

Sports Litigation Alert

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Stealing the Show?

By Ben Mulcahy

The image of 36 women wearing skimpy orange dresses at a World Cup soccer match last June raised the ire of Fédération Internationale de Football Association (“FIFA”), which had two of the women arrested for organizing the ambush marketing stunt on behalf of Dutch beer brewer Bavaria. Meanwhile, Nike’s “Write the Future” soccer-themed commercial, which is a 3-minute *magnum opus* featuring players from various national teams that qualified for the World Cup 2010, was allowed to launch an epic reign on YouTube unfettered by any interference from FIFA. Commentators have already pointed out that the players involved in Nike’s “Write the Future” campaign had disappointing World Cups: Ronaldinho didn’t even make the Brazil squad, while Cristiano Ronaldo, Wayne Rooney, Franck Ribery, Didier Drogba and Fabio Cannavaro were all knocked out of the World Cup 2010 before the quarterfinals, each after enduring various misfortunes. But that did not stop the spot from generating major brand exposure for Nike and accumulating more than 21,200,000 hits and counting on YouTube.

How can FIFA justify having women arrested for wearing orange dresses while doing nothing against Nike? Only FIFA can definitively answer this riddle, but FIFA itself publicly forecasted that it would take this approach months before the World Cup 2010 even began.

With respect to Bavaria, FIFA indicated that it

would aggressively prevent the use of fans as “walking advertisements”, calling this one of its primary objectives and pointing to Bavaria’s orange lederhosen stunt in 2006 as an example of what it would not tolerate. So it should have come as no real surprise that FIFA would go after Bavaria at the slightest provocation. The irony in pursuing such modest ambush efforts is that sometimes the response generates exactly the type of publicity that the ambusher was seeking to generate in the first place. Indeed, that is what happened for Bavaria, where a relatively minor local stunt ended up generating worldwide exposure solely because of the arguably disproportionate response that it provoked.

With respect to Nike, it’s possible (though unlikely) that FIFA elected to let Nike run its campaign, because it did not want to bring even more attention to the spot. Or maybe FIFA thought it just didn’t have a reasonable legal basis for pursuing a claim against Nike.

In the United States, we do not generally arrest ambush marketers for campaigns that fall short of counterfeiting. But from time to time, we do find opportunities to sue them when the circumstances warrant it. The rules of the road for tying into the excitement surrounding major sporting events without authorization are defined in the United States primarily by the federal Lanham Act, which prohibits the unauthorized use of a third party’s registered trademark in connection with the sale, offering for sale, distribution, or advertising of the ambusher’s goods or services if such use is likely to cause consumer confusion or likely to deceive as to affiliation, connection, association or origin (i.e. likely to cause viewers to think that the unauthorized campaign is endorsed by or affiliated with the event being ambushed). Relatedly, the federal Trademark Dilution Act prohibits the unauthorized commercial use of a famous mark that tarnishes or dilutes the distinctiveness and ability of such mark to identify the source of the goods associated with it, even though there is no confusion as to source.



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Using these legal principles to its advantage, the United States Soccer Federation (“USSF”) sued The Sports Authority (“TSA”) last June, accusing the sporting goods retailer of running television and Internet ads tied to the World Cup 2010. The USSF serves as the national governing body of all things soccer in the United States and owns and controls the U.S. Soccer shield logo that appears above the heart on all U.S. national team uniforms. In its suit, the USSF claimed that TSA “infringed its trademarked crest and logo” by showing MLS Revolution player Taylor Twellman wearing the official national team uniform without permission in an ad that ran on Facebook and YouTube and that was televised during the June 12, 2010 World Cup match between England and the United States. Alleging unfair competition and trademark infringement under the Lanham Act, as well as unjust enrichment and state common law claims, the USSF obtained a temporary restraining order and preliminary injunction against TSA’s ad the same afternoon it filed suit.

In contrast with the depiction of official U.S. soccer trademarks in the enjoined TSA ad, the Nike spot featured no official FIFA crests, emblems, logos, slogans, trophies, or other FIFA registered trademarks. Instead, the Nike spot portrayed fast-paced soccer play in a mythical stadium interspersed with scenes of the good things and bad things that follow the players based on the good things and bad things that happen to them on the field. The Nike spot did feature several of the marquee players in their official national team uniforms, but with the exception of the England away jersey, the official uniforms featured in the spot were manufactured by Nike and since Umbro makes the England away jersey and Nike owns Umbro, that uniform was effectively manufactured by Nike, too. So it was likely a relatively straightforward legal exercise for Nike to secure permission from each national team to use those marks in its spot, allowing Nike to authentically capitalize on the World Cup 2010 without blatantly infringing on FIFA’s rights.

