Event Marks: A Necessary Form of Protection against Ambush Marketing?

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I. Introduction*

Along the years, big sporting events like the Olympic Games and the FIFA Soccer World Cup have become big business. With their popularity on the rise, such events generate huge incomes and attract the attention of not only billions of spectators, but also of companies, which are eager to associate their brands and images to the events. Everybody wants to take part (and make profits) in major events.

Given the dimension achieved by such events, the costs with their organization have equally skyrocketed over the past years. Traditional sources of financing, like ticket sales and commercialization of broadcasting rights are, despite their remaining importance, no longer sufficient to cover all organizational costs.

Sponsoring agreements have become one of the most important financing sources for event organizers nowadays.

During the last FIFA Soccer World Cup in 2006, for example, sponsorship agreements are said to have amounted to approximately 600 million Euros. It is believed that each of the 15 official sponsors had to pay approximately 40 million Euros in order to acquire the benefit of exploring the rights of the World Cup internationally.¹

The attractiveness of becoming an official sponsor relies mainly on the possibility of obtaining exclusive rights of association with the event, including the exclusive right to use official emblems, trademarks and mascots.

The main competitive advantage of becoming an official sponsor is (or should be) the possibility to be the only one entitled to associate its image and/or brand to the event. If

*All translations from texts in German and Portuguese languages into English, were made by the Author.
¹ Telegraph.co.uk. *Fifa is the one sure-fire winner* (9 June 2006), at [http://www.telegraph.co.uk/finance/2940670/Fifa-is-the-one-sure-fire-winner.html](http://www.telegraph.co.uk/finance/2940670/Fifa-is-the-one-sure-fire-winner.html) (last visited 5 July 2010)
others, not official sponsors, would also be able to do the same, then the purpose of becoming an official sponsor would completely lose its value.

Well aware of this fact, event organizers aggressively enforce the exclusivity right granted to their official sponsors against third parties. Besides adopting very careful criteria in the selection of the official sponsors,\(^2\) event organizers do not hesitate to take measures against third parties who try to associate themselves, by any means, to their events.

On top of traditional legal measures like trademark infringement actions, or unfair competition claims, event organizers are increasingly demanding from host countries more effective and broader measures and remedies against potential infringers.

This frequently results in the enactment of event-specific legislation, which goes beyond traditional legal measures and increases the arsenal of event organizers against attempts of unauthorized association with their events.

More than that, beginning with the last Soccer World Cup held in Germany in 2006, organizers like FIFA started to file and obtain registrations for trademarks such as “WM 2006”, “FUSSBALL WM 2006”, “WORLD CUP 2006” and “GERMANY 2006”, which are considered by many to be merely descriptive and devoid of distinctive character.

In Germany, for example, some scholars advocated the necessity of recognizing a new form of trademark, the so called “event mark”\(^3\).

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\(^2\) Organizing entities like FIFA and the International Olympic Committee usually only allow one official sponsor from each market segment and strictly prevent direct competitors from becoming official sponsors of the same event. For example, in the last FIFA World Cup in Germany 2006, the official sponsors were Adidas, Budweiser, Avaya, Coca Cola, Continental, Deutsche Telekom, Emirates, Fujifilm, Gillette, Hyundai, Mastercard, McDonald’s, Philips, Toshiba and Yahoo!, all companies from different market segments, and no direct competitors. Source: www.fifa.com

This new concept, however, has raised a lot of criticism and has been rejected by the German Courts. Similar cases are waiting for decisions by the European Courts.

Arguments relating to the anti-competitive effects and possible restrictions to the freedom of expression that this form of extended protection can lead to, have been raised.

After providing readers with some background information and some facts and figures of big sporting events like the Olympic Games and the FIFA Soccer World Cup in chapter II, we will, in chapter III, describe strategies adopted by non-sponsors to try to associate themselves to the events, in what is usually called “ambush marketing”.

We will then turn to the analysis of relevant case law relating to “event marks” in chapter IV.

In chapter V, we will critically examine the concept of “event marks” developed by Fezer in Germany and will try to put it into perspective.

In chapters VI and VII we will analyze some alternative means of protection of events, like *sui generis* and event-specific legislation, and will try to answer the core question of this work: whether event marks are really needed as an additional layer of protection for event organizers.

Finally, in chapter VIII, we will briefly look at the Brazilian legislation on those issues, considering that Brazil will host the 2014 FIFA Soccer World Cup and the 2016 Summer Olympic Games.

While the FIFA Soccer World Cup and the Olympic Games will be often used as the main examples in this work, all remarks and conclusions herein can be applied to major events in general.
II. Background

As mentioned in the introduction, major sporting competitions have become some of the most popular and financially relevant events in the world. Their popularity is on the rise and it seems that there is still room to grow.

Just to have an idea, the FIFA Soccer World Cup held in 2006 in Germany was broadcasted to 214 different countries and territories, and reached a cumulative TV audience of over 26 billion viewers. Just the final match between Italy and France was viewed by more than 715 million spectators. A total of 3.3 million spectators attended the 64 matches of the World Cup.

Unfortunately, the statistics of the FIFA Soccer World Cup 2010 in South Africa are not yet available, but it is possible to predict that the numbers of such event will be as, or more, impressive than the Soccer World Cup held in Germany four years ago.

Another major event in the sporting field is the Summer Olympic Games. In 2008, in China, almost 11,000 athletes, from 204 countries took part in the sporting competition.

The event was broadcasted to 220 countries and territories, with an estimated TV audience of 4.3 billion viewers (people who watched at least 6 minutes of TV broadcasting). Over 1.5 billion viewers are estimated to have watched the opening ceremony of the Games.

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4 2006 FIFA World Cup in Numbers, at http://www.fifa.com/aboutfifa/marketing/factsfigures/numbers.html (last visited 5 July 2010)
5 Id.
6 Id.
9 Id.
As one may note in the table below\(^\text{10}\), the total revenue of the International Olympic Committee (IOC) between 2005 and 2008 (comprising the 2006 Winter Olympic Games in Turin and the 2008 Summer Olympic Games in Beijing) amounts to over US$5 billion.

It is interesting to note that the revenue of the IOC more than doubled since 1993. Sponsorship alone (comprising both the global sponsors – TOP Programme – and domestic sponsorship) has almost tripled in the same period and accounts for almost half of the total income. This highlights the growing importance of this source of financing for sporting events.

Through the numbers cited above, it is impossible to question the commercial relevance of those events nowadays and the importance of sponsoring for their financing.

### III. What is Ambush Marketing?

#### A. Definition

The term *ambush marketing* was first coined by Jerry Welsh, former Marketing Director at American Express. His original understanding of ambush marketing had nothing to do with the nowadays negative connotation given to the term, which is now frequently associated with *commercial theft*. Sometimes, terms

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such as parasitic marketing or guerrilla marketing are also used as synonyms to ambush marketing.

In its original meaning, ambush marketing was understood as a legitimate marketing strategy, aiming to occupy the thematic space of a sponsoring competitor, and formulated to compete with that sponsor.

In clarifying the original meaning of ambush marketing, and advocating its desirability, Jerry Welsh explains that “companies routinely compete, mostly, we hope, and expect, honestly and hard; and Ambush Marketing, correctly understood and rightly practiced, is an important, ethically correct, competitive tool in a non-sponsoring company’s arsenal of business- and image-building - weapons.”

In fact, it is true that in major sports and cultural events, there is room for only one official sponsor from each market segment. This is how event organizers are able to earn most from their sponsorship agreements. Granting exclusivity is the key to success.

If two or more direct competitors could simultaneously become official sponsors, the very original purpose of sponsorship would cease to exist.

And, if only one company can become an official sponsor (and enjoy its advantages), all other competitors are left out. In a free competitive market, it is natural that the ones left out will look for ways to compensate that.

To Welsh’s disappointment, however, the term ambush marketing has absorbed quite a lot of negative connotations over

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12 When talking about marketing strategies to neutralize the advantage of a competitor that became an official sponsor, Welsh claims that “so long as I do nothing to claim that I’m indeed an Olympic sponsor, and so long as I refrain from any other action or claim directly misleading to the public, then I’m free to pursue other Olympic-related activities.” Id., at 2
13 Id., at 4
the years, and is now frequently associated with unethical or illegal activities.

In the IOC “Marketing Media Guide” for the Olympic Games in Beijing 2008, ambush marketing is defined as “any attempt by non-Olympic sponsors to create a false or unauthorized association with the Olympic Movement and the Olympic Games.”

The IOC guide goes further, making sure to attach a negative and reprehensible meaning to the term: “[i]n many instances, ambush marketing is equated to cheating and causes damage to the Olympic Movement by devaluing the Olympic brand. It is therefore extremely important to prevent ambush marketing to protect the Olympic brand and partners’ rights.”

The preoccupation of the IOC with ambush marketing is understandable (after all, the more exclusivity they are able to grant to their official partners, the more value can be extracted from sponsorship agreements), but generalizing such practices as a synonym for cheating or illegal behaviour seems to be excessive.

While it is true that some ambush marketing campaigns have the clear will to mislead consumers, and should be, therefore, considered illegal and restrained by Courts, it is also true that most of those campaigns are just creative and clever ways of exploring other available alternatives besides official sponsorship.

The legality or illegality of an ambush marketing campaign should, therefore, be analyzed on a case-by-case basis. The question to be asked is whether the average consumer is likely to be misled under the particular circumstances of the case.

15 Id., at 39
If the answer is yes, and consumers perceive the unauthorized user as an “official sponsor”, then most likely the campaign will be considered illegal and might face problems under national unfair competition rules.\textsuperscript{16}

On the other hand, if consumers are not likely to be misled, the campaign should be considered legal.

Moral and ethical considerations do not seem to be appropriate, for that in a competitive and free market, it is usual, and maybe even desirable, that companies will look for ways to neutralize competitive advantages (like sponsorship) acquired by their competitors.

Moreover, a company that is an official sponsor today, might be on the other side of the table in the future, being accused of unfair ambushing activities.

Finally, some authors look at ambush marketing from a different perspective. Starting from the understanding of the need to protect the goodwill of event organizers, these authors define ambush marketing as “an attempt by a company to cash in on the goodwill or popularity of a particular event by creating an association between itself and the event, without permission from the relevant organization and without paying the fees to become an official sponsor.”\textsuperscript{17}

While it is true that the protection of goodwill can be an important aspect of trademark law,\textsuperscript{18} a more neutral definition of ambush marketing will be adopted in this work.\textsuperscript{19}

\textsuperscript{16} Some authors, like Welsh for example, even disagree with this understanding: “[t]he argument that, if I’m an inventive non-sponsor, mining the sponsored thematic space in a clever way, the public may come to think of me as an Olympic sponsor, is not an argument supporting non-ambushing activities, but is rather a possible testament to the marketing skills of a non-sponsoring competitor.” Jerry Welsh, supra note 11, at 2

\textsuperscript{17} Edward Vassallo et al., \textit{An International Look at Ambush Marketing}. The Trademark Reporter, vol. 95, 1338, 1339 (November-December 2005)

\textsuperscript{18} J. THOMAS MCCARTHY. TRADEMARKS AND UNFAIR COMPETITION § 2:10 (2d ed. 1984), at 72. Goodwill is defined as a “business value which reflects the basic human propensity to continue doing business with a seller who has offered goods and services which the customer likes and has found adequate to fulfill his needs”. 
Here, ambush marketing will be treated as any attempt by non-sponsors to try to obtain benefits (not necessarily monetary), from the publicity generated by a given major event.

**B. Some examples of Ambush Marketing**

As highlighted by Hoek and Gendall, ambushing behaviour can be viewed “as virtually any attempt by a competitor to engage in promotion activities during a sponsorship”. 20

In this sense, ambushing behaviour is divided in the following categories, which will be addressed below: “simultaneous advertising and promotion campaigns”, “procurement of sub-category rights”, “advertising and promotion claims and images”, “trademark misappropriation”. 21

We will then try to distinguish between mere *commercial irritants*22 and illegal and actionable ambush marketing practices.

1. **Simultaneous Advertising and Promotion Campaigns**

A usual means adopted by non-official sponsors to try to ambush official sponsors is to create simultaneous advertising and promotion campaigns during the sponsorship period.

A good example in this sense is the advertising campaign created by Nike during the 2010 Soccer World Cup in South Africa (the official sponsor of the World Cup was Adidas).

Under the name of “Write the Future”23, this campaign featured some of football's most famous players (all in Nike gear).

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19 Another interesting description of ambush marketing is the one made by Tony Meenaghan, describing it as occurring when “another company, often a competitor of the official sponsor, attempts to deflect the audience’s attention to itself and away from the sponsor. This practice simultaneously reduces the effectiveness of the sponsor’s communications while undermining the quality and value of sponsorship opportunity being sold by the event owner.” Tony Meenaghan. *Ambush Marketing: Corporate Strategy and Consumers’ Reactions. Psychology and Marketing* 15/4, 305, 306 (1998)
21 Id., at 75-78
22 Expression coined by Hoek and Gendall, supra note 20, at 72
imagining what their future would be if they were to make or fail to make a certain play in the game.

Needless to say that the campaign reached great success and served to overshadow (or at least neutralize to some extent) Adida’s condition of official sponsor of the 2010 Soccer World Cup.

Due to its massive distribution through online social media services and websites, Nike’s campaign was viewed by over 20 million people. “According to a Nielsen survey that tracks brand buzz (by examining brand references in blogs, online message boards, and social networking sites), as of mid-June, Nike enjoyed more than double the share of buzz associated with the World Cup than its rival Adidas (30.2% share of buzz vs. 14.4%, respectively)”.

And the most important is that Nike’s campaign did not infringe Adida’s exclusive sponsorship rights, since it did not make any direct reference to the Soccer World Cup happening that year. The mere association of famous soccer players in action was enough to catch the consumer’s attention during the World Cup period.

