

The W***D C*P of 2*1*: FIFA's intellectual property rights in South Africa

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Setting the stage

South Africa won the bid to host the 2010 FIFA World Cup, an event that is, according to the local website, 'arguably the greatest show on the planet'.¹ FIFA (the Fédération Internationale de Football Association) is the governing body of world soccer and thus controls the soccer world cup. To be successful in its bid, the government had to furnish various guarantees, including a guarantee that it

also acknowledges FIFA's intellectual property rights. It will also provide FIFA with the support of relevant local authorities to help protect its marketing and broadcast rights.²

Numerous legislative provisions have already been promulgated that will protect FIFA's various interests in South Africa. Two Acts dealing only with the 2010 FIFA World Cup have been promulgated: the 2010 FIFA World Cup South Africa Special Measures Act 11 of 2006 and the Second 2010 FIFA World Cup South Africa Special Measures Act 12 of 2006. This legislation facilitates the practical implementation of allowing a large number of persons access to the country for a specific purpose: it waives some immigration requirements; permits the playing of all national anthems and display of flags; facilitates visas and work permits for FIFA's delegates, personnel and commercial affiliates; suspends restrictions regarding marketing, distribution, and consumption of liquor for the duration of the event; suspends restrictions on medicines for and health care providers to the teams; introduces access control measures at stadiums and creates a number of safety regulations.

Two areas of interest for purposes of this discussion can be identified: legislative protection of FIFA's own IP and protection against use by third parties of their own IP in respect of the FIFA event.

I will deal with the second aspect first as I do not intend to discuss it in any detail. Section 15A of the Merchandise Marks Act, introduced in 2002, is

Key issues

- Section 15 of the South African Merchandise Marks Act 17 of 1941 gives the trade marks of designated international organizations protection that may far exceed what is available in terms of trade-mark legislation.
- This article sets out the various statutes that protect FIFA's marks in South Africa and considers whether these marks are entitled to such extended protection

intended to prevent ambush marketing, ie attempts by non-sponsor organizations and individuals to use a major public event for publicity purposes, usually by implying some form of association with the event. This does not find favour with official sponsors, who have paid for actual association. Once an event is designated as protected event, section 15A(2) provides 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 organiser of such event.

Section 15A was introduced when South Africa hoped to host the 2008 Olympic Games, but has now been put to use in respect of the 2010 FIFA World Cup. This event was designated a protected event in terms of section 15A on 25 May 2006 and protection runs from that date until 6 months after the event.³ So FIFA is effectively protected against ambush marketing for a period of 4 years before the event and 6 months after it ends.

The first aspect, protection of FIFA's own intellectual property, is the focus of this note. The South African government guaranteed that FIFA's intellectual property would be acknowledged. But how far does

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1 <http://www.sa2010.gov.za/government/guarantees.php> (last accessed 29 October 2007).

2 *ibid.*

3 Notice 683 of 2006 in GG no. 28877.

'acknowledgement' go? Extremely far, at least in FIFA's opinion. The FIFA website gives its interpretation of the extent of protection in terms of South African legislation. It states, when dealing with specific statutory rights in South Africa, that 'FIFA is the owner of all rights in relation to the 2010 FIFA World Cup™, which includes all media, marketing, licensing and ticketing rights. Just like any other entity with registered and unregistered trademarks, the Official Marks are protected in South Africa by law, such as the Trade Marks Act, the Copyright Act, the Counterfeit Goods Act, the common law tort of passing off and the Advertising Standards Authority's Code of Advertising Practice.⁴ Official marks are described in the same document as 'an assortment of logos, words, titles, symbols and other trademarks' and include terms such as WORLD CUP and 2010 SOUTH AFRICA in addition to terms that would more usually be recognized as some form of IP. The FIFA website also provides details of specific South African statutory provisions which protect FIFA's rights, including section 9(d) of the Trade Practices Act 76 of 1976 and section 15 of the Merchandise Marks Act 17 of 1941.⁵

Legislation protecting FIFA's IP

Trade Marks Act 194 of 1993

FIFA is the proprietor of, or applicant for, over 500 trade marks in South Africa. Starting in 1993, it has registered or applied for word marks in most goods and service classes for terms such as FIFA World Cup, World Cup, South Africa 2010, and World Cup 2010. It has also registered or applied for numerous device marks which include common words and numerals such as South Africa 2009, and 2010. Given this blanket trade mark cover, it seems surprising that FIFA feels it necessary to require any additional legislation to protect its IP rights. Why is this so?

