marks Act, 1941, contains a provision, in Section 15, which allows for the Minister of Trade and Industries to prohibit the use of certain marks. The relevant section reads as follows:

*"15. Use of certain marks may be prohibited*

*1 The Minister may, after such investigation as he or she may think fit, by notice in the Gazette, prohibit either absolutely or conditionally the use of—*

*a the National Flag, or any former National Flag, of the Republic; or*

*b any mark, word, letter or figure or any arrangement or combination thereof,*

*in connection with any trade, business, profession, occupation or event, or in connection with a trade mark, mark or trade description applied to goods."*

FIFA relied on this provision and made application to the Minister of Trade and Industry for the prohibition of a wide range of World Cup marks, including all the marks referred to above, in terms of this provision. The Minister duly issued a notice prohibiting certain of the marks for which protection has been sought but the protection was made subject to such convoluted and stringent conditions that no efforts were made to enforce any rights under that notice.<sup>7</sup> The Minister's attitude in this regard was somewhat strange since on previous occasions marks such as the OLYMPIC SYMBOL and designations of other sports events have been granted protection virtually unconditionally. It is possible that the Minister perhaps thought that FIFA was overreaching itself in the degree of comprehensiveness of the protection that it was seeking for its marks in respect of the tournament, particularly given the wide range of trade mark registrations which had simultaneously been sought.

The common law remedy of passing-off also provided FIFA with a vehicle for protecting its marks connected with the 2010 tournament. The enormous publicity attaching to the staging of the 2010

<sup>2</sup> According to the records of the Companies and Intellectual Property Commission (CIPC) the following trade marks were registered in the following classes:

Trade mark nos. 2004/09046-082 SOUTH AFRICA 2010 in classes 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 18, 20, 21, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42 and 43.

Trade mark nos. 2005/24252-288 WORLD CUP 2010 in classes 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 18, 20, 21, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42 and 43.

<sup>3</sup> According to the records of the Companies and Intellectual Property Commission (CIPC) the following trade marks were registered in the following classes:

Trade mark nos. 2006/11308-344 FOOTBALL PLAYER & DEVICE (the official logo) in classes 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 18, 20, 21, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42 and 43.

Trade mark nos. 2007/28914-939 ZAKUMI (the name of the official mascot) in classes 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 18, 20, 21, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42 and 43.

Trade mark nos. 2007/29240-265 2010 MASCOT DEVICE in classes 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 18, 20, 21, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42 and 43.

<sup>4</sup> According to the records of the Companies and Intellectual Property Commission (CIPC) the official logo was registered as a design under the following numbers in the following classes:

Nos. A2006/0721; A2006/0707 and A2006/0710 OFFICIAL EMBLEM DESIGN in classes 2, 19 and 21.

<sup>5</sup> BGH, Beschluss v 27.04.2006 – IZB 96/05-FUSSBALL WM 2006. Marken R 2006 395 and BGH, Beschluss v 27.04.2006 – IZB 96/05-WM 2006. Marken R 2006 395.

<sup>6</sup> The decisions of the First Board of Appeal of the OHIM are those in cases R1466/2005-1 of 20 June 2008 – WORLD CUP 2006; R1467/2005-1 of 30 June 2008 – GERMANY 2006; R1468/2005-1 of 30 June 2008 – WM 2006; R1469/2005-1 of 30 June 2008 – WORLD CUP GERMANY and R1470/2005-1 of 30 June 2008 – WORLD CUP 2006 GERMANY. These cases dealt with European applications Nos. 002152817, 002153005, 002155521, 002152635 and 002047843 filed to cover products and services of international classes 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 18, 20, 21, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42. For a comprehensive list of the products and services claimed, see [www.oami.europa.eu](http://www.oami.europa.eu).

<sup>7</sup> Government Gazette No. 30595 of 14 December 2007. Notice 1791 of 2007.