Nike’s highly successful campaign shows that, even if a company is not an official sponsor, nor does it want to engage in illegal behaviour, there is still an alternative for creative market players.

2. Procurement of Sub-Category Rights

Another typical and very frequently used way to try to neutralize the media attention gained by official sponsors of major events is to sponsor a team or an individual who is competing in that

23 The full version of the campaign can be viewed at http://www.youtube.com/watch?v=idLG6jh23yE (last visited 26 July 2010)
event or to even become an official sponsor of the city (or location) where the event is taking place.

Another widely used tactic is to purchase extensive advertising space during the broadcasting of the event.

Although such strategy has led event organizers like the IOC to “implement stricter contractual rules that ensure official sponsors the right of first refusal to media opportunities”, the fact is that such tactic is very hard to restrain.

First, because it is almost impossible to police and identify all available media opportunities during the events.

Second, because there is nothing illegal in buying extensive advertising space during the broadcast of major events. If there is no contractual breach by the holders of the broadcasting rights, then they are free to negotiate their advertisement space as they wish.

3. Advertising and Promotion Claims and Images

The third form of ambushing activity consists in promotion campaigns that make “oblique, but unambiguous, references to the event site. These advertisements refer to the event or the location in generic terms, and so do not breach license agreements that permit only official sponsors to use the exact names and details of the event”.

In other words, these are the campaigns that while not making direct reference or direct use of the event’s protected words and symbols, have the clear intention of occupying the thematic space of that event.

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25 Nike, for example, sponsors several of the major soccer national teams, instead of sponsoring the World Cup itself. Other examples of this strategy can be found in Lori L. Bean. Amush Marketing: Sports Sponsorship Confusion and the Lanham Act. 75 B.U.L. Rev. 1099, 1105 (1995)


27 Janet Hoek & Philip Gendall, supra note 20, at 76

28 Id., at 77
The analysis of the legality or illegality of this form of ambush marketing can become complex and has to be evaluated on a case-by-case basis.

Several examples of such form of ambush marketing can be cited. Since ambushing strategies first started to be used during major events (especially sports events), many campaigns of this type have been put into practice.29

In 1994, for example, credit card company Visa was the official sponsor of the Winter Olympic Games in Lillehammer, Norway. Its competitor, American Express, bought substantial advertisement time on major networks and launched a campaign in which, despite not making direct use of the Olympic protected terms and symbols, referred to the Games as “winter fun and games” and stated that “if you are travelling to Lillehammer, you will need a passport, but you don’t need a Visa”.30

IOC threatened to sue American Express because of this advertisement, under the argument that Amex created the false impression of being an official sponsor of the Games, but it ultimately refrained from doing so.31

Two years later, Coca Cola was the official sponsor of the 1996 Summer Olympic Games in Atlanta. Pepsi, on its turn, sponsored French track athlete Marie-José Pereg. When she won gold medals for both the 200 and 400 meters, Pepsi published advertising in L’Équipe (one of the most popular French sports newspapers) congratulating Pereg as “official representative of an unofficial drink in Atlanta”.32

29 Arguably, ambush marketing strategies were first put into practice in the 1984 Los Angeles Olympic Games. In that year, for example, Fuji obtained official sponsorship rights for those Games. In reaction, competitor Kodak “ambushed” Fuji by acquiring sponsoring rights over ABC’s broadcasting of the Games and by becoming the “official film” of the U.S. Track Team. Dennis M. Sandler and David Shani. *Olympic Sponsorship vs. Ambush’ Marketing: Who Gets the Gold?* Journal of Advertising Research. 9, 11 (August/September 1989)

30 Lori L. Bean, supra note 25, at 1103

31 *Id.*, at 1104

Again, the advertisement did not make use of any of the protected Olympic symbols and, therefore, could not be turned down by the IOC.

A more recent example of this form of ambush marketing, was the advertising campaign created by Kulula, a South African airline carrier, for the 2010 FIFA World Cup in South Africa, in which it entitled itself as the “unofficial national carrier of the ‘you-know-what’”.33

![Image](http://www.flickr.com/photos/flxy/4422751637/)

Obviously, Kulula was not an official sponsor of the 2010 FIFA World Cup (Emirates Airlines was the official partner) and, therefore, FIFA threatened to sue, on the grounds of unauthorized association with its event.34

Due to very stringent rules regarding the protection of events in South Africa (which will be discussed in more detail in chapter VI), Kulula decided to discontinue the advertisement.

However, despite complying with FIFA’s requests and cancelling the original advertisement, Kulula reacted by publishing an ironic and even wittier ad:  

![Kulula ad](image)

There are plenty of other similar cases that could be cited here, in which non-official sponsors, despite not making use of official terms and symbols, occupy the publicity space generated by major events.

The above three cases are, however, sufficient to illustrate examples of legal ambush marketing (although Kulula’s advertising would probably be found as infringing in South Africa).

Even though they are all borderline cases, it seems that in most countries these campaigns would not be prohibited under trademark or unfair competition laws, because although consumers are intentionally led to associate the ad with the event, they are not misled as to the condition of the advertisers,

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36 Another classical example of this form of ambush marketing is the NHL v. Pepsi case, which is discussed in detail in Lori L. Bean, supra note 25, at 1108
i.e. they are not led to think that the advertisers are official sponsors of the event.

Even *sui generis* and event-specific legislation (as will be discussed in chapter VI) would probably fail in those cases.

4. Trademark Misappropriation

The final form of ambush marketing consists in trademark misappropriation. Albeit it is very rare that competitors will simply copy the official brand and/or logo of event organizers, it is not rare that they will try to imitate the brands and logos or make use of expressions which, combined, can mislead consumers as to the sponsorship condition of the ambush marketer.

“Where competitors have either misappropriated trademarks or where they have designed marks that are not registered trademarks, but that effectively pass them off as the trademark owner or licensee, the legitimate owners and users can take a variety of actions. In particular, they can make a claim under trademark legislation and/or unfair competition statutes, and they can allege passing off”.

Against this type of ambush marketing, event organizers can try to elaborate claims on plain trademark infringement, false advertising, trademark dilution, reverse confusion and tort of interference with contract and prospective advantage.

This is also the form of ambush marketing which will be the central topic of this work, taken that the concept of *event marks*, as first developed in Germany, aimed exactly at providing more protection for event organizers and official sponsors concerning

37 Janet Hoek & Philip Gendall, supra note 20, at 78
38 Although it might now be difficult to successfully pursue a dilution claim in an ambush marketing case in the U.S., considering the Supreme Court Case of Victor Moseley et al. v. Victoria Catalogue, Inc. et al. (537 U.S. 418 [2003]), which now requires proof of „actual dilution“ rather than „likelihood of dilution“.
39 Edward Vassalo et al., supra note 17, at 1340
the exclusive use of not very distinctive words and terms related to the event.

Even though this is the central topic of the work and, therefore, case law and doctrine thereon will be discussed in more depth in the following chapters, it is worth analysing, just on an introductory note, an interesting case which can fall under this form of ambush marketing.

The case at stake is the “Ring Ring” case, tried in New Zealand. In 1996, Bellsouth acquired some sponsorship rights over the New Zealand Olympic team.

Competitor Telecom New Zealand, which had sponsored the New Zealand Olympic team in previous Olympics, launched an advertising campaign promoting the global and far reaching capacity of its mobile technology. The ad used the following art to communicate its message:

RING      RING      RING
RING      RING

_With Telecomnz mobile, you can take your own phone to the Olympics._

As one may note, the “Ring” words are depicted in the Olympic colors (blue, yellow, black, green and red) and are arranged in a way that, when read carefully, remind the arrangement of the Olympic rings:
The New Zealand Olympic Association (NZO) sought an injunction against the advertising, on the basis that it implied association and support of Telecom New Zealand with the Olympic Movement, when this was not true.

The Court, however, refused to grant the injunction. It first highlighted that “since Telecom did not state that it sponsored the New Zealand Olympic team and did not claim association with the Olympic Games in general, there was no evidence of deliberate falsehood”.\(^{40}\)

Furthermore, it concluded that the typical newspaper reader would not be misled by the ad: “it is a long way from brief amusement to an assumption that this play on the Olympic five circles must have been with the authority of the Olympics organization, or through sponsorship of the Olympics”.\(^{41}\)

This is an interesting case, because from the Court’s opinion, it can be extracted that such type of behaviour will only be considered illegal when the ambusher either makes a false claim of sponsorship or association with the event, or when consumers are led to assume that the ad was made with the event organizer’s authorization or through sponsorship.

We disagree, however, with the Court’s view that the advertising of New Zealand Telecom was not misleading. Rather than conveying information to the public (in the sense that its mobile phone services were available in the U.S.), the ad aimed at making consumers believe that NZ Telecom had some connection with or was supporting the event.

Thus, due to the factual context of the case, we believe it should have had a different outcome.

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\(^{40}\) Janet Hoek & Philip Gendall, supra note 20, at 81

\(^{41}\) NZO&CGA Inc. v. Telecom New Zealand Ltd [1996] 7 TCLR 167
C. Partial Conclusion

The term ambush marketing was originally coined to designate a marketing strategy adopted by a person which was “left out” of official sponsorship. It was originally understood as a legitimate and creative attempt to overcome and neutralize the advantages obtained through official sponsorship.

Over the years, however, with the growing importance of major events (especially in the sports field) and the consequent growing demand for stronger protection of official sponsors and event organizers, the term has absorbed a lot of negative connotations and is now often compared to commercial theft and referred to as *parasitic or guerrilla marketing*.

As shown above, though, there are several forms of ambush marketing deemed to be legal and legitimate.

In most jurisdictions, unless consumers are misled as to the condition of the advertiser, i.e., if consumers are not led to think that the advertiser is an official sponsor or partner of the event, ambush marketing is not illegal per se.

On the other hand, especially due to protection of free speech and fair use defenses, trademark law and unfair competition statutes are usually not sufficient to prevent the more creative and sophisticated forms of ambush marketing that leads to losses to official sponsors and partners.

This is why the trend now is to develop new forms to increase protection of event organizers and official sponsors concerning their exclusive rights. The concept of event marks, which will be discussed in the next chapters, is one of these attempts.

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42 Some authors point that “[t]he First Amendment also plays a role in ambush marketing; indeed it may be a large part of the reason why the current legal remedies in the U.S. are lacking” and, making reference to previous case law, conclude that “the balance between free speech and trademark rights should generally tip in favor of free speech”. Edward Vassallo et al., supra note 17, at 1341
Ultimately, organizers of major events are pushing hard to enact event-specific legislation to enhance the protection of the terms and symbols related to the events.

While such special (*sui generis*) legislation certainly increases the legal certainty for event organizers and official sponsors, it can sometimes lead to anti-competitive effects, which will be analyzed in the following chapters.

IV. Case Law on Event Marks


In 2001, aiming to extend the scope of protection of its main event - “The World Cup Soccer” - against ambush marketing and unauthorized association by non-official sponsors, FIFA decided to adopt a new trademark strategy: in addition to filing trademarks such as “FIFA WORLD CUP” and the official logos of the events, as it usually did, FIFA started to file applications for “broader” marks, such as “WORLD CUP 2006”, “GERMANY 2006”, “WM 2006”, among others.

These were filed as word marks and did not contain the identifier “FIFA”. As usual, FIFA's trademarks covered a very wide variety of goods and services, in order to cover all possible services and merchandising products traded in connection with the event.

In Germany, where the 2006 World Cup Soccer took place, FIFA sought protection for several of these “broad” marks, including “FUSSBALL WM 2006” and “WM 2006”.

In this sense, it is important to highlight that WM is the abbreviation of the word *Weltmeisterschaft* in German, which stands for “world championship” in English. The abbreviation WM is commonly used in Germany to refer to international
sports events, more specifically to world championships, including the highly popular “FIFA World Cup Soccer”.

After obtaining registrations for trademarks “FUSSBALL WM 2006” and “WM 2006”, FIFA threat to sue, for trademark infringement, the chocolate company Ferrero.

Ferrero was making use of names such as “GERMANY 2006” and “WM 2006” in some of its products, as part of a sales promotion which distributed stickers with pictures of soccer players to its consumers.

As a response to FIFA’s threat, Ferrero requested the nullity of FIFA’s marks before the German Patent and Trademark Office (PTO). Following this request, trademarks “FUSSBALL WM 2006” and “WM 2006” were cancelled by the German PTO.

Upon FIFA’s appeal, the German Patent Court determined the maintenance of the marks for certain goods and services which were not closely connected with the World Cup Soccer. Ultimately, the validity of FIFA’s “FUSSBALL WM 2006” and “WM 2006” marks was decided by the German Federal Supreme Court (Bundesgerichtshof – BGH) in the landmark decisions “FUSSBALL WM 2006” and “WM 2006”.

B. German Case Law

1. “FUSSBALL WM 2006”

On April 27, 2006, short before the start of the FIFA World Cup in Germany, the German Federal Supreme Court rendered decisions on the validity of trademarks “FUSSBALL WM 2006” and “WM 2006”.

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45 BGH, Beschluss v. 27.04.2006 – I ZB 97/05 – WM 2006
Regarding trademark “FUSSBALL WM 2006”, the Court decided to cancel the entire registration, in relation to all goods and services covered.\textsuperscript{46}

In the Court's opinion, trademark “FUSSBALL WM 2006” consisted of a common term to identify the happening of the World Cup Soccer in Germany in 2006.\textsuperscript{47} Arguably, the public in general was used to the use of such type of sign to identify major sports events like the FIFA World Cup. The term “Fussball WM 2006” was simply referencing a major sporting event and did not imply a message about commercial origin.\textsuperscript{48}

Moreover, the sign “FUSSBALL WM 2006” was a mere description of the event happening that year in Germany and could not serve as an indication of source (Herkunftshinweis).\textsuperscript{49}

In view of this, the term could not be registered as a trademark, in the terms of § 8 (2) (1) and (2) of the German Trademark Act\textsuperscript{50} (very similar to article 7 (b) and (c) of the Community Trademark Regulation – CTMR\textsuperscript{51}).

