

**Legal Issues  
In**  
*Sponsorships, IP in Sports, and Dilution, Debasement, Denigration, Erosion &  
Tarnishment of Trademarks*

## Legal Issue- I

**Whether a suit against ambush marketing could be sustained by the sponsors/event organizers when there is no explicit use of registered intellectual property?**

# Introduction

- ❖ Marketing strategy where brands try to associate and promote self without being official sponsor
- ❖ Common in case of sports events
- ❖ Direct Ambush Marketing
- ❖ Indirect Ambush marketing
- ❖ Ethical v. Unethical

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## Relevant Provisions

### ❖ Section 29(2)(c), The Trade Marks Act, 1999

- “A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which because of its identity with the registered trade mark and the identity of the goods or services covered by such registered trade mark, is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trade mark.”

### ❖ Section 51(a), the Copyright Act, 1957, provides a copyright in a work is infringed when

- “...any person, without a licence granted by the owner of the copyright or the Registrar of Copyrights under this Act or in contravention of the conditions of a licence so granted or of any condition imposed by a competent authority under this Act-

4 (i) does anything, the exclusive right to do which is by this Act conferred upon the owner of the copyright,

(ii) permits for profit any place to be used for the communication of the work to the public where such communication constitutes an infringement of the copyright in the work, unless he was not aware and had no reasonable ground for believing that such communication to the public would be an infringement of copyright.”

## Relevant Case Laws

### ❖ ICC Development (International) Ltd. v. Arvee Enterprises and Anr [2003 (26) PTC 245]

- *“In this case, admittedly, defendants have not used plaintiff's "logo" or mascot "Dazzler" on any of their advertisements or promotional campaigns. True, the defendants have inserted a pictorial representation of a ticket with an imaginative seat and gate number saying "Cricket World Cup 2003". From this the attention of purchasing public may be drawn towards the Event. But this does not show likelihood of any confusion in public mind that defendants are sponsors or licensees of the Event...the phrase "ambush marketing" is used by marketing executives only. It is different from passing off. In the passing off action, there is an element of overt or covert deceit whereas the ambush marketing is opportunistic commercial exploitation of an event.”*

### ❖ ICC Development (International) Ltd. v. Ever Green Service Station and Ors. [2003 (26) PTC 228]

- *“...contentions raised by learned Counsel for the plaintiff have been declined by a detailed order...passed in..ICC Development (International) Ltd. v, Arvee Enterprises and Anr., and the findings recorded therein are fully applicable to this case as well...The defendants, however, have failed to point out any material...they could use the logo denoting black and white stripes of Zebra printed...This logo is in the nature of an artistic work, protected under Sections 2(c) of the Copyright Act, 1957.”*

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## **Legal Issue- II**

**Whether the use of Sports related clips in news amounts to Fair Dealing?**

## Relevant Provisions

### ❖ Section 39, the Copyright Act, 1957

- “No broadcast reproduction right or performer’s right shall be deemed to be infringed by—
  - (a) the making of any sound recording or visual recording for the private use of the person making such recording, or solely for purposes of bona fide teaching or research; or
  - (b) the use, consistent with fair dealing, of excerpts of a performance or of a broadcast in the **reporting of current events** or for bona fide review, teaching or research; or
  - (c) such other acts, with any necessary adaptations and modifications, which do not **constitute infringement of copyright under section 52.**”

### 7 ❖ Section 52, the Copyright Act, 1957

- “The following acts shall not constitute an infringement of copyright, namely —
  - (iii) the **reporting of current events and current affairs**, including the reporting of a lecture delivered in public.”

## Judicial Interpretation

### ❖ **ESPN Star Sports vs Global Broadcast News Ltd. & Ors. [2008 (38) PTC 477(Del.)(DB)]**

- *“Fair dealing is available as a defence in the case of a broadcast reproduction right by virtue of Section 39(b). The learned Single Judge...held that the court finds it difficult to accept that a 30 second limit or a 7 minutes cap for the news channels can apply 'across the board' in all contingencies....However, in our view the application for interim relief ought not to have been rejected merely by holding that 30 seconds or 7 minutes cap cannot be a universal rule. The Court was, nevertheless, required to go into the facts and examine the extent and nature of the coverage to decide whether such coverage fell within the ambit of fair comment....In the circumstances of this case, it can be said that the appellants have prima facie shown sufficient materials in the form of the aggregate length of the clippings used by the respondents in their news programmes and sports reviews, to require consideration by the learned Single Judge to conclude whether such use amounted to unfair dealing. In our view the aggregate timing is a vital component of fair dealing and the question has to be decided on merits in each case. The learned Single Judge therefore was required to deal with the issue of what tantamounts to fair dealing after examining the facts and circumstances of the present case.”*

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## Judicial Interpretation (Contd.)

