

25 APRIL 2022 - PHILIPPE GILLIÉRON



If the sporting stakes of major events are high, their financial stakes are just as important. Not without reason, the sponsors of the event, that pay a high price to benefit from a form of exclusivity in their field, do not appreciate to say the least the appetite of their competitors to try and gain traction from the event without having to pay for it.

It is therefore out of the question for the organizers to let any free-rider surf on the event's wave without having paid for it. On that regard, a trademark is a real safeguard to ensure the turnover resulting from such events; it therefore plays a crucial role. The upcoming soccer World Cup is no exception.

I. The practice of registering sporting events as trademarks

However, protecting these events as trademarks is not easy. In its provisional refusals to register trademarks, the Federal Institute has been careful to point out that, for example, names such as "Qatar 2022" or "World Cup 2022" are descriptive in nature and cannot be monopolized, since nothing excludes the possibility that other events will be organized in Qatar in 2022 or that another world cup will be organized in 2022 in other sports. To admit such registrations would therefore be tantamount to granting a monopoly on the use of terms that may legitimately be used by other entities.

To get around this obstacle, the organizers have found subterfuges, one of the most common of which consists of adding a figurative element to the name, in the field of soccer the ball, a practice also used by UEFA as shown, for example, by the following registration:

EURO 2022

Using this process for the upcoming World Cup, FIFA has registered two Swiss trademarks, namely :

QATAR 2022

WORLD CUP 2022

As is often the case in relation to sporting events, these trademarks have been registered for a wide range of products and services, in an effort to fight against any form of predatory *merchandising* or *ambush-marketing*.

In doing so, the aforementioned obstacle related to the possible descriptive character of the word mark, and thus the refusal to register it as a trademark, seems to be circumvented. In doing so, the organizers actually benefit from a broad protection, since the trademark is not only protected against the use of an identical sign, but also against similar ones. In other words, the mere disappearance of the round ball is not sufficient to exclude the similarity that would result for a third party from the use of the elements “Qatar 2022” or “World Cup 2022” as long as these verbal elements are, in the end, predominant in the overall impression that results from these signs.

II. The case at hand: scope of trademark protection

This must have been FIFA’s thinking when it launched a legal battle against the famous sports brand PUMA, which had probably hoped to escape FIFA’s clutches by registering “PUMA WORLD CUP QATAR 2022” and “PUMA WORLD CUP 2022”. It is true that one could have thought that the risk of confusion resulting from the almost identical use of the aforementioned FIFA trademarks was avoided by the presence of the PUMA trademark, which enjoys a strong reputation.

However, this was not the opinion of the Swiss Federal Court, which, in a [decision rendered on April 6, 2022 and published on April 20, 2022 \(to be published\)](#), ruled on the case under Art. 2 lit. c of the Trademark Act, *i.e.* whether the trademarks applied for by PUMA were misleading (and not whether they were confusing with the above-mentioned FIFA trademarks).

In this respect, the High Court answers in the affirmative and considers that the above-mentioned marks are indeed misleading. In view of the notoriety of the event, the reference to “WORLD CUP 2022” immediately suggests the soccer World Cup, regardless of whether there might be another World Cup in Qatar in 2022. The use of the trademark “PUMA” next to the name of the event suggests that PUMA is an official sponsor of the event, which is not the case. The association of these two terms would therefore wrongly suggest an official affiliation between PUMA and FIFA, which is not the case;

therefore, both marks are misleading.

PUMA had tried to point out that official sponsors do not fail to mention their official sponsorship in order to be able to sell their products at a higher price, or to mention "FIFA", so that the absence of any mention in this respect would *a contrario* show that the entity in question is not an official sponsor.

However, the Federal Court was not convinced by this argument, as the only thing that matters is the manner in which the trademarks are registered, regardless of their use, and that the addition of these elements does not exclude all risk of deception.

Therefore, the Institute was ordered to cancel these marks, particularly insofar as they related to clothing products.

III. The nullity of the marks QATAR 2022 and WORLD CUP 2022

So far, things were going well for FIFA. However, the situation turned sour when PUMA's counterclaim for the invalidity of the marks QATAR 2022 and WORLD CUP 2022, shown above, was put under scrutiny...and accepted.