World Cup in South Africa undoubtedly established a strong and significant repute in FIFA's various trade marks connected with the event. This repute, and the goodwill flowing from it, provided an ample basis for FIFA to have a platform on which to make passing-off claims where other parties used marks wrongly suggesting an association between goods/services to which they were applied and the tournament, without FIFA's authority. A finding that such a repute had been established was made in the case *Federation Internationale de Football Association (FIFA) v Metcash Trading Africa (Pty) Ltd*.<sup>8</sup>

FIFA's ability to rely on passing-off was considerably fortified by an earlier passing-off case that it had brought in South Africa in 1994 during the time of the FIFA World Cup held in the United States of America. In that case, *Federation Internationale de Football Association (FIFA) and others v Bartlett and others*<sup>9</sup>, FIFA had successfully claimed passing-off against a clothing manufacturer which had marketed clothing bearing the trade mark WORLD CUP at the time of the staging of the event in the United States of America. Even at that time, FIFA was able to satisfy the court that, in the circumstances of the particular case, the term WORLD CUP denoted a trade connection with itself. This case was of great significance at the time because in an earlier case, *Lorimar Productions Inc and others v Sterling Clothing Manufacturers (Pty) Ltd; Lorimar Productions Inc and others v OK Hyperama Ltd and others; Lorimar Productions Inc and others v Dallas Restaurant*<sup>10</sup> the court had held, in dealing with the phenomenon of so-called "character merchandising", that there was no reason to suppose that the public would

associate, for instance, a restaurant trading under the mark DALLAS with a television series having the same name. The court thus refused to accept that the practice of "character merchandising" was established in South Africa. In the Bartlett case, FIFA was able to overcome the court's unwillingness to recognise this phenomenon and to satisfy the court that the use of the trade mark WORLD CUP in the given circumstances was likely to cause the product in question to be presumed to have a trade connection with FIFA and/or the contemporaneous football tournament.

The Trade Practices Act contains a provision which, in the context of major sports events such as the FIFA World Cup, effectively amounts to a statutory form of passing-off that is subject to criminal sanction. Section 9 of the Act reads as follows:

"9 Prohibition of certain advertisements, statements, communications, descriptions and indications

No person shall –

- a ...
- b ...
- c ...
- d in connection with a sponsored event, make, publish or display any false or misleading statement, communication or advertisement which represents, implies or suggests a contractual or other connection or association between that person and the event, or the person sponsoring the event, or cause such statement, communication or advertisement to be made, published or displayed."

FIFA also relied on this provision in protecting its trade marks connected with the 2010 FIFA World Cup. Although it and Section 15 of the Merchandise Marks Act are criminal provisions creating no civil law remedies, FIFA successfully used an unlawful competition argument in order to create a civil law cause of action arising out of the criminal statutes.<sup>11</sup> The cause of action is based on the principle that, when a party commits a criminal offence, it objectively acts unlawfully and, if such unlawful conduct causes damage to another party, that party has a claim in delict based on unlawful competition.<sup>12</sup>

FIFA and other organisations owning event marks could also derive assistance in protecting their marks from the quarter

of the Advertising Standards Association (ASA), a voluntary body constituted by the advertising industry. It has an Advertising Code of Conduct and, as an adjunct to it, a "Sponsorship Code". Clause 3.7 of the Sponsorship Code reads as follows:

*3.7 Ambush Marketing*

*The attempt of an organisation, product or brand to create the impression of being an official sponsor of an event or activity by affiliating itself with that event or activity without having paid the sponsorship rights-fee or being a party to the sponsorship contract."*

The provisions of paragraph 3.7 of the Sponsorship Code are essentially of a similar nature to Section 9(d) of the Trade Practices Act and amount in reality to a codified form of passing-off relating particularly to major sports events and like activities. Breaches of these ASA Codes are enforced by various committees constituted by the ASA and a recalcitrant transgressor of the Sponsorship Code can be faced with an embargo on all its advertising (i.e. not only the objectionable advertising) imposed by the members of the ASA, which includes all the media and the printing industry. Such an embargo can thus have a far-reaching effect and penalty for a recalcitrant advertiser.

Finally, the official logo of the 2010 FIFA World Cup, as well as the appearance of the official mascot, constitute "artistic works" for purposes of the Copyright Act. Unauthorised reproduction or adaptation of these works without FIFA's authority can thus constitute copyright infringement, which is a very useful form of protection in the context of a major event. The same considerations apply, of course, to any mark which constitutes a literary or an artistic work for purposes of copyright law. Copyright infringement in respect of the official logo was in fact relied upon by FIFA in the build up to, and during, the 2010 FIFA World Cup, particularly at a time prior to the corresponding trade mark being registered.

FIFA thus had, and used, a strong armoury of IP weapons at its disposal to protect and capitalise commercially on its branding during the 2010 FIFA World Cup in South Africa. The commercialisation of the brands connected with the tournament contributed very substantially to the tournament being enormously successful in all respects, and particularly from a financial point of view.