Knowingly, however, even terms which are considered to be devoid of any distinctive character or considered to be of descriptive nature can become eligible for registration through acquired distinctiveness. This is foreseen in section 8 (3) of the


\textsuperscript{47} Id. at 141

\textsuperscript{48} FUSSBALL WM 2006, supra note 44, at 395

\textsuperscript{49} Id. at 396

\textsuperscript{50} German Trademark Act of 25 October 1994 (Bundesgesetzblatt I, S.3082; Bl. f. PMZ 1994, Sonderheft): „§ 8. Absolute Grounds for Refusal - (2) The following shall not be registered: 1. trade marks which are devoid of any distinctive character with respect to the goods or services; 2. trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of the goods or of the rendering of the service, or to designate other characteristics of the goods or services”

\textsuperscript{51} Council Regulation (EC) No 207/2009, published in the Official Journal of the European Union on 24 March 2009 (No L 78): „Article 7 - Absolute grounds for refusal 1. The following shall not be registered: (b) trade marks which are devoid of any distinctive character; (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service.”
German Trademark Act\(^5\) and article 7 (3) of the Community Trademark Regulation.\(^3\)

However, in the matter before the German Federal Supreme Court, this was of no help to the petitioner. FIFA was not able to prove acquired distinctiveness of the term “FUSSBALL WM 2006”.

According to the Court, only evidence of the fame acquired by trademarks containing the term FIFA or the official logo of the soccer world cup to be held that year in Germany was submitted.\(^4\) In view of this, the argument of “acquired distinctiveness” was promptly rejected by the Court.

Following on the grounds to reject FIFA’s appeal, the Court stated that even if a broader interpretation of the concept of “indication of source” would be adopted (in accordance with the latest European jurisprudence\(^5\)), the sign “FUSSBALL WM 2006” would still lack distinctive character, since the event organizer (FIFA) did not have responsibility over the quality of the products and services offered under the disputed mark.\(^6\)

Considering that products and services bearing the signs “FUSSBALL WM 2006” and “WM 2006” were ultimately manufactured and offered by the official sponsors of the event (which were the only ones entitled to make use of the marks), and not by FIFA, responsibility over them remained vested in the sponsors and not in the event organizer.

\(^5\) German Trademark Act: § 8. Absolute Grounds for Refusal - (3) Subsection (2), Nos. 1, 2 and 3, shall not apply if the trade mark has, before the date of the decision on registration and following the use which has been made of it, established itself in affected trade circles as the distinguishing sign for the goods or services for which it has been filed
\(^3\) CTMR: Art. 7. Absolute Grounds for refusal - 3. Paragraph 1(b), (c) and (d) shall not apply if the trade mark has become distinctive in relation to the goods or services for which registration is requested in consequence of the use which has been made of it
\(^4\) FUSSBALL WM 2006, supra note 44, at 396
\(^5\) In this sense, see the decisions of the European Court of Justice: Slg. 1999, I-905, Rn. 51 – BMW and Slg. 2002, I-10273 – Arsenal Football Club plc. See also BGH GRUR 2001, 1042 – REICH UND SCHÖN and BGH GRUR 2001, 1043 – Gute Zeiten-Schlechte Zeiten
\(^6\) Lars Jaeschke, supra note 46, at 144
In fact, this seems to be one of the main reasons why the Court rejected FIFA’s claims.

A careful reading of the decision suggests that if FIFA would have contractually reserved its right to control and inspect the quality of the products and services offered under the licensed marks, and effectively made use of this right, then the Court might have been more inclined to recognize the fulfilment of the indication of origin requirement.

However, this was not the case and FIFA had absolutely no control over the products commercialized under its marks by the official sponsors.

Finally, the court rejected the creation of a new registration category to accommodate “event marks” and expressly stated that no lower registration requirements should be applied to this type of marks.\textsuperscript{57} Like any other ordinary mark, “event marks” would need to meet the requirements of § 3 and § 8 of the German Trademark Act, in order to be eligible for registration.\textsuperscript{58}

2. **“WM 2006”**

The Court's decision in relation to “WM 2006” was practically identical to the “FUSSBALL WM 2006” decision, both on the grounds and on the wording.

The main difference consisted in the Court's understanding that in relation to “WM 2006” the general public's association with the event taking place that year in Germany was not so strong and direct.\textsuperscript{59}

Thus, the Court determined the cancellation of the mark only in relation to certain products and services, which were closely connected with the event itself, and referred the issue back to the


\textsuperscript{58} Id. at 397

\textsuperscript{59} WM 2006, supra note 45, at 33
German Patent Court to decide in relation to which products protection could be granted.\textsuperscript{60}

In other words, the German Federal Supreme Court decided that trademark “WM 2006” was eligible for registration to identify products which were not directly and closely connected to the event itself.

3. Impact on FIFA’s Enforcement Strategy

Despite the major set-back that the decisions of the German Federal Supreme Court represented to FIFA, it is possible to say that the decisions had probably very little effect on FIFA’s enforcement strategy during the 2006 World Cup Soccer in Germany, as FIFA continued to have Community Trademark rights over marks such as “WORLD CUP 2006” and “GERMANY 2006” registered before the Office for Harmonization in the Internal Market (OHIM), which remained valid and enforceable in Germany.

Thus, despite the negative precedents, the decisions of the German Federal Supreme Court were not able to prevent FIFA to continue pursuing its aggressive strategy of enforcement against non-official sponsors during the World Cup in Germany.

More than that, considering that the decision of the German Federal Supreme Court was issued short before the start of the World Cup, “those who had bowed to unfounded claims, had changed their own marketing campaigns and had accepted to pay the fees claimed by FIFA’s lawyers, did not stand a chance to seek redress”.\textsuperscript{61}

\textsuperscript{60} Id., at 36
In order to prevent such (unfair) situations, consideration should be given to strengthening the legal provisions against misuse of trademark rights.  

Such measures could possibly serve to deter the aggressive enforcement of (weak) trademark rights by event organizers and efforts could be concentrated on the cases in which there is indeed an undue exploitation of the fame and reputation of the event.

4. “WM Marken” Decision

More recently, in a decision of 12 November 2009, the German Federal Supreme Court had the opportunity to address once again the issue of registration of trademarks considered to be of weak distinctive character related to the Soccer World Cup.

However, this time, the roles were inverted: FIFA was the one seeking cancellation of trademarks registered by the chocolate company Ferrero.

Ferrero had filed and obtained registration for some trademarks related to the Soccer World Cup, such as

![Trademark Examples](image)

covering a wide variety of products in classes 9, 16, 25, 28 and 30, mainly chocolate products, toys and other products not directly related to the World Cup Soccer.  

It further filed applications for wordmarks “WM 2010”, “SÜDAFRIKA 2010” and “DEUTSCHLAND 2006”, also covering mainly chocolates and other candies.  

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62 Id., at 202
63 BGH, Beschluss v. 12.11.2009 – I ZR 183/07 – WM-Marken
64 Registrations Nos. 304 37 436 and 304 37 448 respectively, before the German Patent and Trademark Office
65 Applications Nos. 303 24 621, 304 29 518 and 304 29 516 before the German Patent and Trademark Office
Such trademarks were filed to back up a sales promotion planned to be carried out by Ferrero before and during the Soccer World Cup in South Africa, in which it provided stickers with the pictures of soccer players to its consumers.

FIFA brought a trademark infringement action against Ferrero, arguing that the registration of Ferrero’s marks consisted of unauthorized exploitation of the reputation of FIFA’s famous Soccer World Cup and could entail risk of deception to consumers. It also made a claim based on unfair competition and argued infringement of its rights over the title of the event (Soccer World Cup).

The action was based on Community registration for wordmark “GERMANY 2006”, international registrations for wordmarks “FIFA WM” and “SOUTH AFRICA 2010”, as well as several wordmarks registered before the German Patent and Trademark Office, such as “WM”, “WM 2006” and “FIFA WM 2006”.

The district court of Hamburg ruled in favor of FIFA and found for trademark infringement.\(^{67}\)

In its ruling, the Court made a distinction between Ferrero’s right to make reference, through terms considered to be descriptive, to the event organized by FIFA, from its will to obtain exclusive rights over the filed terms.

In the Court’s view, this would go too far, as it could even prevent the event organizer itself to make use of the name of the event in some situations, besides creating legal uncertainty to potential sponsors.\(^{68}\)

Upon appeal to the Court of Appeals in Hamburg (OLG Hamburg), the first-instance decision was overruled and Ferrero

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\(^{66}\) Applications Nos. 303 24 621, 304 29 518 and 304 29 516 were rejected by the German Patent and Trademark Office, due to lack of distinctive character (Section 8 (2) No. 1 of the German Trademark Act).

\(^{67}\) LG Hamburg GRUR-RR 2006, 29

was able to maintain its registrations for the disputed trademarks.\footnote{OLG Hamburg GRUR-RR 2008, 55}  

FIFA then filed an appeal to the German Federal Supreme Court, which once again had the final word on the issue. In a nutshell, it rejected all of FIFA’s claims and fully maintained the decision of the Court of Appeals in Hamburg.  

The Court highlighted that no risk of confusion was shown by the plaintiff.\footnote{WM-Marken, supra note 63, at 5} Moreover, through the use of the trademarks under dispute, Ferrero did not induce consumers to think that it was an official sponsor of the Soccer World Cup organized by FIFA.\footnote{Id., at 6}  

The Court also called attention to the very low distinctive power of some of the trademarks on which the court action was based (for example “SOUTH AFRICA 2010”) and argued that, in view of this, their scope of protection was very limited.\footnote{Id., at 8}  

Consequently, even the very small differences between the marks under dispute would be sufficient to allow their coexistence in the market.\footnote{Id., at 9}  

Regarding the claim for infringement of the title of the event, the Court clarified that not every use of the name and title of an event will constitute an infringement, even less the simple filing of a trademark application.  

In order for infringement to occur, the event’s name has to be used for its purpose, i.e. to differentiate a given event from another\footnote{Id., at 12}, and this had not occurred in the case under dispute.
Finally, regarding the unfair competition claim made by the plaintiff, the Court argued that the trademarks of Ferrero were not capable of inducing the relevant consumers into mistake.

As highlighted by the Court of Appeals of Hamburg, the trademarks under dispute did not lead consumers to assume that Ferrero was an official sponsor of the Soccer World Cup.  

This is especially true because official sponsors usually make sure to communicate to the public their condition of official partners of the event. In fact, it is exactly for this purpose that companies pay millions of dollars to the organizers of major events like the Soccer World Cup, to become official sponsors.

This recent decision of the German Federal Supreme Court not only confirms its previous decisions regarding the registrability of event marks, but goes even further and sets an important precedent regarding the use of descriptive terms related to major sports events.

As a consequence of this decision, it is now possible to say that, at least in Germany, most of the advertising and marketing campaigns related to major sports events like the Soccer World Cup made by non-sponsors, will be considered, in principle, legal.

Unless use of an official logo or of a truly distinctive sign (like FIFA, for example) is made, or if consumers are induced to think that the company is an official sponsor of the event, the campaign should be safe and free from being enjoined due to trademark infringement or unfair competition.

In fact, before and during the 2010 FIFA World Cup, it was possible to see some advertisements, in Germany, making use of terms which had been considered non-distinctive by the German

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75 Id., at 14
76 Id., at 14
77 Sharing this view, see Karl Hamacher, supra note 68, at 9
Courts as, for example, the ad of Media-Markt (which was not a sponsor of the 2010 FIFA World Cup) in the Internet:

Apparently, no court actions were filed against this campaign and this can be a sign that the decisions of the German Federal Supreme Court, commented above, are starting to have a true impact, at least in the German market.

C. European (Community Trademark) Case Law

1. The “World Cup” Decisions

At the beginning of 2001, like in Germany, FIFA filed applications before the Office for Harmonization in the Internal Market (OHIM), seeking protection for word marks “WORLD CUP 2006”, “GERMANY 2006”, “WM 2006”, “WORLD CUP GERMANY” and “WORLD CUP 2006 GERMANY”, covering a wide variety of products and services, all “relating to or to be associated with football championships”.

Once again, chocolate company Ferrero filed cancellations seeking the declaration of invalidity of these marks, by arguing

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79 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, please access the applications through the website www.oami.europa.eu
that the signs were descriptive and devoid of any distinctive character in relation to the different goods and services covered.

It also stressed that other world cups are organized every year around the world and that the combination WORLD CUP has become a customary term to identify those events.

FIFA, on its turn, defended its marks by making reference to trade mark functions other than the function of origin, as, for example, the advertising function.

It also insisted on the possibility of protection of the signs as a whole and argued that the goods and services were not directly related to the realization of a world cup, and that particular products are created for such events.

It further highlighted that competitors had the possibility of using alternative words to designate football world cups and, therefore, the use of the terms for which it sought protection, was not necessary, other than to try to take a free ride on the fame and reputation of its event.

The Cancellation Division of the OHIM rejected the invalidity requests and maintained the trademarks in force.

In sum, the Cancellation Division took the view that the expression “WORLD CUP 2006”, taken as a whole, was at the most suggestive, considering that this “combination did not form a grammatically correct expression, and at best evoked or suggested the celebration of a world championship in 2006”. 80

On the question of distinctivity, the Cancellation Division also considered that the sign taken as a whole had distinctive character and, therefore, complied with the trademark functions. 81

80 OHIM – Cancellation Division, decision 972C 002152817– WORLD CUP 2006, 8 (28 October 2005)
81 Id., at 9
Following its understanding that the sign was not descriptive of the characteristics of the goods and services for which it was registered, the Cancellation Division also rejected the argument that the term should be “kept free” for general public use and for all other organizers of world championships.82

Ferrero filed an appeal against this decision and the First Board of Appeals of the OHIM, in well-grounded opinions, annulled the contested decisions.