Questioning the Institute's practice, the Supreme Court accepted this counterclaim and concluded that the trademarks were invalid, ordering their cancellation. This time, however, the question of the validity of the trademarks was assessed from the point of view of art. 2 lit. a of the Trademark Law and the fact that they belong to the public domain.

According to the Federal Court, the public associates the word names QATAR 2022 or WORLD CUP 2022 with an event as such, without thinking of any organizer. The addition of a graphic element such as a ball does not change this, on the contrary, since it refers directly to the sport concerned by the event in question. This descriptive character is not only related to the sports event, but also to the *merchandising* products, for which the buyers concerned do not expect any particular origin.

The Federal Court left open the question of the extent to which these names could have been considered as enjoying a secondary meaning within the relevant circles. However, it did suggest that, since the event had not yet taken place, the acquisition of a secondary meaning was fairly doubtful.

Therefore, the Federal Court concluded that the above-mentioned trademarks were invalid under art. 2 lit. a of the Trademark Law and ordered their cancellation.

IV. What should one think of this ruling ?

In the end, the Federal Court thus calls into question a practice tolerated for several years by the Institute, consisting in adding to the verbal name of the sporting event a graphic element supposed to exclude the application of art. 2 lit. a LPM.

At first glance, the Federal Court's assessment according to which the mere addition of a graphic element such as a ball referring directly to the sport concerned by the sporting event would not allow to remedy the descriptive character of the mark seems convincing.

The registration of sporting events as trademarks in light of the Supreme Court ruling rendered on April 6, 2022: real headache or false problem?

However, the judgment still leaves a feeling of unease. Why is this so?

- First, because to argue that the marks “PUMA WORLD CUP 2022” and “PUMA WORLD CUP QATAR 2022” are misleading on the one hand, while considering that the marks “WORLD CUP 2022” and “QATAR 2022” are descriptive on the other hand, is in fact contradictory.
- In considering that the trademarks registered by PUMA are misleading insofar as they suggest an official affiliation between PUMA and the organizer of the event, i.e. FIFA, the Supreme Court can only assume that the relevant circles establish a direct association with an official event organized by a specific organization. To then argue that the marks “WORLD CUP 2022” and “QATAR 2022” are descriptive in nature and therefore cannot be registered is surprising, to say the least, since the Federal Court considered a few lines earlier that each of them can only be understood by the relevant circles as standing in direct relation with the soccer World Cup.
- As a corollary to the above, the Federal Court is wrong to consider that the designation of the sporting events cannot be considered as having acquired a secondary meaning simply because it did not take place yet. Since the Federal Court admits that the public immediately associates the names QATAR 2022 and WORLD CUP 2022 with the Football World Cup, regardless of any other details, one wonders how it can then consider that, in relation to such an event and the *merchandising* products linked to it, these names would not have acquired a secondary meaning yet. On the face of it, such is the case, and the fact that the event at stake is upcoming, ongoing or over does not change anything. At most, it can be admitted that it was up to FIFA to prove this, unless these facts were considered to be well-known, which had perhaps not been alleged.
- In the end, according to this ruling, no entity should be entitled to register the name of the sporting event associated with a date as a trademark, because of (1) its descriptive character as far as the organizer is concerned, and (2) its misleading character for third parties, an argument that is, in my opinion, somewhat incoherent as I have just pointed out.
- The difficulty for the organizer then consists in knowing how to fight not against the registration, but against the use of the designation of the event by “unauthorized” manufacturers, which therefore no longer need to be “authorized” to refer to it if these names cannot be registered as trademarks...

Regardless of the criticisms that this ruling may raise, it must be admitted that it profoundly questions the current practice. Does this mean that, in the absence of a trademark, organizers will have to make greater use of the Federal Law against Unfair Competition in Switzerland against potential predators? One might think so, except for the organizer to demonstrate that the designation of their sporting event has acquired secondary meaning within the relevant circles (*i.e.* the public in general in quite a few instances), a costly path that organizers might have to take in the future following this ruling. There is no doubt that this decision will generate a great deal of discussion among sports organizations and their agents as to how to develop new protection strategies. However, it is beyond the scope of this modest contribution to engage in our own reflections on these possible strategies. To be continued...



The registration of sporting events as trademarks in light of the Supreme Court ruling rendered on April 6, 2022: real headache or false problem?

Source: <https://www.wg-avocats.ch/en/18193>