<sup>8</sup> See *Federation Internationale de Football Association (FIFA) v Metcash Trading Africa (Pty) Ltd* 2009 BIP 457 (GNP) at paragraph 1.

<sup>9</sup> *Federation Internationale de Football Association (FIFA) and others v Bartlett and others* 1994 (4) SA 722 (T).

<sup>10</sup> *Lorimar Productions Inc and others v Sterling Clothing Manufacturers (Pty) Ltd; Lorimar Productions Inc and others v OK Hyperama Ltd and others; Lorimar Productions Inc and others v Dallas Restaurant* 1981 (3) SA 1129 (T).

<sup>11</sup> See *Federation Internationale de Football Association (FIFA) v Metcash Trading Africa (Pty) Ltd* 2009 BIP 457 (GNP) at paragraph 1. See also O H Dean, "Ambush Marketing and the FIFA 2010 World Cup", in: De Rebus, June 2010, page 16.

<sup>12</sup> The line of argument is based on *Patz v Greene and Co* 1907 TS 427 and *Berman Brothers (Pty) Ltd v Sodastream Ltd* 1986 (3) SA 209 (A). See also Dean, *Handbook of South African Copyright Law*, page 1-66.

## The Springbok emblem saga

John Carlin in his book *Playing the enemy: Nelson Mandela and the Game that Made a Nation*, which formed the basis of the movie *Invictus*, related how Nelson Mandela, shortly after he came into office as the first democratically elected president of South Africa, used rugby as a sport, and more especially its longstanding emblem, the device of the leaping springbok, together with the word SPRINGBOK, as a means of winning over the allegiance of white South Africans to the new republic and bringing about reconciliation between the races in the aftermath of the apartheid era. This strategy was symbolised by Nelson Mandela appearing in a Springbok rugby jersey at the final of the 1995 Rugby World Cup tournament and later, when South Africa won the tournament and the cup was presented, he held it aloft, wearing his Springbok jersey, as part of the celebrations. As a result of this gesture, the SPRINGBOK mark, which had been under some degree of threat from the new government as being a symbol of the apartheid era, was given presidential and official approbation, much to the joy of the South African rugby authorities and the rugby supporting legions. This situation was, however, not to last.

The Springbok name for the South African national rugby team came about in 1906 when the South African national team toured Britain and France. The then captain of the team, Paul Roos, coined the name as a nickname for the team during interviews conducted with the British press. The name stuck, and the logo of a leaping springbok was created. These symbols became hallowed designations of the South African national rugby team and the name Springboks became standard nomenclature. Thereafter, other South African sports, such as cricket and hockey, also adopted the springbok as the designation of their national teams. They did so, however, under the aegis of the South African rugby authority, the South African Rugby Board. In order to exert its ownership over the Springbok emblem, the South African Rugby Board caused the Springbok emblem to be registered as a

badge under the Heraldry Act in the nineteen fifties. By virtue of the enormously extensive use which the South African Rugby Board made of the Springbok emblem over a period of almost a century it acquired a significant repute and it became the household name for South African national sports teams, in particular the South African national rugby team.

In order to consolidate its rights in the word mark SPRINGBOK and the LEAPING SPRINGBOK DEVICE, the South African Rugby Football Union (SARFU), the successor of the South African Rugby Board, registered the word SPRINGBOK in 1977 in class 41 under no. 1977/00411 and the LEAPING SPRINGBOK DEVICE in the same class under no. 1977/00412. It thereafter registered a variation of the LEAPING SPRINGBOK DEVICE under nos. 1996/05053-61 in classes 16, 18, 20, 21, 25, 26, 28, 34 and 41. Subsequently, at regular intervals it registered many variations of these marks and its registrations numbered in the hundreds<sup>13</sup>.

In the mid 1990s, with the installation of a new constitution and a new democratically elected government, the administration of South African sport became more centrally organised and a government agency called the National Colours Board was constituted in order to regulate all matters concerning South African national sports teams. This body morphed into the National Colours Commission under the auspices of the South African Sports Confederation and Olympic Committee. The Minister of Sports and Recreation published Regulations from time to time in terms of Section 14(a) of the National Sport and Recreation Act, 1998, providing for the control and administration of national sports teams by this agency. Successive sets of Regulations published by the Minister have provided that all national teams are compelled to wear the national badge, the device of a KING PROTEA, on the left side of their shirts, on the chest. This is the position which has traditionally been occupied by the LEAPING SPRINGBOK DEVICE on the South African national rugby team's jersey. Provision is made in the Regulations for sponsor's logos and sports associations' own logos to be used elsewhere on sporting uniforms. A dispensation was also made for sporting federations to combine their own emblems or logos with the PROTEA DEVICE, to form a composite emblem. These provisions are to be found in Regulation 27(2) of the current Regulations, but corresponding provisions were

contained in earlier versions of the Regulations.