Due to the fact that the OHIM’s decisions were all very similar to each other (not to say practically identical), this chapter will focus on the decision regarding the validity of trademark “WORLD CUP 2006”83, which was the first and probably the most relevant of the decisions.

At any rate, the analysis and conclusions made herein, despite some small particularities, can also be applied to the remaining decisions.

Much in line with the opinion of the German Federal Supreme Court in the “FUSSBALL WM 2006” and “WM 2006” decisions, the Board of Appeals concluded that trademark “WORLD CUP 2006” was descriptive and devoid of distinctive character. It also rejected the argument for acquired distinctiveness made by FIFA.

According to the Board, “trademark WORLD CUP 2006 has a clear descriptive meaning. In sports, a world cup is the generic name for a regular competition.”84 In the Board’s opinion, in order to become non-descriptive, the expression “must be combined with some other element like the name of the organizer or a main sponsor or other non-descriptive element. In

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82 Id., at 9
84 Id., at 19
the case of the CTM proprietor, for example, systematically FIFA as identifier of origin is added”.85

Making reference to the “Chiemsee” decision of the ECJ86, the Board recognized the “need to keep free” for the expression “World Cup”, especially to identify souvenir articles in connection with sporting competitions.87

The board also referred to the “Arsenal” case88, in which it was stated that the trademark owner is entitled to the exclusive right to use its trade mark to identify merchandising items (which constitutes use as a trade mark), but distinguished it from the FIFA cases, in the sense that “Arsenal Football Club is not a descriptive indication”89 (contrary to the trademarks filed by FIFA, which were purely descriptive).

In other words, although it is settled case law that the trademark proprietor is entitled to prevent third parties from making use of its mark in merchandising items, such protection only applies to trademarks that are indeed distinctive and not of descriptive character.

The Board also found that “WORLD CUP 2006” was not registrable due to lack of distinctive character, in the terms of art. 7(1)(b) CTMR.

It stressed that

“the general interest underlying art. 7(1)(b) CTMR is, manifestly, indissociable from the essential function of a trademark, which in accordance with recital 7 of the CTMR, art. 4 CTMR and longstanding case law, is to guarantee the identity of the origin of the marked product or service to the consumer or end-user by enabling him, without any

85 Id., at 21
86 ECJ, joined cases C-108/97 and C-109/97 – “Chiemsee” (4 May 1999)
87 OHIM – First Board of Appeal, supra note 83, at 24
88 Arsenal Football Club plc., supra note 55
89 OHIM – First Board of Appeal, supra note 83, at 24
possibility of confusion, to distinguish the product or service from others which have another origin".  

The combination of the terms “World”, “Cup” and “2006” was not unusual and insufficient to create an own meaning in the perception of consumers. “Consumers will not perceive World Cup 2006 as an indication of origin but merely as the reference to a sports event of major importance in 2006. This is confirmed by FIFA’s own practice to combine the sign at issue with the company identifier FIFA”.

Finally, the Board reversed the Cancellation Division’s findings regarding the acquired distinctiveness of the mark “World Cup 2006”.

It took the view that the evidence brought by FIFA was not sufficient to prove fame of the mark throughout the whole European Union and to prove that the mark was still strongly remembered by consumers, as it may have been in 2005 and 2006.

In fact, the evidence brought by FIFA was considered insufficient because “systematically, the sign was either not used as a trade mark as such, while in a descriptive, non-distinctive way it referred to a competition or it was used as one expression together with the identifier FIFA, or was often combined with the official logo of the event”.

FIFA filed court actions before the General Court against the Board’s decisions, but so far no decisions have been rendered.

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90 Id., at 25
91 Id., at 26
92 Id., at 28
93 Id., at 28
94 Id., at 29
Probably the Court wants the football fever to calm down before putting its fingers on the cases.

2. “ULTIMATE FIGHTING CHAMPIONSHIP” Decision\(^9^6\)

Getting out of the football pitch and entering in the battlefield of martial arts, another decision worth analysing concerns trademark “ULTIMATE FIGHTING CHAMPIONSHIP”\(^9^7\), filed before the OHIM to cover a wide variety of products and services, mostly related to a free martial arts competition.

In fact, this case preceded the “FIFA cases” and probably had an important amount of influence on the outcome of those cases before the OHIM.

Similarly to the FIFA cases, OHIM’s First Board of Appeal reached the conclusion that the mark “ULTIMATE FIGHTING CHAMPIONSHIP” was devoid of distinctive character\(^9^8\) and, in relation to the services of international class 41 (organization of events), was also descriptive.\(^9^9\)

The interesting point of this decision is that, despite recognizing that the term “mixed martial arts” might be the correct term to identify the type of martial arts practiced in the event, and that “ultimate fighting” was a term coined by the Applicant to identify its own fighting events, the Board maintained its view that “ULTIMATE FIGHTING will be “understood as identifying, in generic and plain language, a type of combat”\(^1^0^0\).

\(^9^6\) Court of First Instance (now General Court), case T-118/06 (2009/C 129/20), Zuffa v OHIM - ULTIMATE FIGHTING CHAMPIONSHIP (2 April 2009)  
\(^9^7\) OHIM – First Board of Appeal, decision R 931/2005-1– ULTIMATE FIGHTING CHAMPIONSHIP (30 January 2006)  
\(^9^8\) Id., at 5 and 6  
\(^9^9\) Id., at 6  
\(^1^0^0\) Id., at 6
In practical terms, the Board of Appeals is saying that the mark became so famous in its field of use, that it became the generic name to identify the sport itself.\(^{101}\)

Contrary to the FIFA cases, however, this understanding seems hard to be sustained. Fans of martial arts are well aware that the “ULTIMATE FIGHTING CHAMPIONSHIP” stands for a martial arts events organized by a certain company.\(^{102}\)

In fact, other similar types of fighting events, with similar rules, in which fighters from different disciplines of martial arts fight each other, are also internationally known\(^ {103}\) (although the “Ultimate Fighting Championship” is probably the most successful of them).

Thus, albeit the term “Ultimate Fighting Championship” might have some sort of relation to a “type of combat which ends when one of the combatants is no longer able to fight”\(^ {104}\), it seems that the relation of this term with the products and services covered is not direct and, even less, descriptive of the type of combat itself. At the most, “Ultimate Fighting Championship” should have been considered a suggestive mark.

Against the decision of the First Board of Appeals, the applicant brought an action before the Court of First Instance (CFI), nowadays referred to as “General Court”.

\(^{101}\) “ESCALATOR”, “CELLOPHANE”, “ALLEN KEY”, “LINOOLEUM” and “ZIPPER” may all be cited as examples of expressions that were once registered as trademarks, but lost their distinctive power and became the generic name of certain products.

\(^{102}\) The history of “Ultimate Fighting Championship” dates back to 1993, when the first event was held in the U.S.A. In fact, the format of “Ultimate Fighting” is inspired in a Brazilian form of mixed martial arts called “Vale Tudo” (anything goes), in which athletes skilled in the various disciplines of all martial arts, including karate, jiu-jitsu, boxing, kickboxing, grappling, wrestling, sumo and other combat sports fight each other. Information obtained at http://www.ufc.com/index.cfm?fa=LearnUFC.History


\(^{104}\) OHIM, ULTIMATE FIGHTING CHAMPIONSHIP, supra note 97, at 4.
Such action led the CFI to annul the OHIM’s decision, due to “inadequate statement of reasons”\textsuperscript{105}, and to send the case back to the Office for a new, duly motivated decision, to be taken.

In reality, the CFI did not enter the merits of the case and annulled the decision due to lack of proper reasoning of the Board of Appeal of the OHIM.

According to the Court, “when refusing registration of a trade mark, the Board of Appeal is required to state in its decision its conclusion for each of the goods and services specified in the application for registration, regardless of the manner in which that application was formulated”.\textsuperscript{106}

In other words, the OHIM must decide whether the absolute prohibitions of article 7(1) CTMR apply to each individual product and service claimed by the Applicant.

Grouping of the products and services for common analysis should only be allowed when they “have a sufficiently direct and specific common link to each other to the extent of forming such a sufficiently homogeneous category”.\textsuperscript{107}

The decision of the CFI is somehow disappointing, since it did not address the core issue of the registrability of “weak” event marks at the European level.

It cannot be discarded, however, that the CFI will adopt the same understanding in relation to the FIFA “World Cup” cases, which are pending judgment. It might well be that the Court will annul the decisions of the First Board of Appeals of the OHIM, due to lack of adequate statement of reason, and send them back to the Office for rendering new and duly motivated decisions.

If this indeed happens, it will be a while until we have a final word from the European Courts on the registrability of “weak”

\textsuperscript{105} CFI, ULTIMATE FIGHTING CHAMPIONSHIP, supra note 96, at 7
\textsuperscript{106} Id., at 6
\textsuperscript{107} Id., at 6
event marks as Community Trademarks and legal uncertainty will remain in the European level.

D. U.S. Case Law

The issue of enforcement of “event marks” has also been addressed by U.S. Courts before.

In the *FIFA v. Nike*\(^\text{108}\) case, decided by the U.S. District Court for the District of Columbia, FIFA was trying to enforce its rights over a pending application for trademark “USA 2003” against Nike’s use of the similar term “USA 03”.

The 2003 edition of FIFA’s Women’s World Cup Soccer took place in the U.S. and while Nike was not an official sponsor of the tournament, it sponsored the U.S. Women’s National Soccer Team.

FIFA alleged that the use of the expression “USA 03” by Nike amounted to trademark infringement, unfair competition, tortious interference with contractual relations and breach of contract and applied for a preliminary injunction to compel Nike to cease the use of said expression.\(^\text{109}\)

The Court, however, denied the request, and highlighted that FIFA’s trademark was descriptive\(^\text{110}\) and, therefore, could only be entitled for protection upon proof of secondary meaning.

Because FIFA did not provide enough evidence of secondary meaning, the Court concluded that no protection should be granted.

Moreover, even if secondary meaning had been proven by FIFA, the Court was of the opinion that its trademark lacked distinctive character, because “FIFA has not used its ‘USA 2003’ mark in a


\(^{109}\) Id., at 66

\(^{110}\) “USA 2003 simply identifies the country in which the World Cup is being played along with the year in which the event is taking place.” Id., at 67
way that would lead consumers to associate those words *alone* with [that] year’s World Cup”.*111

As one may note, the conclusion reached by the U.S. Court is very similar to the one reached by the German Federal Supreme Court in the recent “WM Marken” case (chapter IV.B.3 above).

It is, therefore, possible to say that, like in Germany, U.S. Courts are not inclined to enforce (and possibly to allow registration) for weak marks like “USA 2003” in favor of event organizers.

Either secondary meaning is proved by the applicants, or protection will be denied by the Courts.

**E. Partial Conclusion**

Although one cannot discuss the quality and depth of the above discussed jurisprudence on the FIFA World Cup cases, it seems that such decisions did not face the core question which remains unanswered: who actually coined the expression WORLD CUP to designate an international competition in which national teams play against each other? Was there any “World Cup” (including other sports) before FIFA organized its first championship back in 1930 in Uruguay?

Because depending on these answers, understandings might change. Suppose that another sports competition already used the term “World Cup” well before the first championship organized by FIFA. If so, there would be little doubt that FIFA’s attempt to monopolize such term would be entirely unjustified.

However, if the opposite is true, i.e., if FIFA indeed created a new and original term to designate its international football championship – “The World Cup” – then it would seem fair to allow the organizing entity to enjoy exclusive rights over such term, which was, after all, created by it.

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*Id., at 72*
Unfortunately, researches in this field (regarding the first recorded use of the term “World Cup” to designate a sports championship) are not conclusive. At least this author was not able to find references to other “World Cups” before the event organized by FIFA in 1930 in Uruguay, that could permit the conclusion that the term was indeed coined by FIFA.

However, even if this would be indeed the case, it seems that it is now too late for FIFA to claim exclusive rights over the term “World Cup” *per se*.

After so many years tolerating the use of the term by other sports events organizers (evidenced by several coexistence agreements signed by FIFA with national federations, clubs and private undertakings[^1]), it would be outrageous, after so many years, to allow it to exclude others from making use of such term.

The term World Cup has become a customary term to identify international sporting competitions and, therefore, its use should not be monopolized.

The costs of granting exclusive rights over such term now seem to be excessive, in that it would mean obliging many companies and entities, which have been using the term in good faith for so many years, to suddenly refrain from doing so.

Through the analysis of the above case law, it seems clear that this is the understanding adopted by the German Federal Supreme Court and by U.S. case law.

It is still uncertain whether the Courts at the European level will adopt a similar understanding. In this sense, the decision of the

[^1]: “The CTM proprietor has concluded a significant amount of coexistence agreements with national federations, clubs and private undertakings, such as the World Cup of Surfing organized by Vans Inc., the Rugby World Cup organized by Rugby World Cup Co., the Campionato ‘Sulamericano’ de Skate Crail World Cup, organized by Marquee Sport and Business Ltd., the World Cup Motor Challenge organized by Classic Rally Association, the Computerland World Cup, organized by Computerland SA, the Micro Robot World Cup Soccer Tournament, organized by KAIST, the CABELA’s Duck Calling World Cup, organized by Cabela’s Incorporated, the Jacobs World Cup, organized by Kraft Foods Schweiz AG, etc.” OHIM „WORLD CUP 2006“, supra note 83, at 14
General Court on the registrability of trademark “ULTIMATE FIGHTING CHAMPIONSHIP” did not contribute to diminish this uncertainty, since it did not address the merits of the case and remitted the case back to the OHIM for a new decision.

The pending actions brought by FIFA before the General Court (the “World Cup” cases) might be a good opportunity for the Court to address the issue and at least provide market players with some guidance regarding the possibility of (legally) using weak terms related to major events, thus diminishing, to some extent, the uncertainty in this field.