- ❖ **New Delhi Television Ltd. v. ICC Development (International) Ltd. & Anr. [2013 (53) PTC 71(Del.)(DB)]**
  - *“Thus, two objective facts would determine whether the offending activity is reporting or not. The first objective fact would be the nature of the coverage with respect to information being diffused i.e. Is it result oriented. And while analyzing the first objective fact, the second objective fact to be simultaneously identified is : Is it primarily an analysis or review of the sporting event. These facts are capable of a percipient reception by a Judge i.e. are exoteric and are not esoteric and can be objectively pleaded by parties and shown as objective facts to a Judge.”*
  - *“If the offending activity fails to qualify as 'reporting' as understood afore-noted i.e. is not result oriented but is by way of analysis or review that would be the end of the matter. Injunction must follow without any further analysis.”*
- ❖ **Star India Pvt. Ltd. v Piyush Aggarwal & Ors. [2013 (54) PTC 222 (Del)]**
  - *A person, therefore, was entitled to copyright only under the provisions of the said Act and any other statutory enactment in force when the Copyright Act, 1911 was enacted. Section 16 of the Act has to be read in the light of Section 31 of the Copyright Act, 1911 .... Moreover, it is amply clear from the provisions of Section 16 that it applies to “work” alone.*

## Judicial Interpretation (Contd.)

### ❖ **Star India Pvt. Ltd. v Piyush Aggarwal & Ors. [2013 (54) PTC 222 (Del)]**

- *“The Court of Appeals, in the NBA-2 Case has recognized that certain “hot-news” INS like claims survives preemption and is limited to cases where, "(i) a plaintiff generates or gathers information at a cost; (ii) the information is time-sensitive; (iii) a defendant's use of the information constitutes free-riding on the plaintiff's efforts; (iv) the defendant is in direct competition with a product or service offered by the plaintiffs; and (v) the ability of other parties to free-ride on the efforts of the plaintiff or others would so reduce the incentive to produce the product or service that its existence or quality would be substantially threatened.”*
- *“The argument that expenditure is being incurred by the defendants to set-up infrastructure and employ personnel has no merit, because such expenditure is incurred upon the process of dissemination and not towards the organization of the sport or in the process of legitimately obtaining the information from the plaintiff or BCCI.”*
- *"If it is 30 minutes or more, as observed by the Division Bench in the NDTV Case, the information becomes irrelevant...By specifying a 15 minute lag, it is ensured that the defendants are not providing ball-by-ball or minute-by-minute score updates/match alerts contemporaneously with respect to the live telecast/broadcast of match. Considering the time-sensitive nature of the information, after a span of 15 minutes, there is no longer a direct competition between the parties to provide contemporaneous match information to the customers who demand it.”*

## **Legal Issue- III**

**Whether Parody or Satire is a Sustainable Defence against Commercial or Trademark Disparagement?**

## Relevant Provisions

### ❖ Section 29(4), The Trade Marks Act, 1999

- *“A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the **course of trade**, a mark which—*
  - (a) is identical with or similar to the registered trade mark; and*
  - (b) is used in relation to goods or services which are not similar to those for which the trade mark is registered; and*
  - (c) the registered trade mark has a reputation in India and the use of the mark without due cause takes **unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark.**”*

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### ❖ Section 29(8), The Trade Marks Act, 1999

- *“A registered trade mark is infringed by any advertising of that trade mark if such advertising—*
  - (a) takes unfair advantage of, and is contrary to honest practices in industrial and commercial matters; or*
  - (b) is detrimental to its distinctive character; or (c) is against the reputation of the mark”*

## Judicial Interpretation

### ❖ **Tata Sons Ltd. v Greenpeace International & Anr [178(2011) DLT 705]**

- *“The above analysis would show that the use of a trademark, as the object of a critical comment, or even attack, does not necessarily result in infringement. Sometimes the same mark may be used, as in Esso; sometimes it may be a parody (like in Laugh it Off and Louis Vuitton). If the user’s intention is to focus on some activity of the trademark owners, and is "denominative", drawing attention of the reader or viewer to the activity, such use can prima facie constitute "due cause" under Section 29 (4), which would disentitle the plaintiff to a temporary injunction, as in this case. The use of TATA, and the ‘T’ device or logo, is clearly denominative. Similarly, describing the Tatas as having demonic attributes is hyperbolic and parodic.”*

### ❖ **Dabur India Ltd. v. Emami Limited [CS(COMM) 1074/2018]**

- *“There is bound to be creativity, pun and a storyline in such messages, so that it creates an impact on the viewers or the readers. To keep the story engrossing, companies indulge in making comparisons, to claim that they are better than the rest. Some leeway has always to be given to the advertiser, but at the same time right to free speech cannot be stretched to allow them to become defamatory, disparaging or denigrating.”*

## Judicial Interpretation (Contd.)

### ❖ **Anhueser Busch LLC v Rishav Sharma & Ors [CS(COMM) 288/2020]**

- *“...defendant Nos. 1, 2 and 3...and all others acting for and on their behalf are restrained from reproducing, broadcasting, communicating to the public, screening, publishing and distributing the impugned video or any other video on any media or platform and promoting the impugned video on various social media amounting to infringement of plaintiff's registered mark 'Budweiser' and also amounting to commercial disparagement of the plaintiff's products including but not limited to the video / post published on the following four URLs till the next date of hearing.”*

# THANK YOU!

## Questions?

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