Despite the *imprimatur* given to the SPRINGBOK emblem by Nelson Mandela in the halcyon days of the South African victory in the 1995 Rugby World Cup, the tide began turning a decade later when there was a new president and there had been a change of the guard in the upper echelons of the South African government. At that time the Springbok rugby jersey featured a device on the left side depicting a LEAPING SPRINGBOK together with the PROTEA emblem. SARFU had registered this device as a trade mark in classes 18 and 25 under nos. 1993/09995-6. The Chairman of the Sports Portfolio Committee of Parliament announced that it was "non-negotiable" that South African rugby must cease all use of the SPRINGBOK emblem. This stance was supported by the Minister of Sports and Recreation. It was claimed that the SPRINGBOK emblem was owned by the Government and was being illegally used by South African rugby, and moreover, that payment of back royalties for such use was required.

This position adopted by the Government caused a furore in the media and elsewhere. When required to justify its claim that it owned the SPRINGBOK emblem, after much prevarication, the Government eventually stated that it owned registered trade marks nos. 1997/12264-8 LEAPING SPRINGBOK & PROTEA DEVICE in classes 16, 21, 25, 28 and 36. However, the records of the Register of Trade Marks reflect that, while these trade marks had been registered in the name of the National Sports Council, they had expired on 13 August 2007 and had been removed from the Register.

It is submitted that in any event they were invalid registrations as the marks in question were substantially identical to the prior marks registered and owned by SARFU under nos. 1993/09995-6. Moreover, they were confusingly similar to SARFU's trade marks nos. 1977/00411-2 and 1996/05053-61 referred to above. Section 10(14) of the Trade Marks Act, 1993, clearly provides that a mark which is identical or confusingly similar to an earlier mark belonging to a different proprietor in respect of similar goods or services is not entitled to registration. Similarly, given the enormous repute enjoyed by SARFU's SPRINGBOK EMBLEM, registration of the Sports Council's marks ought also to have been refused in terms of

<sup>13</sup> These particulars are from the records of the Companies and Intellectual Property Commission (CIPC). Further details of these marks and of the myriad of other marks incorporating the word SPRINGBOK and/or a SPRINGBOK DEVICE can be obtained from these records.

Section 10(12) of the Act which provides that a mark, which in use would be likely to deceive or cause confusion, is prohibited from registration.

The writer joined in the fray and propounded a view that was aired in the media and expressed in an article entitled "Culling the Springbok".<sup>14</sup> This viewpoint, which was founded on a constitutional argument, introduced a new dimension into the debate.

In the case *In re: Certification of the Constitution of the RSA 1996*,<sup>15</sup> the Constitutional Court ruled that intellectual property, including trade marks, constitutes "property" as contemplated in the Bill of Rights under the Constitution and is protected by the property clause, i.e. section 25. In broad terms, the property clause of the Bill of Rights provides that no one may be deprived of his property without payment of appropriate compensation. As this provision applies to registered trade marks, a trade mark proprietor cannot be deprived of his trade mark by the State without the State paying adequate compensation to him. Relying on this provision, the writer contended that, if the Government prohibited SARFU from using the SPRINGBOK EMBLEM, they would in effect be depriving the organisation of their numerous registered trade marks in respect of the word SPRINGBOK and various devices of a Springbok and this could not be done without payment of adequate compensation which, in terms of the practice and case law under the property clause, amounted to a fair market value. It was estimated that the SPRINGBOK trade mark probably had a market value of many millions of Rands. At the same time, the writer drew attention to the spurious claims of ownership to the SPRINGBOK EMBLEM made by the Government.

In due course SARFU and the Government met at the negotiating table to defuse the issue and to negotiate a settlement. This was achieved and, while steering clear of the question of the ownership of the SPRINGBOK EMBLEM, it was agreed

that South African rugby would move the LEAPING SPRINGBOK EMBLEM from the left side of its rugby jersey to the right side and it would be replaced on the left side by the PROTEA emblem.