A trade mark is registered in a specific class for particular goods or services. An application or registration can be attacked on various grounds: some absolute, pertaining to the mark itself, and others relative, that is when the mark is viewed in relation to marks of others. Some of the most common grounds for attack contained in section 10 of the Trade Marks Act 194 of

1993 are those that deal with inherent distinctiveness and those that deal with good faith use.

Section 10(2) prohibits registration of a mark which

- (a) is not capable of distinguishing within the meaning of section 9; or
- (b) consists exclusively of a sign or an indication which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or other characteristics of the goods or services, or the mode or time of production of the goods or of rendering of the services;
- (c) consists exclusively of a sign or an indication which has become customary in the current language or in the bona fide and established practices of the trade.

Section 10(4) prohibits registration of a mark

in relation to which the applicant for registration has no bona fide intention of using it as a trade mark, either himself or through any person permitted or to be permitted by him to use the mark as contemplated by section 38.

Either provision may be used to attack FIFA's existing registrations or applications for registration. The decision in *Federation Internationale de Football and others v Bartlett and others*⁶ is instructive in respect of both possibilities. The respondent was the South African proprietor of the trade mark WORLD CUP, registered in 1969 under the Trade Marks Act 62 of 1963. The mark consisted of the words World Cup and a representation of a globe, being registered in two classes (sports clothing and sports equipment). FIFA sued Bartlett for passing off and unlawful competition because Bartlett, on the basis of his two registrations, was leading people to believe that he held the South African licensing rights for the 1994 FIFA World Cup in America. At that stage, FIFA had no statutory protection for any form of IP in South Africa.

FIFA also attacked the validity of the two Bartlett registrations, alleging that the words 'world cup' were common to the trade in terms of section 18 of the Trade Marks Act 62 of 1963.⁷ The court agreed that these words were common to the trade, in particular in respect of sports clothing⁸ and also descriptive of one or more sporting events, such as the soccer world cup, the rugby world cup, and the cricket world cup. The words were therefore also non-distinctive in respect of

⁴ <http://www.fifa.com> (last accessed 3 October 2007) annex 2, p. 23.

⁵ See also the media statement by FIFA's local attorneys at <http://www.bizcommunity.com/Article/196/147/16517.html> (last accessed 9 October 2007).

⁶ 1994 (4) SA 722 (T).

⁷ This section provided that, if a trade mark 'contains matter common to the trade or otherwise of a non-distinctive nature', the registrar or court

may require a disclaimer to be entered in respect of such matter. The equivalent provision in the current Act is s 15, which provides that a disclaimer may be required in respect of 'matter which is not capable of distinguishing within the meaning of section 9'.

⁸ At 742 B.

sports clothing and sports equipment.⁹ In the circumstances, the court found that the words 'world cup' were 'simply of a non-distinctive character in South Africa'¹⁰ and ordered the respondent's trade marks to be amended by the entry of the following disclaimer 'Registration of this trade mark shall give no right to the exclusive use of the words "world cup" separately and apart from the mark'.¹¹

How then has FIFA obtained a number of word marks consisting of this term *simpliciter* or containing the words 'world cup', and what is the extent of their protection? All the word trade marks held by FIFA that comprise or contain the words 'world cup' are registered subject to the following endorsement:

Registration of this trade mark shall give no right to the exclusive use of the words WORLD CUP except in relation to goods/services clearly connected with ['and intended to be connected with' is included in more recent marks] the FIFA Football World Championship being the football competition held every four years under FIFA's authority.

