

Sports Marketing: Building an Athlete's Brand - The Importance of Trademarks

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ABSTRACT

In this article, we will cover the importance and use of trademarks in sports marketing generally and, in particular, in the building of an athlete's valuable brand, the commercialisation of which will provide current and future income and financial returns, especially after the athlete's sporting career has come to an end. We will also review the recent important European Union General Court Decision in the NEYMAR trademark case and set out the lessons to be learned from it.

Keywords: Sports Marketing, Sports Branding, Sports Sponsorship and Endorsements, Sports Image Rights, Sports Trademarks, Neymar European Union Trademark, Sports Domain Names, Guernsey Sports Image Rights Registrations

INTRODUCTION

The marketing of sports events, sports teams and sports persons is now big business and worth globally billions of US Dollars. A significant component of the sports marketing mix - apart from sports broadcasting and internet streaming rights which are also lucrative - is sponsorship of and the commercial exploitation of the image rights of well-known sports persons.

This year, sports sponsorship is expected to reach a new record of some US\$45 billion and to increase by an average of 6% per annum between 2020 and 2024, reaching some US\$62 billion by the end of this period.¹ Stratospheric sums indeed!

BRAND BUILDING

Although some athletes are simply popular because of their sporting prowess and achievements, others have also leveraged their personality and notoriety by taking the time, trouble and expense of creating a personal brand that can be utilized for profit and influence. Throughout and beyond their playing careers; the latter being important as sporting careers, generally, are of a relatively short duration.

Such a brand can be built in such a way as to transform the athlete into a local, national or even a global celebrity, and this can be leveraged to promote and sell products and services of

major international companies in lucrative endorsement and sponsorship deals.

As Sean Corbett, a leading international sports trademark attorney, points out:

“Using a famous face can be a powerful marketing tool and is a simple way of making a product or service appear more attractive to potential consumers. Celebrities have come to realise that they can significantly enhance their earnings by lending their face, voice, signature, name and indeed notoriety to a product. Equally, brands have been quick to utilise celebrity brand ambassadors to promote a positive image for their products or services using the celebrity cult that a well-known individual can evoke to increase the kudos and aspirational appeal of their brands. Perhaps nowhere has this form of product endorsement been more successfully exploited than in the field of ‘Sports Marketing’. A celebrity endorsement, by perhaps a successful athlete or football player, can undoubtedly sell products.”²

In turn, exploiting such marketing leverage can also help to maintain the profile of the sports celebrity and keep his/her name before the sporting and general public.

In order to achieve these results, a brand building programme, to suit the particular athlete and his/her sport, needs to be put in place and

maintained, and this needs to be done at an early stage in the athlete's sporting career.

TRADEMARKS

One crucial element of any such programme is to make the appropriate use of Intellectual Property Rights and, in particular, trademarks.

For the importance of trademarks in sports marketing generally, see 'IP and Sport' by Prof Dr Ian Blackshaw.³ In fact, it may be stated that, without trademarks, sports events and the possibilities of sponsorships and endorsement deals by sports persons and sports teams could not be organized and exploited commercially. For that reason, the IOC and FIFA, for example, have registered numerous trademarks in connection with the holding of the Olympic Games and the FIFA World Cup.

So, the athlete should register, as a trademark, his/her name⁴ or nickname⁵. In doing so, this will repay dividends later and also help to protect his/her celebrity status, from a legal point of view.

This is particularly true in Common Law jurisdictions, which do not legally recognize image rights *per se*.

The UK Trade Marks Act 1994 defines a trademark in broad terms in section 1(1) as follows:

".....any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings. A trade mark may, in particular, consist of words – including personal names – designs, letters, numerals or the shape of goods or their packaging."

In the States, trademarks are governed by the Lanham Act.⁶

The basic legal requirement in each case is distinctiveness, without which the mark is not registrable.

The need for athletes to take advantage of trademark registrations is also true and important in Civil Law jurisdictions, which do recognize and legally protect image/personality rights. In those cases, having a registered trademark, adds value to the athlete's sporting brand and also adds to its legal protection.