It is hoped that this settlement will be an enduring one and will lay the issue of the SPRINGBOK EMBLEM to rest for once and for all. The present revised manner of use of the emblem by South African rugby is in keeping with the provisions of the National Colour Regulations and it is believed that the Government is now chastened by the financial consequences which could flow from any renewed efforts to prevent use of the SPRINGBOK EMBLEM by South African Rugby.<sup>16</sup>

It is apparent from this episode that sport as a brand and its legal protection in South Africa can, in addition to commercial considerations, have far-reaching political implications.

#### **The Bafana Bafana ownership contretemps**

The affairs of football in South Africa, including at the international level, are organised and arranged by the South African Football Association (SAFA). SAFA is responsible for the South African national football team. In the mid 1990s the South African national football team became known by the appellation *Bafana Bafana* ("bafana" means "boys"). The facts show that journalists with *The Sowetan* newspaper coined the appellation as a nickname for the national team during July 1992. Like it or not, SAFA bowed to public sentiment and it commenced itself to use the appellation to denote the team. The commercial potential of the appellation soon became apparent to SAFA and during 1997 it instituted a program of applying for the registration of trade marks avowedly with the intention of merchandising the use of the trade mark BAFANA BAFANA. Meanwhile, it transpired that in September 1994, Kappa Holdings Limited, a sponsor of the national team, filed two trade mark applications in class 25, for the mark BAFANA and BAFANA BAFANA, respectively. SAFA took assignment of these applications during July 1996.

In the belief that copyright subsisted in the term BAFANA BAFANA, SAFA also took assignment of the supposed copyright in the term from *The Sowetan* and the journalists who had used the term. This

was accomplished during 1997.

Furthermore, SAFA was of the opinion that it had acquired strong common law rights in the appellation BAFANA BAFANA by virtue of the extensive use which had been made over the years in relation to it as a denomination of the national team. Based on all the aforementioned considerations SAFA considered that it is, and was at all material times, the proprietor and the holder of all the trade mark and other intellectual property rights in and to the name BAFANA BAFANA.

In 1993, when the media were using the name BAFANA BAFANA to denote the national football team, but prior to SAFA embarking upon any merchandising campaign in respect of the mark, Stanton Woodrush (Pty) Ltd made application to register the trade marks BAFANA and BAFANA BAFANA in class 25 in respect of clothing including footwear. SAFA became aware of these applications and sought to intervene by various procedural means to prevent them from being registered. However, as a result of certain administrative lapses in the office of the Registrar of Trade Marks and on the part of SAFA in prosecuting its interventions, the marks proceeded to registration. This caused SAFA to bring an application in the Transvaal Provincial Division of the High Court of South Africa for an order seeking the cancellation of Stanton's registered trade marks on various grounds, both procedural as well as substantive. This application was refused by the Court of first instance, whereupon SAFA appealed to the Supreme Court of Appeal, the highest commercial court in the country. The Supreme Court of Appeal dismissed the appeal in the case of *South African Football Association v Stanton Woodrush (Pty) Ltd t/a Stan Smit and Sons and another*.<sup>17</sup> The substantive aspects of the case will be discussed below.

SAFA's primary attack on the registered trade marks was based on the assumption that Stanton was not entitled to register the trade mark because it properly belonged to SAFA. In dealing with this attack the court considered it necessary to decide whether SAFA, or anyone else, had at the date of Stanton's trade mark applications any entitlement or legal interest in the name. Put differently, the question was whether Stanton's registration invaded some legal right recognised right held by SAFA.

The court's point of departure was that

<sup>14</sup> Published in *Without Prejudice*, November 2008, page 4.

<sup>15</sup> 1996 (4) SA 744 (CC).

<sup>16</sup> For further information regarding the controversy over the prohibition of the use of the SPRINGBOK EMBLEM, see "Culling the Springbok", supra, and R. Wheeldon, "Private Ownership of a Discarded National Symbol", in: *De Rebus*, January/February 2009, page 66.

<sup>17</sup> 2003 (3) SA 313 (SCA).

there can be no exclusive right in a name per se. The fact that someone had made a name famous does not give him a right of property in that name and, provided another party does not commit the delicts of defamation or passing-off, or offend against any statutory prohibition, there is no reason why that other party should not be able to benefit from the fame of the name by associating his goods or services with that name. The fact that SAFA, or its predecessor in title, Kappa, allegedly proposed to merchandise the name in 1993, at the time of the filing of Stanton's application (the critical date for purposes of determining whether Stanton's trade marks were entries wrongly made in the Register) gave no preferential rights to SAFA or its predecessor in title.