The final word, however, will probably remain with the ECJ. We just hope that this does not take another ten years.

V. The Concept of Event Marks

As seen in the previous chapter, while in Germany and in the U.S. it is possible to say that weak event marks are to remain free for use by the public, (consequently restricting the possibility of their registration and enforcement against third parties), the situation at the European level is not so certain.

Despite the decisions by the Board of Appeals of the OHIM in line with the German jurisprudence, the issue has not yet been decided by the European Courts, and this may still take a while.

The decisions of the German Federal Supreme Court clearly rejected the concept of “event marks”, as developed by Prof. Karl-Heinz Fezer, although he insists that the Court’s jurisprudence covered only part of the problem.

Below, we will analyze and criticize the concept of event marks developed by Prof. Fezer and will try to put it into perspective in light of the importance of major events nowadays.
A. Starting Point

Knowingly, the concept of “event marks” was developed by Prof. Fezer in an article written in 2003.\footnote{Karl-Heinz Fezer, supra note 3, at 322} This article was written before the decisions of the German Federal Supreme Court on trademarks “FUSSBALL WM 2006” and “WM 2006” were rendered.

Thereafter, Fezer refined his concept and wrote another article\footnote{Karl-Heinz Fezer. \textit{Kennzeichenschutz des Sponsoring – Der Weg nach WM 2006, Zur Eintragungsfähigkeit von Veranstaltungsdienstleistungsmarken und Veranstaltungswarenmarken}. In \textit{Mitteilungen der deutschen Patentanwälte} 5/2007 193 (2007)}, in which he made a distinction between \textit{product} event marks (Veranstaltungswarenmarken) and \textit{service} event marks (Veranstaltungsdienstleistungsmarken).

According to Fezer, only the \textit{product} event marks (also called merchandising marks) were object of the decisions of the German Federal Supreme Court, considering that some weeks before the judgments, FIFA requested the limitation of the list of goods and services of its marks, excluding the services of “organization and realization of soccer events”.\footnote{Id., at 194}

Against this background, Fezer argues that the most important issue regarding the protection of event marks, which refers to the possibility of registration of \textit{service} event marks (also called sponsoring marks), remains undecided\footnote{Id., at 193}, and insists on the recognition of these as a new category of trademarks.\footnote{Id., at 199}

By drawing a parallel with the general commercialization of products mark (Handelsdienstleistungsmarke)\footnote{Id., at 197}, Fezer concludes that event marks are capable of fulfilling all registration requirements foreseen in the current German
Trademark Law, as well as in the Council Regulation No. 207/2009 on the Community Trademark.119

B. Concept

Generally, the concept of “event marks” may be understood as any “signal used to identify an event, a presentation and/or a performance, in which the event organizer has the interest to use (and protect) the trademark in connection with a large number of products and services”.120

As one may note, the concept of event marks in itself has nothing special or innovative. Usually, an event mark will fall under the widely accepted form of a visually perceptible sign.

What is new about “event marks” is their differentiated functions, as sustained by Fezer, and as will be explored in more depth in section “E” below.

C. Service Event Marks and product Event Marks

What concerns the subject of protection under event marks, Fezer makes a distinction between service and product event marks.121

Under the first category – service event marks – are the ones which identify services related to the “organization, performance, execution, development and partial financing” of the event. Fezer calls these sponsoring marks.122

Under the second category – product event marks – are the ones which are used to identify merchandising products related to the event. Fezer calls these merchandising marks.123

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119 *Id.*, at 199
120 KORNELIA TRAUTMANN. DIE EVENTMARKE – MARKENSCHUTZ VON SPONSORING UND MERCHANDISING. 85 (Konstanz, 2008).
121 Karl-Heinz Fezer, supra note 114, at 194
122 *Id.*, at 196
123 *Id.*, at 198
In his opinion, these are two completely different forms of marks. While sponsoring (consequently the sponsoring mark) serves as an instrument for the financing of a product of the event organizer through sponsors (by means of sponsoring agreements), merchandising marks serve to identify products of the event organizer itself.\textsuperscript{124}

Merchandising marks identify the origin of the products as coming from the event organizer itself. Sponsoring marks, on the other hand, are used to signalize to the public the sponsorship condition of official partners of the event.\textsuperscript{125}

D. The general “events organization” service mark

In Fezer’s understanding, sponsoring marks, as a type of event marks, would serve to individualize the services of organization and financing of an event. Such events’ organization service marks (allgemeine Veranstaltungsdienstleistungsmarke) identify an organizational commercial activity.\textsuperscript{126}

The organization and financing of an event are protectable services as such and, therefore, would be entitled to protection through registration.\textsuperscript{127}

This conclusion is fruit of a parallel made by Fezer between service event marks and the general commercialization of products mark (Handelsdienstleistungsmarke).

In fact, until the European Court of Justice recognized the possibility of registration of marks to cover general services of commercialization of products, applicants had to specify each of the products which they intended to protect.\textsuperscript{128}

\textsuperscript{124} Id., at 196 and 198
\textsuperscript{125} Id., at 198
\textsuperscript{126} Id., at 196
\textsuperscript{127} Id., at 196
\textsuperscript{128} Id., at 197, making reference to the famous decision of the ECJ on the „Praktiker“ case.
Here, Fezer argues that the same understanding applied to the
general commercialization of products mark should be applied
to sponsoring marks, i.e., these should be deemed as registrable
to identify services of “organization and financing of events” as
such.129

E. Trademark Functions

With the distinction between service event marks and product
event marks, as well as the analogy made between service event
marks and the general commercialization of products marks in
mind, we now turn to the analysis of what are the main
trademark functions in Fezer’s understanding. This analysis is
key to comprehend his arguments in favour of the registrability
of event marks as a new category of trademarks.

But before doing so, it is worth to briefly touch upon the
traditional understanding of trademark functions.

1. Traditional Understanding

According to McCarthy, trademarks perform four primary
functions under U.S. law:

“(1) to identify one seller’s goods and distinguish them from
goods sold by others; (2) to signify that all goods bearing the
trademark come from a single, albeit anonymous, source; (3)
to signify that all goods bearing the trademark are of an
equal level of quality; and (4) as a prime instrument in
advertising and selling of goods”.130

In other words, the main purposes of trademark law in the U.S.
are to distinguish one seller from the other, to serve as an
indication of source and quality of the goods and services, and
to assist in advertising.

129 Id., at 196
130 J. Thomas McCarthy, supra note 18, at 104
Protection of goodwill is also considered to be an important function performed by trademarks.\footnote{Id., at 104}

This confirms the traditional understanding that trademarks serve primarily as source identifiers. They are the medium through which consumers identify a particular product with a specific source.\footnote{Rudolf Rayle. The Trend Towards Enhancing Trademark Owner’s Rights – A Comparative Study of U.S. and German Trademark Law. 7 J. Intell. Prop. L. 227, 228 (2000)}

German law recognizes pretty much the same functions as in U.S. Trademark Law. However, it tends to give more emphasis to the trademark owner’s rights in relation to the traditional source identifying function.

A decision from the German Federal Constitutional Court in 1979 noted that “marks do not merely denominate the source of a product, but are an ‘expression of an entrepreneur’s achievement motivation’.”\footnote{Id., at 234}

European law seems to follow a similar understanding, since the eleventh recital of the EU Directive on Trademarks provides that the function of trademarks is “in particular”, but not exclusively, “to guarantee the trademark as an indication of origin”.\footnote{DIRECTIVE 2008/95/EC of 22 October 2008 to approximate the laws of the Member States relating to trade marks} In other words, the function of source identifier, although the primary one, is not the only function performed by trademarks under Community law.

2. Fezer’s Understanding

According to Fezer, trademark functions go well beyond the traditional origin function, which serves to differentiate products from different companies in the market.\footnote{Although Fezer recognizes the indication of origin as one of the main trademark functions, he argues that this is not the only legally protected function of trademarks and points out to the function of guaranteeing product quality and the advertisement function. Karl-Heinz Fezer, supra note 3, at 330} As a symbol of communication of a commercial activity, the trademark not only
identifies the products of a given trademark owner, but also confirms the authenticity of that product as belonging to a certain supplier.\textsuperscript{136}

Event marks, specifically, identify the commercial activity of the event’s organizer.\textsuperscript{137} The main function of an event mark, according to him, is to convey information to the consumers about the organization and financing of the event.

The event organizer authorizes and legitimates its sponsors to communicate to the public their contribution to the financing of the event.\textsuperscript{138}

The use of an event mark by a sponsor, either to identify goods produced by him, or services offered by him, would, therefore, not necessarily be intended to identify the origin of the goods or services as having been produced or offered by him, but as a means to guarantee that the goods or services identified by the event mark are recognized as \textit{products of merchandising and sponsoring}.\textsuperscript{139}

In a natural competition system, which is one of the goals pursued by the European Union, companies must be in position to attract consumers by means of the quality of its products and services, which is only possible through trademarks which communicate a message to consumers about the quality and authenticity of the products and services.\textsuperscript{140}

In other words, the trademark owner should serve as a guarantor of the products’ and services’ quality.

According to Fezer, in the Tiffany decision\textsuperscript{141}, the German Federal Supreme Court stated for the first time that in order to assert similarity of the goods, the local of origin of the goods

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{136} Id., at 322
\item \textsuperscript{137} Id., at 323
\item \textsuperscript{138} Id., at 323
\item \textsuperscript{139} Id., at 323
\item \textsuperscript{140} Id., at 325
\item \textsuperscript{141} BGH, GRUR 1999, 496 - Tiffany
\end{itemize}
\end{footnotesize}
(i.e., where the products are physically produced) is not the most
decisive factor for the assessment of indication of source, but yet
the expectation of consumers over responsibility of a given
company for the quality of those goods.\textsuperscript{142}

In other words, the German Federal Supreme Court recognized
that even when the local of origin of the goods and the
trademark owner are knowingly and evidently different,
consumers might be misled by thinking that the trademark
owner had responsibility over the production of the infringing
goods.

Consumers might have a certain expectation regarding the
quality of the goods and may turn out to be disappointed by it, in
case they buy the “non-original” goods.

The recognition of event marks as a new form of protection of
the efforts dispensed in the organization, financing and
realization of an event would, therefore, find harbour in the
wider understanding of the origin function in the jurisprudence
of the European Court of Justice and the German Federal
Supreme Court.\textsuperscript{143}

Moreover, according to Fezer, both the European Court of
Justice and the German Federal Supreme Court, recognize the
advertising function as one of the core functions of trademarks,
which would be another argument in favour of the registrability
of event marks.\textsuperscript{144}

The European case law recognizes the right of trademark owners
to protect the \textit{luxury image} and high reputation of their products.
In the Dior decision, for example, the European Court of Justice

\textsuperscript{142} Karl-Heinz Fezer, supra note 3, at 326. However, as seen before, this interpretation was already rejected by the
German Federal Supreme Court in its decisions “FUSSBALL WM 2006” and “WM 2006”

\textsuperscript{143} Id., at 327

\textsuperscript{144} Id., at 328
recognized a “general advertising right of distributors of branded goods”.\textsuperscript{145}

In the BMW decision\textsuperscript{146}, it was expressly recognized that the owner of a trademark cannot restrict a third party from making use of the brand to communicate to the public services of repair or maintenance of the product, but “as long as the mark is not used in a way to imply that there is a commercial relation between the trademark owner and the third party”\textsuperscript{147}, in other words, that the third party is an authorized representative of the trademark owner.

In the realm of event mark, this advertising function would serve as means for the sponsors to identify and communicate their sponsoring efforts.\textsuperscript{148}

Thus, if the event mark is used by non-official sponsors, the public might be led to think that there is some sort of relation between the event organizer, as owner of the event mark, and that company (non-sponsor), what is certainly not desirable, since it might create a risk of false association to consumers and, therefore, negatively affect the enormous investments made by the official sponsors.

This understanding, according to Fezer, would be in line with the jurisprudence of the ECJ in the BMW case.\textsuperscript{149}

\textbf{F. Suggestive Character}

Another argument in support of the registrability of event marks is their supposedly suggestive character.\textsuperscript{150}

Suggestive marks are the ones that despite not having a very strong distinctive power, do not directly describe or identify the

\begin{itemize}
  \item \textsuperscript{145} ECJ, Rs. C-337/95, Slg. 1997, I-6013, GRUR Int. 1998, 140 – Dior/Evora
  \item \textsuperscript{146} ECJ, Rs. C-63/97, Slg. 1999, I-0905, GRUR Int. 1999, 438 - BMW
  \item \textsuperscript{147} Karl-Heinz Fezer, supra note 3, at 331
  \item \textsuperscript{148} Id., at 331
  \item \textsuperscript{149} Id., at 332
  \item \textsuperscript{150} Id., at 329
\end{itemize}
protected goods and services, but simply suggest some of its qualities or characteristics.

In this sense, Gaedertz\(^\text{151}\) points out to the suggestive character of event marks in general, like for example “WORLD CUP 2006” or “WORLD CUP SOCCER 2006”.

Making reference to the Vitalité decision of the European Court of First Instance (now General Court)\(^\text{152}\), he argues that even event marks like the ones cited above, do not lack distinctive character (art. 7, § 1 (b) of Council Regulation No. 207/2009) or are to be considered as descriptive (art. 7, § 1 (c) of same Regulation).

At most such trademarks can be considered as suggestive signs, i.e., signs which do not have a direct relation to the protected products and services and which are, according to the jurisprudence of the European Court of First Instance, fully registrable as trademarks.\(^\text{153}\)

In principle, this seems to be a good and persuasive argument and could work for other relatively weak and more recently developed event marks.

However, in the specific case of major sports events like the Soccer World Cup, which have been around for a while\(^\text{154}\), it seems hard to argue that the cited marks have not become the name of the event itself.

More than suggesting a characteristic or a quality of the event, the mark has become the name of the event itself, and the way by which soccer fans commonly refer to the event staged by FIFA every four years.