What is the effect of this disclaimer? In general, if a disclaimer is registered, it is not for the totality of the mark. For example, a disclaimer would cover the separate words in a word mark consisting of two or more words, or the words in ordinary, but not fancy, type-script (this is the type of disclaimer registered in respect of the Bartlett trade marks). Here, the full mark appears to be effectively disclaimed: 'World Cup' is registered and the phrase 'world cup' is disclaimed. But one interpretation of this disclaimer is that the full mark is disclaimed except for use in respect of FIFA's event. In other words, it is no disclaimer whatsoever. So although FIFA, during litigation, stated that the phrase 'world cup' is non-distinctive and common to the trade, when someone else is using it, FIFA effectively maintains a monopoly on these words in respect of its own world cup.

The effect of the disclaimer entered in respect of the word mark SOUTH AFRICA 2010 is even more interesting. This is the usual form of disclaimer:

Registration of this mark shall give no right to the exclusive use of the words SOUTH AFRICA or of the numerals 2010 separately and apart from the mark.

The mark is registered or advertised in 37 of the possible 45 classes. So, in effect, no-one except FIFA may use the words South Africa and the numerals 2010 together in respect of nearly all goods or services.

Obviously, this only relates to use 'as a trade mark',¹² but it is reminiscent of Sir Herbert Cozens-Hardy's statement that 'wealthy traders are habitually eager to enclose part of the great common of the English language and to exclude the general public of the present day and of the future from access to the enclosure'.¹³ So how will South African wine producers describe their 2010 vintages on labels, given the FIFA registration in class 33 for alcoholic beverages? And, since Emirates is the sponsor airline, how will South African Airways describe its flights that year?

It is futile to canvass the meaning and effect of these endorsements further. These phrases are likely to be tested in court in the near future, along with other arguments on distinctiveness. But there are also other problems with the FIFA registrations.

FIFA intends to use few of these trade marks. Again, reference to *FIFA v Bartlett* is illuminating. The judgment contains a lengthy exposition¹⁴ of the various licensing and sponsorship arrangements in place for 'FIFA World Cup USA 94'. At the time of this decision, the 1963 Act was still in force. This required identification of licensees when applying for a trade mark.¹⁵ Identification is no longer necessary, but section 10(4) of the current Act requires intention to use as a trade mark by the applicant or a 'permitted user'.

The question then arises: is this actual commercial use to promote the products in respect of which the trade marks are registered, or merely promotional use to promote the FIFA World Cup?

Two possible issues arise here. First, is FIFA's intended use of all its registrations and applications bona fide? The facts set out in *FIFA v Bartlett*, and other statements by FIFA (inter alia on its website), clarify that FIFA intends to use only a tiny percentage of the marks itself or through its associated companies. The bulk of registrations are to be licensed out for use by licensees or sponsors. The question then arises: is this actual commercial use to promote the products in respect of which the trade marks are registered, or merely promotional use to promote the FIFA World Cup? If the latter, the comments by Cameron JA in

9 at 742 C–D.

10 at 742 E.

11 at 744 C.

12 *Verimark (Pty) Ltd v BMW AG* [2007] SCA 53 at para 5.

13 *Joseph Crosfield & Sons Ltd Appn* [1909] 26 RPC 837 at 854.

14 At 726 E–728 H.

15 *Valentino Globe BV v Phillips* 1998 (3) SA 775 (SCA) at 782.

*Arjo Wiggins Ltd v Idem Ltd and another*¹⁶ may be appropriate:

... use of the trade mark on the promotional products did not constitute bona fide use as contemplated by the statute ... to constitute bona fide use the proprietor had to use the trade mark upon goods with the object or intention of protecting, facilitating or furthering trade in those goods.