It was also contended by SAFA that Stanton's marks were at the time of the filing of the cancellation proceedings entries wrongly remaining on the Register because their use was at the present time likely to cause confusion with SAFA by virtue of the extensive use which SAFA made of the name during the intervening period between 1996 and the launching of the court application. In this context the court recognised the existence of the phenomenon of character merchandising (as established in the *FIFA v Bartlett* case discussed above) and considered that in principle it might be possible to establish the required reputation vesting in SAFA which would render Stanton's marks to be entries wrongly remaining on the Register. However, the court found that, in order to establish a reputation such as to confer trade mark rights vesting in SAFA, the use of the mark relied upon must be trade mark use, i.e. use as a badge of origin. In this regard the court relied upon the British case, the *Rugby Football Union and another v Cotton Traders Ltd*<sup>18</sup>.

The court found that, on the available evidence, the primary association in the mind of the public evoked by the mark BAFANA BAFANA was that of denoting the national team and that it did not denote the trade origin of any goods to which it was applied. For the claim to succeed the

reputation built up in the name BAFANA BAFANA must be such that the public will regard goods bearing the mark as being SAFA's goods or as being in some way associated with SAFA or having been produced under SAFA's sanction or control. The court found that the use made of BAFANA BAFANA by SAFA did not have this effect. In the result, the court found that Stanton's use of the mark was not likely to deceive or cause confusion.

The court also found that the claim by SAFA that Stanton's use of the mark BAFANA BAFANA constituted infringement of its copyright in the name was ill founded because a mere name did not constitute a work for purposes of copyright.

To sum up, the Supreme Court of Appeal held that the creation of the name BAFANA BAFANA gave rise to no rights in that name and that the alleged prior use of the mark BAFANA BAFANA by Kappa, as SAFA's predecessor in title, as well as SAFA's own subsequent use of the name, did not constitute trade mark use. As a result it did not nullify Stanton's claim to proprietorship of the mark nor the subsequent validity of the registrations through being entries wrongly remaining on the Register.

The fact that Stanton owned valid trade mark registrations in respect of BAFANA BAFANA in classes 18 and 25 was the cause of great inconvenience to SAFA, in particular in connection with the 2010 FIFA World Cup. The consequence was that SAFA was precluded from merchandising goods falling into classes 18 or 25, or goods of a similar nature to such goods, under the trade mark BAFANA BAFANA at the risk of being held liable by Stanton for trade mark infringement. SAFA therefore missed a significant commercial opportunity in connection with the 2010 FIFA World Cup.

The situation became untenable for SAFA and it proclaimed its intention of renaming the national football team so as to avoid conflict with Stanton's registered trade marks. This apparently proved to be a daunting task due to the deep-seated na-

ture of BAFANA BAFANA as the appellation for the national football team. Ultimately SAFA succumbed to the inevitable in June 2011 by reaching a settlement with Stanton in terms of which it purchased Stanton's registered trade marks for the sum of R5 million. It thus was no longer necessary to find a new appellation for the team. A struggle lasting 18 years for SAFA to become the unqualified owner of the mark BAFANA BAFANA finally came to end.

## Conclusion

As is apparent from the foregoing, South African law is in principle well placed and competent to grant effective protection for sports brands, provided it is properly utilised, as was the case with FIFA and the 2010 World Cup. This requires a proper understanding of the nature of brands in the field of sports and a considered approach to utilising the law and the facilities that it makes available to the optimum and fullest extent. However, sporting bodies and administrators appear in certain instances to lack a proper appreciation of how sports branding fits into the intellectual property sphere and fail to adopt well planned strategies to maximise the value of intellectual property, and more particularly trade mark law, in protecting their valuable brands to the fullest extent. This unfortunate state of affairs appears also to extend to government as well and its thinking is somewhat muddled on the issue.

What is necessary is that all parties involved should understand that the administration of professional sport and the staging of major sporting events are big business and they should be treated like any other business enterprise in the context of intellectual property rights. Sports brands are valuable items of property and should be treated as such. The example of FIFA and the 2010 World Cup should be salutary and its intellectual property rights protection campaign should be used as a template. When that stage has been reached sport and branding will come properly into its own.

<sup>18</sup> [2002] EWHC 467 (Ch).