\(^{151}\) Johann-Christoph Gaedertz, supra note 3, at 526  
\(^{152}\) General Court Rs T-24/00 “Vitalité”  
\(^{153}\) Johann-Christoph Gaedertz, supra note 3, at 528  
\(^{154}\) The first Soccer World Cup organized by FIFA was held in 1930, in Uruguay
G. Criticism

Upon the development of the concept of “event marks” by Fezer in 2003, a large part of the specialized doctrine (specially German scholars) heavily criticized Fezer's approach and argued that “event marks” should fulfil the same registration requirements as any other ordinary marks, in order to be eligible for registration.

In relation to marks such as “FUSSBALL WM 2006” and “WM 2006” a large part of the doctrine sustained that these signs could not be registered due to its descriptive character and lack of distinctiveness, since such marks could not fulfil the indication of origin requirement.

1. Lack of distinctive character

The first main source of criticism is that, like any other form of trademarks, event marks must fulfil the requirement of “distinctiveness” in order to be registered.

According to the case law and the specialized doctrine on trademarks, consumers, upon confrontation with the goods or services identified by the mark, must be able to recognize the origin of the product or service and link it to a certain company or a group of companies.\(^{155}\)

Even if the understanding of indication of origin is interpreted in a broader sense (taking into account the dynamism of transactions in the modern economy and the freedom of assignment of trademarks between companies), the owner of the trademark must still at least be considered responsible for the quality of the goods or services which are identified by the mark.\(^{156}\)

\(^{155}\) Georg Fuchs-Wissemann, supra note 57, at 373
Otherwise, the requirement of section 8 (2) item 1 of the German Trademark Act (and, drawing a parallel, its equivalent provision in article 7 (1) (b) of Council Regulation 207/2009 on the Community Trademark) will not be fulfilled and the trademark will be considered to lack distinctive character, thus not being eligible for registration.

In fact, as pointed out by Kur, in the specific case of event marks such as “FUSSBALL WM 2006” and “WM 2006”, the capability of the sign to indicate commercial origin may be minimal compared to its primary capacity of evoking the event as such.\footnote{Annette Kur, supra note 61, at 202}

Thus, such signs should not be allowed to proceed to registration and award their owner with an exclusive right to exclude others from making use of them.

2. **Descriptive character**

According to section 8 (2) item 2 of the German Trademark Act, “trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of the goods or of the rendering of the services, or to designate other characteristics of the goods or services” shall not be registered as trademarks.

For some authors, a trademark will be considered descriptive, if there is any possibility that consumers will regard it as describing the characteristics of the identified good or service.\footnote{Thomas Eger / Petra Ebermann. *Zur Markenrechtlichen Schutzzfähigkeit von Eventmarken aus rechtsökonomischer Sicht. Einige Bemerkungen zur aktuellen Rechtsprechung anlässlich der Fussballmeisterschaft 2006*. German Working Papers in Law and Economics. Paper 32 1, 11 (2006)}

There is no need that the trademark is, in practice, considered as descriptive. The mere possibility of descriptiveness of a determined sign would already be sufficient to justify a refusal.
to register.\footnote{Id., at 11} The same understanding would apply to event marks like “FUSSBALL WM 2006”.\footnote{Georg Fuchs-Wissemann, supra note 57, at 374. Making reference to the “Postkantoor” decision of the European Court of Justice}

The absolute prohibition of registration of descriptive signs is based on the public interest to keep those signs free for use by anyone. The grant of an exclusive right over a descriptive sign to a certain party could lead to negative restrictions on competition.\footnote{Annete Kur, supra note 61, at 202}

Indeed, it may be argued that if exclusive protection is granted to signs like “WM 2006” or “WORLD CUP 2006”, other organizers of world cups in the year 2006 would not be able to make use of those signs.

Certainly, this situation could be considered unfair and should not be permitted by the competent registration authorities.

3. **Potential Anti-Competitive effects**

Other critics go even beyond the traditional argument that event marks are not capable of fulfilling the indication of origin requirement, and make considerations about potential anti-competitive effects that the protection of such signs could have in the market.\footnote{Id., at 202}

As mentioned above, the grant of exclusive rights over terms considered to be descriptive could create situations in which legitimate organizers of events (and sponsors thereof) would be hindered from making use of commonly coined terms referring to their events.

Without a doubt, this would create a market restriction, as it would limit the possibilities of event organizers and sponsors to refer to their own events.

\footnote{Id., at 11}
\footnote{Georg Fuchs-Wissemann, supra note 57, at 374. Making reference to the “Postkantoor” decision of the European Court of Justice}
\footnote{Annete Kur, supra note 61, at 202}
\footnote{Id., at 202}
In view of this, some authors insist on the “need to keep free” principle regulating the registration of descriptive terms.

As pointed out by Kur, “granting an exclusive right in a term referring to an immensely popular event implies a huge competitive advantage to the person or entity owning that right, and thus it raises misgivings under the aspect of the public interest in keeping such signs free for general use (“need to keep free”).”  

The question is whether such potential restriction of competition would be justified in order to protect the legitimate interests of organizers of major events.

At a first glance, from a pure trademark perspective, it seems that the negative effects of granting such exclusive rights would overcome the positive effects, especially when one thinks that event organizers and sponsors would still be able to guarantee reasonable exclusivity and protection over the reputation of their events, through the use of official logos and expressions like “official sponsors”.

If non-sponsors would make use of official logos or misleading expressions, there is little doubt that they would be compelled to stop such practice under both trademark and unfair competition legal provisions.

**H. Partial Conclusion**

Fezer advocates the creation of a new category of trademarks – event marks – and, based on a broader interpretation of the traditional functions of trademarks, insists that such marks would be able to fulfil the requirements already foreseen in most trademark laws.

The main aim of this new category of trademarks would be to provide event organizers and official sponsors with enhanced

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163 *Id.*, at 201
protection over signals associated with their events, without the need of enactment of special legislation.

However, most of the specialized doctrine has pointed out problems relating to lack of distinctive character and descriptiveness of such marks, and even potential anti-competitive effects deriving therefrom.

Indeed, it seems that the recognition of event marks as a new category of trademarks would excessively open the gates of trademark law to signs which are not provided with enough distinctive character and which shall remain free to the public in view of their descriptiveness.

Consideration shall also be given to the fact that trademark registrations are renewable for an indefinite period and, therefore, lenient requirements of registration could lead to undesirable situations, with limited remedies to correct them.

In case event marks are accepted as a new category of trademarks, with more lenient registration requirements, an eternal monopoly right over a term, which should be kept free for use by all interested parties, might be granted, and this is certainly not desirable.

VI. The Alternative of Extended (*Sui Generis*) Protection

As illustrated above, traditional legal measures, foreseen in trademark law and unfair competition statutes, are not always sufficient to tackle the most sophisticated types of ambush marketing.

The growing importance of sponsorship for the organization and financing of major events, together with the increasing instances of ambush marketing and the lack of effectiveness of traditional legal measures, has led event organizers and sponsors to
demand, from host countries, the enactment of specific legislation protecting the properties associated with their events.164

This is what is commonly referred to as sui generis protection, i.e., a form of protection apart from (but complimentary to) traditional means like trademark law and unfair competition statutes.

In this chapter, we will briefly analyse some of the sui generis legislation adopted by different countries and will then consider potential detrimental effects resulting therefrom.

A. Examples of Sui Generis Forms of Protection

Although sui generis protection against ambush marketing has become almost a mandatory requirement for countries willing to host some of the major sporting event nowadays, this type of legislation has been most widely and traditionally used by the IOC in the protection of the Olympic Games.

This is why most of the legislation to be commented below will be related to the Olympic Games.

Moreover, the Olympic Symbol165 is protected through the Nairobi Treaty166, administered by the World Intellectual Property Organization (WIPO), whose main purpose is to condition the commercial use of the Olympic Symbol to the authorization of the IOC.167

However, such Treaty does not relate to other Olympic properties, such as the word “Olympics” and other signals. This

164 ARUL GEORGE SCARIA. AMBUSH MARKETING GAME WITHIN A GAME. 85 (2008)
165 The Olympic symbol consists of five interlaced rings of equal dimensions (the Olympic rings), used alone, in one or in five different colours, which are, from left to right, blue, yellow, black, green and red”. Definition according to Chapter 1 (8) of the Olympic Charter in force as from 11 February 2010. Full text of the Charter can be obtained at http://www.olympic.org/Documents/olympic_charter_en.pdf (last visited 3 August 2010)
166 Nairobi Treaty on the Protection of the Olympic Symbol, adopted at Nairobi on 26 September 1981
167 PHILLIP JOHNSON. AMBUSH MARKETING: A PRACTICAL GUIDE TO PROTECTING THE BRAND OF A SPORTING EVENT, 99 (2008)
is why the enactment of event-specific legislation becomes so important.


The U.S. is not a member of the Nairobi Treaty, however the Olympic and Amateur Sports Act of 1998 (OASA) submits the Olympic trademarks and symbols to a differentiated form of protection, and grants the U.S. Olympic Committee (USOC) with the exclusive rights to control the use of Olympic marks, symbols and technology within the U.S.\(^{168}\)

As usual in a common-law-system country, judicial precedents have drawn the boundaries of such form of protection.

In the leading case *San Francisco Arts & Athletics, Inc. v. United States Olympic Committee*\(^{169}\), the U.S. Supreme Court held that the “statute authorizing the USOC’s exclusive use rights in “Olympic” trademarks does not require the USOC to prove that the unauthorized use caused confusion”\(^{170}\).

Further, the Court pointed out that traditional defences provided in the Lanham Act, such as fair use, did not apply to the Olympic and Amateur Sports Act\(^{171}\).

Such exceptions to traditional trademark law principles characterize a clear example of an enhanced form of protection\(^{172}\).

Given its unique nature, it is possible to say that the U.S. Olympic and Amateur Sports Act, although not event-specific, consists of a classical form of *sui generis* protection, through

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\(^{169}\) 483 U.S. 522 (1987)  
\(^{171}\) 483 U.S. 522 (1987), supra note 169, at 530  
which an event organizer is provided with extended protection against unauthorized use of the symbols of its events.


Before the 2000 Olympic Games in Sydney, Australia enacted the Sydney 2000 Games (Indicia and Images) Protection Act of 1996, which is considered to be, until now, one of the most effective pieces of legislation in the prevention of ambush marketing.\(^{173}\)

Indicia of the Sydney 2000 Games was defined in a very broad manner, to include a broad range of terms frequently associated with the Olympic Games, such as “Sydney 2000”, “Sydney Games” and any combination of several ordinary words commonly associated with sports events.\(^{174}\)

The same was done in relation to the definition of images associated with the Sydney 2000 Games. These included all visual or aural representations that, to a reasonable person, in the circumstances of the presentation, suggested a connection with the Sydney 2000 Olympic Games.\(^{175}\)

In other words, if consumers would make any association between the product and the Olympic Games, the advertisement would infringe the special legislation.\(^{176}\)

The Act also defined under which circumstances its provisions would be applied and provided the Olympic Committee with exclusive rights to use and license such images and indicia.\(^{177}\)

The broad definition of what can constitute indicia and images under the Act, provided the Olympic Committee with powerful mechanisms to fight ambush marketing.\(^{178}\)

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\(^{173}\) See Arul George Scaria, supra note 164, at 91. Phillip Johnson, supra note 167, at 137

\(^{174}\) Sydney 2000 Protection (Indicia and Images) Act 1996, section 8

\(^{175}\) Id., at section 9

\(^{176}\) Arul George Scaria, supra note 164, at 88

\(^{177}\) Sidney 2000 Protection (Indicia and Images) Act 1996, supra note 174, at section 10
Moreover, besides providing event organizers and licensed users with the traditional remedies of trademark law (injunction and damages), the Act introduced a “corrective advertisement” remedy, allowing Courts to order infringers to publish an advertising (including broadcasting), at their own expenses, clarifying to the public that they engaged in illegal conduct.

Certainly, this was a powerful threat against ambush marketers, because besides the possibility of having to cease their campaign and to pay compensation for the damages caused, they were at risk of suffering severe damages to their images before consumers. And this is all that companies (especially major ones) wish to prevent.

Most probably, the introduction of this remedy was the key to the success of the Sydney 2000 Games Protection Act in the prevention of ambush marketing. Indeed, very few cases of ambush marketing were experienced during the Games in Australia.


One of the requirements for the candidature for the 2012 Olympic Games was to pass legislation restricting ambush marketing.

London was no exception and, as the winner of the bid to host the 2012 Games, enacted the London Olympic Games and Paralympic Games Act of 2006, whose main purpose was to “prevent people using innovative ways of making an association

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178 Arul George Scaria, supra note 164, at 88
179 Sidney 2000 Protection (Indicia and Images) Act 1996, supra note 174, at sections 43 and 44
180 Id., section 46
181 Id., section 45
with the Games without the consent of the Organizing Committee.”

The objective of the legislation is quite clear: provide the organizing committee with protection going beyond the protection of trademark law.

The exclusive rights in relation to the use of any representation (of any kind) in a manner likely to suggest to the public that there is an association between the London Olympics and goods or services, or a person who provides goods or services, shall belong to the Olympic Committee.

Like in the U.S. Olympic and Amateur Sports Act, there is no requirement that the association is misleading, and so it does not matter whether consumers are confused or not.

In other words, even if there is no risk of confusion to consumers (typical requirement for a finding of infringement under trademark law), the activity causing the association might be found to infringe the special legislation.

Despite the strong rights granted in favor of the Olympic Committee, the Act foresees some exceptions to infringement, such as prior registered marks, own name defense, descriptive or incidental use and use for the purpose of conveying information and criticism.

Considering that the Games in London will only take place in two years, it will be interesting to see how this legislation will work in practice and, especially, how it will be interpreted and enforced by the British Courts, taking into account their...
4. South Africa and the 2010 FIFA World Cup

Initially, it is important to note that South Africa has not adopted event-specific legislation to protect the 2010 FIFA World Cup from ambush marketing.

