

IP on the Field

Gone are the days when sporting events and sports were viewed as a mere source of entertainment. Today the play grounds are flooded with brand names, sponsor names, trademarks and logos which garner brand valuation and reputation of enterprises. Hence, today sporting event or sports are intrinsically bound with Intellectual Property (IP) rights and protection.

One of the earliest instances when Intellectual Property was brought on the field was when Rudolf Lettner patented “steel edge ski” in 1926 and today there are various sports equipment and moves which enjoy the imprimatur of national and international IP Offices. For example Usain Bolt’s “Lightning Bolt” and his slogan “to di world” and Michael Jordan’s “Jumpan pose” are registered trademarks i.e. unauthorised use of the said marks or slogans could tantamount to trademark infringement.

In the present times, sporting events like FIFA, Olympics, World Cup or IPL have become a hub of IP commercialization and valuation.

TRADEMARK PROTECTION

Whether it is brand name, team name, team logo, slogans, taglines or catchphrases trademarks are all over the field. Such names and symbols render an authentic source of identification and enable association with a team or club. In India, the Indian Premiere League (IPL) teams have several registrations and applications for their team names, logos and taglines in respect of several goods like clothing,

sportswear, footwear etc.

A trademark search reveals that more than 650 trademark applications have been filed by Kolkata Knight Riders whereas approximately 6 and 113 trademark applications have been filed by Chennai Super Kings (India Cements Ltd.) and Mumbai Indians (Indiawin Sports Pvt. Ltd.) respectively.

BRAND VALUATION

With the dawn of the Indian Premiere League (IPL), sports events in India has gained positive momentous and brands, logos, trademarks and monetization of IP play an elementary role on field. The assessment of IP asset held by the teams also help in assessing of their brand value.

Brand value of various IPL franchises in the years 2014 and 2015 are as under:

Rank	Franchise Name	Brand Value (2014)	Brand Value (2015)
1	Kolkata Knight Riders	\$69 million	\$86 million
2	Mumbai Indians	\$72 million	\$72 million
3	Chennai Super Kings	\$72 million	\$67 million
4	Royal Challengers Bangalore	\$51 million	\$51 million
5	Rajasthan Royals	\$45 million	\$45 million
6	Kings XI Punjab	\$32 million	\$41 million
7	Sunrisers Hyderabad	\$25 million	\$35 million
8	Delhi Daredevils	\$40 million	\$34 million

The American Appraisal which conducts valuation and renders valuation related advisory services reports that the IPL brand value is derived from wider variety of reasons keeping in mind the Indian viewers and they are:

- Management strength and on-field

performance

- Marketing Strategy
- Celebrity Influence and Marquee Players
- Geographical location

The report states that while assessing brand value several methods and techniques are deployed of which the most popular is the Relief Royalty Method. The Relief from Royalty Method, is premised on the royalty that a company would have to pay for the use of brand/ trademark if they had to license it.

BRAND COMMERCIALIZATION AND LICENSING

Commercialization and licensing of brands has become one of the most revenue-

generated trend among sports teams. Sports teams come up with various merchandise such as caps, shoes, t-shirts, sports equipment which are very popular among masses. T-shirts of players are covered with logos of various brands. Such teams engage in merchandising activities by licensing their works to a third party. For licensing,



agreements are entered into by the parties with various clauses stipulating terms and conditions.

AMBUSH MARKETING

Another IP issue of remarkable concern during sporting events, particularly FIFA World Cup is "Ambush Marketing". It primarily refers to a technique of marketing which aims at securing advantage of the huge interest and high profile of an event by creating a commercial association or seeking promotional exposure without the authorisation of the event organiser.


Ambush marketing has been noticed on several occasions during the FIFA World Cup event and has been a subject of profound concern in the recent times. On account of global appeal coupled with proliferation of sources of viewing the event, FIFA attracts lots of ambushers which gives them an opportunity to associate their products with a major event, thereby misleading consumers. During 2010 FIFA World Cup Match in South Africa, Bravarian Brewery of Netherlands which was not an official sponsor, hired thirty six women to attend the match wearing unbranded orange skirts which endorsed Bavarian Brewery. Later on

the women were removed from the stadium and two were arrested on charges of unlawful commercial activities. On account of the said publicity stunt, Bravaria was accused of ambushing Budweiser which was the official sponsor of the event and were also accused of violating the Contravention of Merchandise Marks Act, a law passed in South Africa for the World Cup event.

It was also reported that during 2010 FIFA, in which Adidas was the official sponsor, Nike had put out a lengthy online viral video of its own featuring many of the players, thereby ambushing Adidas.

CONCLUSION

It can be said that IP is the new player on field and sports teams and clubs are ardently creating rights and aggressively protecting them from infringement. IP commercialization has become one of the most sought after sources of revenue generation by sports teams.

There is no denying of the fact that IP asset plays an immense role in evaluation of brand of any entity and IP licensing or commercialization further augments its value. 



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