Harms JA raised a second related issue in *South African Football Association v Stanton Woodrush (Pty) Ltd t/a Stan Smidt and Sons and another*.¹⁷ Here SAFA intended to use the trade mark Bafana Bafana, the nickname of the national soccer team, for merchandizing and licensing purposes. But did SAFA enjoy goodwill in the team name such that the public would assume that a trade connection existed between clothing bearing this name and the team? As Harms JA queried: '[w]hen one sees the name "Bafana Bafana" used on clothing, does it denote a chink in the distant cash register of SAFA and no more?'¹⁸ Harms JA did not answer this question directly but, in a footnote to his query, referred to *FIFA v Bartlett*, adding:

[t]he fact that business people are prepared to pay for so-called merchandising rights does not provide an answer to the question [that is, whether the public would assume a trade connection], which has to be answered with reference to the public's perception.¹⁹

Sir Robin Jacob, considering whether the Olympic symbol is a trade mark, stated that

Real trade marks denote a commercial association between the goods or services bearing the mark and the owner. The only association between the Olympic symbol and any goods or services bearing the mark is that permission has been given by the IOC.²⁰

In conclusion, FIFA's trade mark rights in South Africa are not as secure as it appears. I think these marks are open to attack, on grounds which include those I have indicated above. Also, FIFA still does not hold the crucial two registrations that were the subject of *FIFA v Bartlett*: trade marks for WORLD CUP in the two most important classes of clothing (class 25) and games and sporting equipment (class 28). Whether these two registrations, still in the name of a member of the

Bartlett family, will be used to challenge any of the FIFA marks is anyone's guess.

Trade Practices Act 76 of 1976

Section 9(d) of the Trade Practices Act, inserted in the main Act in 2001, provides that no person

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

FIFA's website states that the 2010 FIFA World Cup is designated as a sponsored event. FIFA maintains that

any entities (companies, non-commercial organisations or persons) which do not have explicit prior written permission from FIFA, may not use words or images in their advertising, marketing and point of sale displays which imply an association with the 2010 FIFA World Cup.

According to FIFA, words or images protected by this Act include any 'official marks'. These include the numeral 2010 and the words Twenty Ten used with words such as soccer, World Cup, or South Africa, and the words World Cup used with words such as soccer or South Africa.²¹

The memorandum on the objects of the Trade Practices Amendment Bill, 2001, which inserted section 9(d) into the main Act, states that it seeks to 'prohibit certain practices known as "ambush marketing" in respect of sponsored events'. It adds:

[t]he Criminal Procedure Act, 1977 (Act No. 51 of 1977), the Merchandise Marks Act, 1941 (Act No. 17 of 1941) [this Act was amended to give such protection in 2002], the Counterfeit Goods Act, 1997 (Act No. 37 of 1997), the Trade Marks Act, 1994 (Act No. 194 of 1993) and the common law do not offer any assistance. When the aforementioned Acts were enacted the concept of 'ambush marketing' did not exist and the offences created in those Acts were not intended to cater for this type of practice. The courts do not view 'ambush marketing' as a crime(sic) under the common law principle of passing-off, and as a result there has been no criminal sanction against this type of practice.

denotes 'a chink in the distant cash register of the IOC and no more' (at p. 3).

¹⁹ at 325 n 34.

²⁰ 'Trade Marks and the Olympic Games through the Years' (above) at 2.

²¹ www.fifa.com/worldcup/organisation/documents (last accessed 3 October 2007) annex 2, p. 24.

¹⁶ 2002 (1) SA 591 (SCA) at 599 E–F.

¹⁷ 2003 (3) SA 313 (SCA).

¹⁸ At 323 E, paraphrasing Sir Robin Jacob, who stated, in 'Trade Marks and the Olympic Games through the Years' [2001] EIPR 1: 'the [Olympic] symbol has wider protection than any ordinary trade mark'. It is a merchandising right, pure and simple. When one sees the mark it

Ambush marketing is defined by Owen Dean in the first South African article to discuss this concept as follows:

when a trader seeks to utilise the publicity value of an event, for instance a major sports tournament or a concert, to gain a benefit from it despite not having any involvement or connection with that event and more particularly having made no financial contribution to entitle him to derive benefit from it.²²

He identifies two forms. The second, which does not concern us further, is the use of one's own trade mark by persons other than the organizers, in connection with the event. The first manifestation is described as follows

Often a major event has a name, logo, or other insignia identifying it. Unauthorised persons use these insignia, or insignia which are sufficiently similar to the authentic insignia to cause confusion.²³

While I agree that FIFA World Cup or FIFA South Africa 2010 might be considered such insignia, I do not think that FIFA's interpretation, which includes 'Official Marks' such as world cup and 2010 used with either soccer imagery or with the words 'South Africa' can be considered an identifying logo and so entitled to protection. The extent of protection actually available in terms of this section is unclear, and will only be clarified by the courts.