However, provisions already in force before the bid for the World Cup, more specifically sections 9D of South Africa’s Trade Practices Act and 15A of the Merchandise Marks Act, provided event organizers with some impressive and highly protective pieces of legislation against ambush marketing.

Some even say that such stringent legislation was one of the main reasons for South Africa’s successful bid for the 2010 FIFA World Cup.

Under the Trade Practices Act, unfair trade practices are deemed to be criminal offenses and can lead to up to two years (first offense) or five years (second offense) of imprisonment.

Civil remedies against ambush marketing are also quite stringent. Through section 15A of the Merchandise Marks Act, a person is precluded from “using his own mark in relation to a sports event in a manner which is calculated to achieve publicity for that trade mark and thereby to derive special promotional benefits from the event, without the prior authority of the organizer of such event”.

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190 This provision prohibits third parties to “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 to cause such statement, communication or advertisement to be made, published or displayed”.

191 Granting power to the Minister to “designate an event as a protected event and in that notice stipulate the date”. Section 15A(2) determines that “for the period during which an event is protected, no person may use a trade mark in relation to such event in a manner which is calculated to achieve publicity for that trade mark and thereby to derive special promotional benefit from the event, without the prior authority of the organizer of such event”.


193 Trade Practices Act, section 19
benefit from the event, without the prior authority of the organizer of such event”.

In other words, the Act prevents the abusive use of one’s own trademark.

In fact, before the beginning of the 2010 World Cup, FIFA was able to obtain some favourable decisions from South African Courts. In the first case, a local restaurant was making use of the expression “WORLD CUP 2010” in its façade:

FIFA brought action alleging infringement of its registered trademark “World Cup 2010”, passing off, and unlawful competition based on the Trade Practices Act and section 15A of the Merchandise Marks Act.

The defendant, after contesting the decision, decided to refrain from pursuing the matter further and ceased to use the expression “WORLD CUP 2010”.

In another case, FIFA brought action, on the same basis, against a lollipop manufacturer for the use of a stylized image of the year 2010.

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194 Phillip Johnson, supra note 167, at 141
196 FIFA v. Eastwood Tavern (GNP). Northern Gauteng High Court, unreported case no 52309/07 (Dec. 2009)
197 FIFA v. Metcash Trading Africa (Pty) Ltd (GNP). Northern Gauteng High Court, unreported case no 53304/07 (Oct. 2009)
FIFA’s claims were upheld and the Defendant was compelled to stop making use of the stylized image of the year 2010 in its packaging.

These cases serve well to illustrate how stringent and effective South African provisions against ambush marketing were.

From a purely legal perspective, however, these cases show that South African protection might have been excessive and leading to restrictions that go far beyond the needs of event organizers.

Especially in comparison with the previous World Cup in Germany, it is possible to say that cases of ambush marketing occurred in much less volume in South Africa 2010.

One might wonder, however, whether such decrease in the number of ambushing activities was made at the expense of free competition and excessive protection against fair behaviour.

B. Detrimental Effects

From the discussion in the previous chapters, it rested clear that traditional legal measures are not always sufficient to combat the most sophisticated forms of ambush marketing, and that *sui generis* legislation increases the legal certainty of event organizers and official sponsors, by providing them with

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effective means to combat ambush marketing and unauthorized use of words and symbols associated with the events.

It is also undeniable, however, that such type of legislation can bring attached to it, concerns about freedom of speech and antitrust violations.\textsuperscript{199}

As pointed out by Lemley and McKenna, claims based on confusion by affiliation and sponsorship (which are expressly foreseen in most anti-ambush marketing legislation) “can pose particular risks to free expression”\textsuperscript{200} and are “also likely unconstitutional”.\textsuperscript{201}

The grant of exclusive rights over words in the public domain\textsuperscript{202} in favour of event organizers is one of the main sources of criticism against sui generis legislation.\textsuperscript{203}

In most countries, freedom of speech and expression consist of some of the most basic rights and are expressly guaranteed in most constitutions.\textsuperscript{204}

In the U.S., for example, the protection of “freedom of speech”, foreseen in the First Amendment, extends to “truthful and non-misleading commercial speech”.\textsuperscript{205}

In Europe, “the European Court of Human Rights has made it clear that information of a commercial nature is indeed protected, albeit to a lesser degree than political speech”.\textsuperscript{206}

\textsuperscript{199} See Lori L. Bean, supra note 25, at 1121 and Arul George Scaria, supra note 164, at 109

\textsuperscript{200} Mark A. Lemley and Mark McKenna. Irrelevant Confusion. Stanford L. Rev. 413, 441-442 (Jan. 2010)

\textsuperscript{201} Id., at 442

\textsuperscript{202} Most event-specific legislation grant the Olympic Committee with exclusivity over the use of the name of the city hosting the event, the year in which the event is happening, and over the use of common words such as “gold”, “games”, “medals”, “summer”, etc.

\textsuperscript{203} Arul G. Scaria, supra note 164, at 109

\textsuperscript{204} In Brazil, for example, these rights are foreseen in art. 5 (IV) and (IX) of the Federal Constitution. Freedom of expression is also guaranteed in art. 10 of the European Convention for the Protection of Human Rights and Fundamental Freedoms.


Thus, the restrictions posed on words of public domain by event-specific legislations could be interpreted as unconstitutional, due to breach of the freedom of speech.

However, as pointed out by Bean

“the First Amendment is not a license to trammel on legally recognized rights in intellectual property. As a result, a defendant who violates the Lanham Act by misrepresenting the origin or sponsorship of its goods or services through trademark infringement and unfair competition will likely fail using a ‘commercial free speech’ defence”.207

Considering that a lot of ambush marketing strategies, including the unauthorized use of events’ indicia and symbols, willingly aim to mislead the public rather than to convey information or, at least, aim to capitalize on the goodwill of an event, in most cases it will be hard for ambush marketers to successfully claim the defence of commercial freedom of speech.208

This, however, is an issue to be carefully analysed by legislators and authorities of host countries, when enacting such form of legislation.

The costs of restricting, even if temporarily, the use of words in public domain has to be balanced with the benefits brought by hosting the event.

Another concern attached to sui generis legislation is the issue of potential anti-competitive effects resulting therefrom.

As discussed previously, sporting events have become big business and have acquired economic relevance, thus possibly attracting the attention of competition authorities about potential anti-competitive effects of event-specific legislations.

207 Lori L. Bean, supra note 25, at 1121
208 Arul G. Scaria, supra note 164, at 114-115
In fact, frictions between intellectual property rights and competition law are not new. While competition law intends to ensure free competition in the market, trying to prevent distortions among competitors, intellectual property follows the exact opposite path, by granting exclusive rights to market players.

Most scholars, however, argue that intellectual property rights and competition law should work together, in a complimentary way.\footnote{Id., at 116}

The problem, which is of interest to this work, is the potential anti-competitive effects created by the exclusive rights granted to event organizers and official sponsors regarding advertisement and use of words of public domain during the events.

This might be interpreted by competition authorities as a strategy to avoid competition interface. Non-sponsors might also try to assert that sui generis forms of protection constitute monopolization and, in light of this, may lead to an abuse of dominant position.\footnote{Lori L. Bean, supra note 25, at 1121}

As pointed out by Kur, “what is at stake here is the interest of competitors not to be completely barred from making use of a term which has inherent commercial value deriving from its capability of capturing the attention of the public”.\footnote{Annette Kur, supra note 61, at 203}

However, it must be taken into consideration that reasonable restrictions, even if over words in the public domain, might be necessary to guarantee the value and attractiveness of official sponsorship.
One must not forget that, without official sponsorship, events of
the stature of the Olympic Games and the FIFA World Cup
might simply not be financially feasible.

Moreover, “it is also essential not to overlook the very fact that
most of the sponsorship contracts are awarded through a process
of open bidding”. 212

Finally, another strong argument in favour of event organizers is
the fact that most of them are non-profit organizations and,
consequently, their earnings are “spent on protecting the long
term interests of the game”. 213

C. Partial Conclusion

In view of the exposed, despite some concerns about potential
anti-competitive effects and undue restrictions to the freedom of
speech, which are commonly attached to sui generis legislation,
it seems that, in general terms, such type of legislation would
only be found unconstitutional or infringing antitrust rules, if it
introduces unjustifiable restrictions that harm the public interest.

As described above, however, event organizers are frequently in
possession of good arguments to justify such form of “special”
protection.

The main one being that without the assurance of exclusivity
over the terms commonly associated with the event, sponsorship
would lose its value and, consequently, the financial viability of
major events would be at risk, i.e. the existence of the event
itself would be at risk.

In fact, we would expect that, before enacting special legislation
and, above all, before bidding to host a major sporting event,
national authorities have weighed the benefits and burdens of

212 Arul G. Scaria, supra note 164, at 118
213 Id., at 126
hosting such an event, and have concluded that the benefits outweigh the burdens.\textsuperscript{214}

\section*{VII. Is the additional protection of “event marks” really needed?}

In the previous chapters, we have observed the phenomenal commercial relevance achieved by major sports events and how they became big business nowadays. We have defined some of the most common techniques used by non-sponsors to “ambush” these events and illustrated them with some examples.

We have then critically analysed the concept of “event marks” created by Prof. Fezer in Germany and examined some case law which has categorically rejected this concept. In the European level, however, we have noted that the understanding is still uncertain.

Finally, we examined \textit{sui generis} and event-specific legislation aiming to provide event organizers with enhanced protection over their events and, thereby, secure the attractiveness of official sponsoring.

Now, we come to what is probably the core point of this work: try to answer the question of whether the additional protection of event marks is indeed needed and, more than that, whether it is at all desirable.

This question is especially important because although in some countries, like Germany, the understanding is quite clear\textsuperscript{215}, the issue is still yet to be decided in the European level.

And the understanding of the European Court of Justice on this issue will certainly have a great impact throughout Europe,

\textsuperscript{214} “Staging major sports events is basically in the public interest, since overall economic advantages could be achieved e.g. by additional tax income.” Kay Uwe Jonas et al. \textit{The Protection of Major Sports Events and Associated Commercial Activities through Trademarks and other IPR}. AIPPI, Question Q210, German National Group (28 Feb. 2009). Obtained at \url{https://www.aippi.org/download/comitees/210/GR210germany_en.pdf} (last visited 8 August 2010)

\textsuperscript{215} See the BGH decisions “FUSSBALL WM 2006” and “WM 2006” commented in chapter IV.B
considering that rights deriving from Community Trademarks are enforceable in all Member States for which protection is requested.

In other words, even if Member State Courts expressly prohibit the registration of such type of marks, event organizers might simply opt to register their trademarks before the OHIM and then enforce them in each of the Member States. In this sense, national Courts would not be able to bar the enforcement of a legally granted Community Trademark.

Due to the relevance of the topic and the impact that it can have both in the trademark world and in the business of sponsoring of major events, the question about the desirability of the recognition of event marks as a differentiated form of trademark, was subject to a worldwide survey carried out by the AIPPI (Association Internationale pour la Protection de la Propriété Intellectuelle).\(^{216}\)

Representatives of several member countries of the AIPPI were invited to give an overview of possible particularities in the protection of trademarks related to major events in their countries.\(^{217}\)

Ultimately, they were asked to consider whether a differentiated form of protection for these signs would, in their opinions, be necessary and desirable.

Responses from 37 countries, representing all continents, were received and culminated in the publication of Resolution Q210 of 14 October 2009.\(^{218}\)


\(^{217}\) The main aim of the survey was to „study whether existing national trademark law and legislation against unfair competition provide adequate protection for major sports events or whether the characteristics of major sports events – such as the substantive investments, the necessity of sponsorships and the long preparation period – require protection which is more extensive than the protection offered in other situations.” Id., at 1

\(^{218}\) AIPPI – Adopted Resolution, Question Q210. The Protection of Major Sports Events and Associated Commercial Activities through Trademarks and other IPR (14 October 2009)
In sum, the Resolution reached the conclusion that “[t]rade mark and unfair competition law should not be amended just for major sports events; that *sui generis* forms of enhanced protection should be avoided”, and, if adopted, should “provide for a balance between the interests of all relevant parties.”\(^\text{219}\) *Sui generis* rights should, in particular:

a) be limited in time;

b) only apply where an unfair advantage results from an association with the major sports event;

c) only apply to commercial activities;

d) be subject to a balancing of interests with the right to freedom of expression; and

e) recognize pre-existing intellectual property rights

In other words, the conclusion reached by the AIPPI is that if enhanced protection for major events is, indeed, needed to guarantee their commercial viability, this should be preferably done through event-specific legislation, limited in time, and applying only under certain circumstances, taking into consideration the interests of all parties involved.

The alternative of amending trademark laws or adopting lower registration requirements for these marks was clearly rejected by the majority of the countries.\(^\text{220}\)

Interestingly, the only country which informed that it provides for specific protection for trademarks relating to major sports events, but not in the form of event-specific or *sui generis* legislation, was New Zealand.

Under the country’s “Major Events Management Act 2007”, specific protection for trademarks used in connection with major

\(^{219}\) *Id.*, at 2

\(^{220}\) According to the survey, only Estonia, Italy, Panama, South Africa, Singapore, Spain and Turkey were in favor of adopting special legislation protecting trademarks relating to major sports events.
events is granted, provided that the “event” is classified as a “major event” under the Act.\textsuperscript{221}

This reminds us of the provisions of the South African Merchandise Marks Act, which provides for the possibility for the government to declare an event as protected under the Act.

There was also consensus among the countries about the lack of need to grant a broader scope of protection for trademarks relating to major sports events.\textsuperscript{222}

As pointed out by the Swiss group, “if special rights were given in relation to major sports events, there would be similar requests from other industries as well”.\textsuperscript{223}

Indeed, it seems that the grant of special protection for event marks (either in the form of a broader scope of protection or in the form of less stringent registration requirements) could open the gates of trademark law to signs which are not provided with enough distinctive character and which should remain free to the public.