It should be noted that trademark registrations confer perpetual monopoly rights on their owners ('proprietors') in that, once registered and used commercially, the registrations, which last for ten-year terms, may be renewed '*ad infinitum*'. However, it is also necessary to use

trademarks as a badge of origin and not allow them to be used by others, without authorization, generically, through failing to police and legally enforce them. For example, 'aspirin' was once a valuable trademark of the German Pharmaceutical Company, Bayer, and became a generic term for an analgesic, allowing anyone to use it as such.

Where it may be appropriate to do so, the athlete should also take advantage of registering his/her 'personality' in the Guernsey (English Channel Island) image rights registry, which gives the 'personality' (known in the Image Rights (Bailiwick of Guernsey) Ordinance of 2012 as the '*personnage*') similar exclusive rights to those granted by a registered trademark.⁷

We would add that sports registered 'domain names', which, in effect and in function, constitute quasi trademarks and are a valuable way of marketing and promoting sports personalities, must not be overlooked as they are also important sports marketing tools. They are relatively inexpensive to register and also to legally protect against infringers (so-called 'cybersquatters'), without resort to litigation through the WIPO (World Intellectual Property Organization) Arbitration and Mediation Center Dispute Resolution Service, which is a speedy process.⁸

Again, as Sean Corbett observes and warns in relation to the use of social media platforms, which provide another popular method in our digital age for building a sports celebrity's personal brand and promoting it:

"While engaging with consumers and fans alike can be a positive step for brands, especially within sport, the pitfalls of running campaigns on social media platforms without considering the consequences of allowing users to guide how the brand is perceived should be considered. There are a number of tools available to rights holders to police their trade marks online and making the most of them can ensure trade marks are used correctly and deal with potential cases of ambush marketing.

These rules apply in all areas of sports marketing whether one is marketing a brand of running shoe that helps you sprint like Usain Bolt; the merits of a particular golf club that help golfers hit the ball as far as Bubba Watson; or the announcement of a competition to win tickets for a prestigious event. Ultimately, the success of a trade mark rests in the hands of the parties controlling how it is used and, therefore, the overriding message for trade mark owners is

look after your trade marks and your trade marks will look after the brand.”⁹

It is clear from the above remarks that sports celebrity trademarks need to be used very carefully indeed and under expert professional guidance at all times, to ensure their efficacy and legal protection.

NEYMAR EU TRADEMARK CASE

The need for a sports personality to have such trademark protection was recently well illustrated in a case involving the well-known Brazilian professional footballer Neymar da Silva Santos Jr. (always known by his first name ‘Neymar’). An unrelated third party, Carlos Moreira, filed an application for the word mark NEYMAR as an EU trademark in respect of goods in class 25 of the Nice Classification (11th Edition, 2019), namely, clothing, footwear and headgear.

Neymar, therefore, filed an application, under the provisions of Article 59(1)(b) of the EU Trade Mark Regulation (EC) No 207/2009, for a declaration of invalidity of this trademark registration application, which was filed on 17 December 2012 with the European Union Intellectual Property Office (EUIPO), on the ground that it had been obtained in bad faith.

Cutting a long story short, the case went all the way up through the internal appeal procedures of EUIPO in Alicante, Spain, to the EU General Court of Justice in Luxembourg and Neymar’s application for such a declaration was upheld by the Court on 14 May 2019.

The Court held that the third party must have known of Neymar’s celebrity as a European footballer as well as his standing globally and that the application had been made to obtain a ‘free-ride’ on his notoriety and popularity, for commercial profit and gain. In other words, for a dishonest intention and purpose, that is, in bad faith.

We reproduce below the key paragraphs of this important sports person’s trademark ruling by the EU General Court as follows:

“31 It is apparent from the evidence submitted in support of the application for a declaration of invalidity and, in particular, from Annexes 1 to 3 thereto, which consist of press articles and website excerpts from 2009 to 2012, that the intervener [Neymar] was highly publicized then, especially in France, Spain and the United Kingdom.

32 Consequently, the intervener was already recognized as a very promising football player and compared to the most renowned football players at the relevant date. He had drawn accordingly, the attention of top-flight clubs in Europe in view of future recruitment several years before his actual transfer to FC Barcelona in 2013.

33 In the light of the foregoing, it should be established at the outset that the applicant was wrong to assert that ‘in the world of football’ the intervener was unknown in Europe at the relevant date.