Section 19 of the Trade Practices Act makes any contravention of the Act, including a contravention of section 9(d), an offence, punishable by both a fine and imprisonment of up to 2 years as first offender, and by a fine and a maximum of 5 years imprisonment for subsequent contraventions.

Merchandise Marks Act 17 of 1941

Section 15(1) of the Merchandise Marks Act, inserted in 1997, provides that

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

...

(b) any mark, word, letter or figure or any arrangement or combination thereof, in connection with any trade, business, profession, occupation or event, or in connection with a trade mark, mark or trade description applied to goods.

Dealing with this section, the FIFA website states that FIFA has applied to have its official marks declared prohibited marks, and that unauthorized use of a prohibited mark is an offence.²⁴

The official South African website for the Soccer World Cup confirms this, stating that the Merchandise Marks Act

gives the 2010 FIFA World Cup™ protected event status, a guarantee to protect FIFA's intellectual property rights and to prevent 'ambush' marketing.²⁵

A recent notice in the Government Gazette contains a long list of devices and words for which FIFA has requested protection under the Merchandise Marks Act 17 of 1941.²⁶ The devices include every World Cup logo ever used. The words for which protection is sought include the commonplace: world cup, 2010, twenty ten, World Cup South Africa, Durban 2010, SA 2010, soccer world cup, to name but a few. The prohibition is sought against the use of these words and emblems 'in connection with any event ... other than the use thereof by FIFA or its mandatories'.

Section 15(1) is far-reaching. Words and emblems are prohibited 'in connection with any trade, business, profession, occupation or event, or in connection with a trade mark, mark or trade description applied to goods'. A list of some protected words is found in the standard South African work on trade mark law.²⁷ These words are mainly symbols or acronyms such as the WWF and Panda device and the Springbok device, but include words and symbols relating to previous FIFA world cup events. In all instances though, the term world cup is linked to the country where and year in which that world cup was held (for example World Cup Germany 2006) or appears together with the acronym FIFA. While some unsporting persons might not view FIFA's various world cup events as requiring equal protection with UNICEF or the World Health Organisation, opinions may differ.

But the most recent applications by FIFA are substantially broader in their ambit. They include the phrase 'world cup' simpliciter and the numerals '2010'. Arguably the phrase 'South Africa 2010 World Cup' is entitled to this kind of blanket protection—but on what basis is 'world cup' or '2010' so entitled? To exclude others from using these words or numerals 'in connection with any trade, business, profession,

22 'Ambush Marketing' 2000 (June) De Rebus 24.

23 *ibid.*, at 24.

24 <http://www.fifa.com/worldcup/organisation/documents> (last accessed 3 October 2007) annex 2, p. 24.

25 <http://www.sa2010.gov.za/> (last accessed 21 August 2007).

26 Notice 787 of 2007 in GG 30001 of 21 June 2007.

27 CE Webster and GE Morley, *Webster and Page South African Law of Trade Marks* (4th edn 1991, service issue 11) para 18.8.

occupation or event, or in connection with a trade mark, mark or trade description applied to goods' is far-reaching. It clearly includes a prohibition on use as a trade mark for goods and services. However, unlike trade marks, no class is specified. So if viewed as a type of trade mark, these words and numerals are protected in respect of all goods and all services. Again, if viewed as trade marks, these words or emblems are not subject to the tests for registrability imposed by the Trade Marks Act. Neither are they subject to the endorsements recorded against the same words or emblems registered in terms of that Act. Thus, words and numerals such as world cup, South Africa, and 2010 are not subject to disclaimers. Prohibition of use of the phrase 'world cup' will also effectively prohibit use of the Bartlett trade mark registrations by their registered proprietor.