The effects of granting a “special” treatment to event marks might have an influence in the assessment of registrability of trademarks in all fields of activity, since, as correctly pointed out by the Swiss group, other industries would (legitimately) push for the same standards of registration and protection.

In view of this, it would be preferable to adopt event-specific legislation, which is at least limited in time and applies only to a specific event.

Alternatively, the treatment to be given to “event marks” should be assessed on a case-by-case basis,\textsuperscript{224} albeit this would


\textsuperscript{222} Only Indonesia, Spain and Turkey advocated broader protection for trademarks relating to major events.

\textsuperscript{223} AIPPI – Summary Report, supra note 216, at 15
probably not provide event organizers with the legal certainty that they seek and need.

In sum, besides the most blatant problems that would come attached to event marks as a new category of trademarks, such as lack of distinctive character, descriptiveness and potential anti-competitive effects, it seems that the granting of special rights to trademarks relating to major events would not be desirable also under the perspective of creating side effects in other fields of activity.

The alternative of event-specific legislation, besides reaching the same results (and consequently bringing along the same disadvantages), is at least limited in time and does not affect the traditional requirements for registration and scope of protection of trademarks in general.

Thus, although the enactment of event-specific legislation can also bring along severe detrimental effects, it still seems to be better than recognizing event marks as a new category of trademarks.

VIII. Framework of Protection to Official Sponsors and Event Organizers in Brazil

As widely known, Brazil will host the 2014 FIFA World Cup and the 2016 Olympic Games.

Such events will certainly put the country under the spotlight regarding the protection against ambush marketing and the enactment of event-specific legislation.

As seen in the above chapters, the previous FIFA World Cups provided the world with two very different approaches to the issue of ambush marketing and event marks.

While Germany adopted a quite pro freedom of speech approach, specially represented by the „FUSSBALL WM 2006“ and „WM 2006“ decisions, South Africa adopted very stringent provisions against any form of ambush marketing or attempt of association with the event by non-sponsors, mainly expressed in the provisions of the Trade Practices Act and the Merchandise Marks Act.

The question that arises, therefore, is whether Brazil is going to stick to its recently developed tradition of protection of freedom of press and speech and, therefore, adopt a more lenient approach against ambush marketing, like Germany, or will prefer to adopt a more restrictive approach, like South Africa.

In general terms, the Brazilian IP Law provides event organizers with adequate means of protection against illegal ambushing activities.

Article 195 (III) of the IP Law, for example, defines unfair competition as any „fraudulent means to divert, for his own or a third party’s benefit, someone else’s clientele“.

This broad definition of unfair competition provides event organizers with a lot of room to fight ambush activities. In practical terms, any attempt to deviate someone else’s clientele, in an illicit way, will be considered as an act of unfair competition. Moreover, unfair practices are defined as a crime by the Brazilian IP Law and, although rare, can lead to criminal sanctions against the infringer.

Besides that, similar to Germany, the Brazilian IP Law contains a provision granting specific protection to the names and symbols of sporting and cultural events in general, and prohibiting their registration as trademarks without the event

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225 After the military regime which ruled the country for over 20 years and with the adoption of a truly democratic Constitution in 1988, the freedoms of press and speech became basic rights which cannot be waived by the legislator.

226 Law No. 9.279 of 14 May 1996

227 Art. 124 (XIII) of Law No. 9.279/96
organizers’ authorization. This is another important and effective mechanism available to event organizers and official sponsors to fight ambush activities.

Unfortunately, however, the Brazilian jurisprudence on the interpretation of this provision is still quite scarce and is restricted to some administrative decisions rendered by the Brazilian PTO.

It is still uncertain whether such provision can be enforced against any type of use of event names and symbols by unauthorized third parties or whether it can only be enforced against the use of such names and symbols to identify a competing event, like settled, for example, under German case law.\(^{228}\)

Considering that art. 124 (XIII) of the Brazilian IP Law specifically targets the registration of event names and symbols as trademarks by unauthorized third parties, it seems that the best alternative would be to adopt a broad interpretation in relation to attempts of registration of event names and symbols by third parties, i.e. to prohibit third parties from obtaining registration for trademarks bearing event names and symbols, even if not to identify a competing event.

On the enforcement side, however, it seems that the best alternative would be to adopt an interpretation similar to the one adopted by the German courts, i.e. to prevent third parties from using event names and symbols only when they are used to identify a competing event.

It is also important to note that the Brazilian Sports Act\(^{229}\) (known as „Péé Law“), in its article 87, provides for protection for the names of sporting entities and professional athletes’

\(^{228}\) See chapter V.B.4, p. 27 above  
\(^{229}\) Law No. 9.615 of 24 March 1998
names and nicknames, independently of registration and for an undetermined period of time.

On top of the traditional legal measures foreseen in the Brazilian IP Law and in international conventions to which Brazil is a signatory country (like the Paris Convention and TRIPS), Brazil is also a member to the Nairobi Treaty on the Protection of the Olympic Symbol and, shortly after being nominated as the host of the 2016 Olympic Games, has enacted an Olympic Act providing for enhanced protection of the Olympic symbols and names related to the Olympic Games.

Article 6 of the Olympic Act grants protection for the symbols related to the Games in Rio 2016 and extensively defines these symbols, including terms such as “Olympic Games”, “Rio 2016”, “Rio Olympics 2016”, among others.

Article 7 of the Act then prohibits the utilization of any of those symbols for commercial and non-commercial purposes, without the authorization of the IOC or of the Organizing Committee.

It is interesting to note that this prohibition is not subject to the occurrence of likelihood of confusion or of association and that it also encompasses non-commercial uses (which seems to be excessive).

Any type of unauthorized use, even if not capable of entailing risk of confusion or undue association, is automatically prohibited.

Article 8 of the Act also prohibits the use of symbols which, although not identical to the protected symbols, are so similar to them as to create a risk of undue association with the Olympic Games. This provision encompasses cases of imitation (instead of reproduction cases, as foreseen in article 7 of same law). In

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230 Law No. 12.035 of 1 October 2009
231 In item I of art. 6, these symbols are generally defined as “all graphically distinctive signs, flags, emblems, mottos and anthems utilized by the IOC”.

such case (imitation), however, it rests clear that the prohibition only applies where a risk of undue association exists.

So far, the Brazilian jurisprudence on the use of terms related to the Olympic Games by non-sponsors is quite scarce. With the confirmation of Rio as the host of the 2016 Games, however, this scenario will most probably change and several decisions are expected to be rendered.

One of the few decisions which addressed this point was recently rendered by the Appellate Court of Rio de Janeiro\(^\text{232}\), in a case involving the use of the word “Olimpíadas” and the figure of a torch by supermarket chain Guanabara, in a TV advertising, right before the start of the Olympic Games in Beijing in 2008:\(^\text{233}\)

![Image](http://www.youtube.com/watch?v=yfI8HGbSVG0) (last visited 2 September 2010)

The Brazilian Olympic Committee (COB) filed suit arguing that the defendant was not authorized to make use of the word “Olimpíadas” and the image of a torch and that these symbols were of exclusive use by the COB. It also argued ambush marketing and attempt of illegal association with the Olympic Games.

The action was based on the Nairobi Treaty, on the provisions of the Brazilian Sports Act and also on the fame of the Olympic Games.


\(^{233}\) The ad can be seen at [http://www.youtube.com/watch?v=yfI8HGbSVG0](http://www.youtube.com/watch?v=yfI8HGbSVG0) (last visited 2 September 2010)
marks, which, according to COB, deserved special protection in all fields of activities as well-known marks.

The Appellate Court of Rio de Janeiro, however, confirmed the first instance decision and rejected COB’s appeal.

Initially, it highlighted that the Nairobi Treaty did not apply to the matter, as it protected exclusively the Olympic rings. The subject of dispute, on its turn, was the Olympic torch and the word “Olimpíadas”.

Moreover, the Court rejected the argument of well-known marks, by stressing that COB did not submit enough evidence to prove the fame of its marks.

In this sense, it is interesting to note that COB had owned an application for trademark “Olimpíadas”, which had been rejected by the Brazilian PTO under art. 124 (VI) of the Brazilian IP Law. In other words, the term “Olimpíadas” had already been considered to be descriptive by the PTO.

Finally, the Court stressed that it was not shown an association between the defendant’s advertising and the 2008 Olympic Games in Beijing, sufficient to create the assumption that Guanabara was an official sponsor of the event.

As one may note, this decision sets a clear precedent that words such as “Olimpíadas” may be freely used by market players, as long as they do not convey an assumption of official sponsorship to consumers.

However, it is still not possible to say that the Brazilian jurisprudence is settled in this direction. After all, certainly more cases will arise and more decisions will be rendered.

234 Appellate Court of Rio de Janeiro, supra note 232, at 7
235 Id., at 9
236 Application No. 819337420 in local class 41 (20-30-40) rejected on 8 December 1998
237 Art. 124 (VI) prohibits the registration of generic and descriptive terms as trademarks
238 Appellate Court of Rio de Janeiro, supra note 232, at 13
Another important point is that, when this court action was filed, the Brazilian Olympic Act was not yet in force, so that it is still unpredictable to foresee how this legislation will influence future jurisprudence.

In the specific matter of COB v. Guanabara, for example, the defendant might have faced more problems to defend the fair use of the Olympic torch, as the Olympic Act specifically provides for protection of that symbol.239

Finally, in relation to the 2014 FIFA World Cup, there is a Senate Bill240 currently being analysed by the Brazilian congress.

Article 3 of such Bill defines FIFA as the sole and exclusive proprietor of all the rights related to the 2014 FIFA World Cup in Brazil.

Paragraph 1 of article 3 grants FIFA and its partners with the exclusive right to use, until thirty days after the end of the World Cup, an extensive number of terms, such as “World Cup Soccer”, “World Cup”, “World Cup 2014”, “Cup 2014”, “Brasil 2014”, among others.

Similar rights are granted in favor of the Brazilian Soccer Confederation (CBF), in relation to terms such as “Seleção Brasileira”, “Equipe Brasileira” and “Seleção”.

Any association of products or services with the protected terms is prohibited, regardless of whether such use is unintentional or whether disclaimers such as “non-authorized” or “non-official” are added.

The Bill, however, provides for exceptions for non-profit uses by natural persons and uses exclusively for information, critique or opinion purposes by the media. A grandfather clause,

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239 Although, even in that case, the defendant might have been able to successfully argue that the torch used in its ad was not similar to the Olympic torch.

240 Senate Bill No. 394
protecting the owners of prior rights over such names is also foreseen.

As the Olympic Act, Senate Bill No. 394 also grants the event organizers (in this case FIFA and CBF) with special rights over terms, which are considered by some to be descriptive and lacking distinctive character.

In view of this, even if this Bill is approved, it might face constitutional challenges, i.e. interested parties might file constitutional challenges against the legislation, by arguing that it goes against the right of freedom of expression. The same applies to the Olympic Act.

We will have to see, however, whether this will indeed occur and, even if it does, whether the Brazilian Supreme Court will have the necessary political desire to issue such a controversial decision before the two biggest events Brazil has ever hosted.

IX. Conclusion

The title of this work contains a question of whether the enhanced protection of event marks is indeed needed in view of ambush marketing. After a careful analysis, the answer to it is a clear no.

Considering the detrimental effects that such form of additional protection could have in the trademark system, not to mention the existent alternative means to reach the same result (e.g. event-specific legislation), we reach the conclusion that the creation of a new category of trademarks – event marks - is not only unneeded, but also not desirable from a legal point of view.

As seen in this work, however, major events, especially in the sports field, have acquired outstanding economic relevance and are ever-more dependent on sponsorship as a source of financing.
At the same time, ambush marketing has reached remarkable levels of sophistication, thus representing a threat to official sponsorship and, consequently, to the financial viability of major events.

In light of this, event organizers are frequently pushing for enhanced forms of protection, in order to be able to guarantee the necessary exclusivity to their official sponsors. The creation of “event marks”, however, is not the best answer to the needs of event organizers.

The concept of event marks was developed as an attempt to secure this additional protection, by means of already existing legislation and without the need to enact event-specific legislation. It was, however, clearly rejected by the German Courts and might follow the same path under European jurisprudence.

We share the view of the German Federal Supreme Court and understand that event marks should meet the exact same requirements as any other ordinary marks in order to be eligible for registration.

If enhanced protection indeed becomes indispensable to secure the investments of event organizers and official sponsors, a less detrimental alternative consists in the enactment of event-specific legislation, which is at least limited in time.

This alternative, however, should be carefully analysed by legislators, even before a bid to host a major event is made, as event-specific legislation usually comes attached with restrictions to the freedom of speech and can lead to anti-competitive behaviours.

As the host of the 2014 FIFA World Cup and the 2016 Olympic Games, it will be interesting to see how Brazil, and especially Brazilian courts, will address those complex issues.
Abstract

The main purpose of this work is to analyze whether event marks - a concept developed in Germany, proposing the creation of a new category of trademarks - are really needed as an additional form of protection against ambush marketing.

Knowingly, major events have become big business and sponsorship is nowadays one of the main sources of financing for those events.

With the increase in the sophistication of ambush marketing strategies, event organizers and official sponsors are constantly pushing for additional forms of protection for their exclusive agreements and, consequently, for protection of their investments.

In this text, we critically analyze the concept of event marks, including jurisprudence which clearly rejected it in Germany. The analysis of case law will also include the situation in the European level, where the issue is still awaiting for a final word from the European Courts.

Finally, we will examine the alternative of enactment of event-specific legislation and the detrimental effects that come attached to this type of legislation.

At the end, we will provide readers with a brief overview of the framework of protection to event organizers and official sponsors in Brazil, as this country will host the 2014 FIFA World Cup and the 2016 Olympic Games.