34 Moreover, the applicant stated that he knew the world of football at the relevant date; in addition, the Court notes that, on the day the applicant applied for registration of the contested mark, he also filed an application for registration of the word mark IKER CASILLAS. Since that mark corresponds to the name of another famous football player, the Board of Appeal was right to point out in paragraph 33 of the contested decision that that fact shows that the applicant possessed more than a little knowledge of the world of football.

35 Furthermore, it must also be noted that the applicant stated at the hearing that he was aware of the intervener’s existence at the relevant date but did not know that he was a rising star in football.

36 In the light of these circumstances, after establishing in paragraph 25 of the contested decision that the word element ‘neymar’ corresponds precisely to the name under which the intervener became known for his football performances, the Board of Appeal thus rightly found, in paragraph 33 of the contested decision, that since the applicant possessed more than a little knowledge of the world of football and the contested mark consisted of the single word element ‘neymar’, it was inconceivable that the applicant had not been informed of the intervener’s existence at the time when he filed the application for registration of the contested mark.

37 Moreover, with regard to the applicant’s claim that the Board of Appeal erred in asserting, in paragraph 37 of the contested decision, that he must have been well aware that the intervener would soon be transferred to a very important European club, the following considerations must be pointed out.

38 The applicant does not dispute the Board of Appeal’s assertion in paragraph 34 of the contested decision that Europe is a prime

destination for aspiring footballers the world over in the light of , inter alia, the levels of remuneration and opportunities it offers, in the present case, and as pointed out in paragraph 30 above, it is apparent from the evidence referred to by the Board of Appeal in the contested decision, which the applicant also does not dispute, that many newspapers and news websites regularly mentioned the intervener's like future transfer to a top European club. It should also be noted that the applicant himself, in his pleadings, refers to the fact that those speculations ultimately proved accurate as of 2013 with the intervener's transfer to FC Barcelona.

39 In addition, the Court observed in that regard that the applicant's arguments alleging his lack of knowledge of the intervener's future transfer to a very important European club cannot call in question the Board of Appeal's findings that the applicant knew of the intervener's existence at the relevant date and that he could not have been unaware of the fact that the latter was already a professional footballer whose talent was recognized internationally."

To read in full the judgement of the EU General Court in the Neymar trademark case, log onto <http://curia.europa.eu/juris/liste.jsf?num=T-795/17>.

CONCLUSIONS

A clear lesson can be learned from this leading case, which is, that, if Neymar had already registered his name as a trademark, he would not have had to rely on his general notoriety and spend time going through all these legal procedures. It would have been a simple case of trademark infringement, with a relatively speedy and less expensive result.

Sports personality trademarks need to be registered earlier on in their sporting careers to provide

legal protection as their careers develop and their brands increase in value through promotion of them, especially on social media platforms.

Professional advice should be sought and followed at all times to achieve the best results and any and all infringements of sports personalities' trademarks should be pursued without delay and the corresponding legal remedies obtained.

REFERENCES

- [1] See 'Sports Marketing: Global Sponsorship New Record!', Athena Constantinou, GSLTR website ('www.gsltr.com') post of 28 October 2019.
- [2] See 'The importance of trade marks in sports marketing' in 'Global Sports Law and Taxation Reports', June 2013, at pp. 23-27.
- [3] Chapter 5, 'International Sports Law: An Introductory Guide', by Ian S. Blackshaw, 2017, the Asser Press, The Hague, The Netherlands.
- [4] For example, the former England national team football captain, David Beckham, has registered his name as a trademark.
- [5] For example, the former English footballer, Paul Gascoigne, has registered his nickname, 'Gazza', as a trademark and has widely merchandised it successfully over the years. Incidentally, the registration as a trademark of nicknames of well-known sports persons in the States is widespread. For example, the professional golfer 'Tiger' Woods, whose real (unmarketable) name is Eldrick Tont Woods!
- [6] This is a Federal Statute (also known as The Trademark Act of 1946) which governs trademarks, service marks and unfair competition and was passed by the US Congress on 5 July 1946. The Act came into force on 5 July 1947.
- [7] See the article 'Image is Everything' by Jason Romer and Kate Storey in 'Global Sports Law and Taxation Reports', March 2013, at pp. 7-10.
- [8] For more information, log onto '<https://www.wipo.int/amc/en/domains/>'.
- [9] See reference 2 supra.

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