But the prohibition is not merely on use 'as a trade mark'. Section 15(1)(b), couched in substantially wider language, apparently prohibits any commercial use of these words or symbols. If these FIFA applications are granted, South Africa 2010 cannot be used to describe a vintage or a flight schedule; neither can the words 'twenty ten' be used as a trade description for goods.

Section 15(3), read with section 20, makes contravention an offence, punishable by (in the case of a first conviction) a fine not exceeding R5000 for each article to which the offence relates or imprisonment for a period not exceeding 3 years or both such fine and such imprisonment, and for subsequent offences, by fines not exceeding R10,000 per article and imprisonment for up to 5 years. Provision is also made for confiscation of all contravening articles.

The Minister of Trade and Industry has stated:

... in deciding on this matter, I will also consider principles contained in the Trade Marks Act, 1993 (Act No. 194 of 1993), dealing with issues considered before trade marks are granted or not granted.²⁸

I have dealt with the trade mark principles above in my discussion of FIFA's protection in terms of the Trade Marks Act. It is debatable whether any words for which protection is sought qualify for registration as trade marks, either at all or without disclaimers. If the Minister does deal with the FIFA application using this approach, it seems unlikely that protection will be granted to any of the proposed words or numerals other than the acronym FIFA.

Putting the boot in

FIFA refers to other legislation that offers protection, but the Acts discussed above are the primary sources of any type of infringement claim or criminal charge by FIFA. In theory, FIFA may not object to bona fide use of terms that the public perceive as commonplace, and may not pursue persons acting in ignorance of the extent of FIFA's protection. However, South African newspapers contain many reports of action taken by FIFA. 'FIFA puts the boot in' states that the *Sunday Times Metro* in respect of a company name 'South African Dream 2010' registered 3 years before South Africa won the rights to stage the 2010 FIFA World Cup (*Sunday Times Metro*, 11 February 2007, p. 1). Another report states that lawyers acting for FIFA have barred about 20 entrepreneurs from using 2010 as part of the name of their business, many of whom adopted these numerals before they had alleged other significance (*Saturday Star*, 24 February 2007). Most recently, FIFA's local attorneys announced their intention to launch a test case to determine whether a registered design infringed its rights (*Business Day*, 25 October 2007). There are numerous similar articles. FIFA thus appears to have taken action against anyone using the term 'world cup' or the numerals 2010.

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The following quotation is from the preamble to the 2010 FIFA World Cup South Africa Special Measures Act 11 of 2006

AND WHEREAS the Government of the Republic of South Africa has a duty to pursue major developmental goals as demanded by the Constitution of the Republic of South Africa, 1996, as reflected in broad initiatives to eradicate poverty by 2014 which have been endorsed by the people of South Africa and the United Nations, the Government must strike a balance between the broad national interests of the Republic and the specific interests of FIFA when implementing its guarantees.

Threats and litigation against the general public and small traders who have been promised an economic miracle by the 2010 FIFA World Cup, will not advance

28 Notice 787 of 2007 (above).

such goals. It is to be hoped that the South African government and courts remember their duty to support the national interests when considering FIFA's requests for protection. The government did not undertake to create rights where none exist, nor to limit the rights of others, but merely to acknowledge existing rights.

Postscript

The Minister of Trade and Industry had undertaken to deal with FIFA's request bearing trade-mark principles in mind, and his eventual decision, in General Notice 1791 in Government Gazette no. 30595 of 14 December 2007, reflects such principles. Only recent logos and those combinations of words which include references

to both FIFA and soccer or football, have been included. All applications for the mascots of previous FIFA World Cup games, and the logos for such events, have been refused. Additionally, the prohibition reads that it 'only applies to activities connected to 2010 FIFA World Cup SOUTH AFRICA in the area of Football or Soccer 2010 FIFA World Cup. The prohibition does not apply to the media, provided the reportage is fair and not imbued with unscrupulous business enterprising'. No doubt this proviso will be interpreted by the courts in due course.

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