Although that approach would not necessarily be bulletproof under applicable United States law, in this instance Nike seems to have followed the very playbook that FIFA itself mapped out for non-sponsors who wanted to tie into the World Cup 2010. As part of its Rights Protection Programme, FIFA indicated that “an advertisement using an Official Mark (such as emblems, words, slogans, event titles, etc.) creates an

Unauthorised Association”, whereas “advertising and merchandise using material related to football or the host country in general is allowed,” arguably giving non-sponsors more latitude than they would otherwise have under the Lanham Act in the United States and paving the way for Nike’s “Write the Future” campaign and similar initiatives by other non-sponsors.

The guidance given by FIFA and the way the Nike spot carefully avoids featuring uniforms, logos, crests, emblems, slogans or other legally-protected elements owned by FIFA is reminiscent of a spot that Subway created around the Vancouver Winter Olympics earlier this year. Yet in contrast with the permissive position broadly articulated by FIFA, the United States Olympic Committee (“USOC”) strongly condemned the Subway spot at the time.

The Subway spot opens with Michael Phelps diving off the starting block, and instead of doing a flip turn at the end of the pool, the heralded gold medalist crashes through the outside wall of the natatorium, churns up concrete as he swims through the parking lot and continues across the wheat field while a map shows his trajectory being bound for Vancouver and a voiceover narration explains that Phelps fuels up on Subway sandwiches “so he can get to where the action is this winter”. McDonald’s is, and has long been, the Official Sponsor of the Olympics in the QSR category and pays handsomely for the privilege. McDonald’s reportedly complained that Subway was trying to pass itself off as the official fast-food sponsor of the Vancouver Winter Olympics, even though McDonald’s had bought those rights. In response to hearing that McDonald’s was upset about the spot, Subway’s CMO reportedly announced, “I’m Lovin’ It!”

Ambushers can legitimately claim that no one holds exclusive rights over the excitement that comes from a major sports event, and tying into that excitement using complimentary imagery and other popular techniques is just good business. But the Olympics deserve special handling when it comes to pulling off an ambush marketing campaign. First, if a non-sponsor is using an Olympic athlete in the campaign, care must be taken not to jeopardize the athlete’s status, and the rule of thumb is that campaigns featuring Olympic athletes need to be continuous rather than concentrated during the Games in which the athlete competes. Subway’s campaign met that test because it has featured Phelps in several different campaigns, some coinciding with

the Olympics and some not.

But even if an Olympic athlete isn't involved, the Olympic symbol of five interlocking rings is granted extraordinary protection against unauthorized use. Under the Amateur Sports Act, even the word "Olympics" has essentially been removed from the vocabulary of marketers unless they are official sponsors of the USOC. 36 U.S.C. § 220506. Moreover, the Act grants the USOC exclusive use of the word "Olympic" in certain contexts without requiring the USOC to prove that the unauthorized use was confusing and without regard to the defenses typically available to a defendant that is sued for a trademark violation under the Lanham Act. *San Francisco Arts & Athletics, Inc. v. United States Olympic Committee*, 483 U.S. 522, 531 107 S.Ct. 2971, 2978 (1987) (affirming an injunction against a nonprofit group's use of the "Gay Olympics" as the name of its athletic competition). Recognizing this special protection, the Subway campaign carefully avoided using either the term Olympics or the Olympic rings. Indeed, some knowledge of geography is needed to fully understand the Subway spot because the map that's depicted doesn't even identify Vancouver as the city that Phelps is "swimming" toward.

Finally, beyond the legal exposure is the public pressure that can be brought to bear if the Olympics wants to embarrass the ambusher, as the USOC sought to do with Subway through public statements at the time that ambush campaigns undermine the ability of

the Olympic movement to raise revenue for the athletes who compete.

The federal Lanham Act and state unfair competition laws provide event organizers (and in some instances their licensees) with powerful recourse against ambush marketers who do "cross the line" in the United States, but "the line" is less black and white than it is a grey range of activity. And as the differing positions of the USOC and FIFA demonstrate, the shades of grey can vary based on the event being ambushed and the entity in charge of such event. As a result, in evaluating those popular ambush techniques that present little or no risk when used in isolation or in connection with one major sporting event, care should be taken to evaluate the laws that apply to the particular event in question and the cumulative effect of each campaign element so that a campaign that legitimately ties into the excitement of the event does not also expose the ambusher to undue risk of liability.

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Social Media Principles

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WHAT SOCIAL MEDIA MEANS TO US

Countless conversations take place online about Coca-Cola every day, and we want our Company's more than 150,000 associates in more than 200 countries to join those conversations, represent our Company, and share the optimistic and positive spirits of our brands.

These *Social Media Principles* should guide your participation in social media, both personally as well as when you are acting in an official capacity on behalf of the Company. It is critical we always remember who we are –the world's largest beverage company, refreshing consumers with more than 500 sparkling and still brands – and what our Company's role is in the social media community – to inspire moments of optimism and happiness and build our brands. The same considerations that apply to our messaging and communications in traditional media still apply in the online social media space, including on what you might consider "internal" platforms.

Have fun, but be smart. Use sound judgment and common sense, adhere to the Company's values, and follow the same Company policies that you follow in the offline world. To get you started or to help you improve your social media skills, we offer training to our associates and our agency partners through our online learning portals, and we'll continue to regularly evaluate our training classes and update them as social media evolves.

COMPANY COMMITMENTS

The Company makes certain commitments concerning how we interact with the public and each other, and these commitments apply to interactions that occur on social media platforms as well. We expect the same commitments from all Company representatives, including Company associates and associates of our agencies, vendors and suppliers:

1. Coca-Cola will be **transparent** in every social media engagement.
2. Coca-Cola will **protect** our consumers' privacy in compliance with applicable Privacy Policies, IT Security Policies, and laws, rules, and regulations.
3. Coca-Cola will **respect** copyrights, trademarks, rights of publicity, and other third-party rights.
4. Coca-Cola will be **responsible** in our use of technology and will not knowingly align our Company with any organizations or Web sites that use excessive tracking software, adware, malware or spyware.
5. Coca-Cola will reasonably **monitor** our behavior in the social media space, establish appropriate protocols for establishing our social media presence, and keep appropriate records of our participation as dictated by law and/or industry best practices.

COMPANY AND AGENCY ASSOCIATES' SOCIAL MEDIA ACTIVITIES

The Company respects the rights of its associates and its authorized agencies' associates to use blogs and other social media tools not only as a form of self-expression, but also as a means to further the Company's business. It is important our associates and our agencies are aware of the implications of engaging in social media and online conversations that reference the Company, its brands, or its

business, and that they recognize when the Company might be held responsible for their behavior. Our expectations for personal and professional/official use of social media are set forth separately below.

PERSONAL USE OF SOCIAL MEDIA: OUR EXPECTATIONS

Whether you are an authorized Company spokesperson or not, when you're talking about our Company, our brands, or our business on your personal social networks, keep in mind that:

1. Our Company's Information Protection Policy, Insider Trading Policy, and other policies still apply.
2. You are responsible for your actions. We encourage you to get online and have fun, but use sound judgment and common sense.
3. You are an important ambassador for our Company's brands, and you're encouraged to promote them as long as you make sure you disclose that you are affiliated with the Company. How you disclose can depend on the platform, but the disclosure should be clear and in proximity to the message itself.
4. When you see posts or commentary on topics that require subject matter expertise, such as ingredients, obesity, the Company's environmental impacts, or the Company's financial performance, avoid the temptation to respond to these directly unless you respond with approved messaging the Company has prepared for those topics. When in doubt, contact your local Public Affairs and Communications director.
5. Be conscientious when mixing your business and personal lives; be sure to know your work group's policies regarding personal use of social media at work or on Company devices.

COMPANY SPOKESPEOPLE: OUR EXPECTATIONS

When acting as an official Company spokesperson, we expect you to:

1. Be trained. All authorized Company spokespersons must complete the necessary internal training before speaking on behalf of the Company.
2. Follow all applicable Company policies.
3. Disclose your affiliation with the Company. All associates who are speaking for the Company must be transparent and disclose their affiliation with the Company. How exactly you make this disclosure may vary depending on the circumstances and the platform, but the important thing is to make sure people reading your statement will be able to immediately identify that you are affiliated with the Company. These disclosure requirements are equally important for any agency/vendor/partner/third party who is representing the Company online.
4. When in doubt, do not post.
5. Give credit where credit is due and don't violate others' rights. DO NOT claim authorship of something that is not yours. If you are using another party's content, make certain they are credited for it in your post and they approve of you utilizing their content. Do not use the copyrighted material, trademarks, publicity rights, or other rights of others without the necessary permissions of the rightsholder(s).
6. Remember that your local posts can have global significance. The way that you answer an online question might be accurate in some parts of the world, but inaccurate (or even illegal) in others. Keep that "world view" in mind when you are participating in online conversations.
7. Remember the Internet is permanent.