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## 'Vigilant Protection' of the Olympic brand - too fast, too high, too strong?

Neil J Foster



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## TRADE PRACTICES

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# 'Vigilant protection' of the Olympic brand — too fast, too high, too strong?

Neil Foster

In a world where 'branding' of products seems to be increasingly important, it is natural for those who own certain brands to seek to protect them as vigilantly as possible. The pre-eminent 'event' in Australia in the year 2000 will no doubt be the Sydney Olympic Games. Those who are charged with financing the Games are obviously keen to protect to the maximum extent possible their ability to 'market' the 'Olympic brand'. Last year *The Bulletin* reported that turnover of official Olympic merchandise was expected to reach new heights in the 2000 Games, 'producing a potential windfall for the cash-strapped Games'.<sup>1</sup> The same article reported that SOCOG's 'Brand Protection Office', 'with a multi-million dollar budget', will be conducting 'the biggest intellectual property protection program ever seen in this country'.<sup>2</sup>

The Commonwealth Government has weighed in on the side of protecting the interests of the brand owners in two pieces of legislation: the *Olympic Insignia Protection Act 1987* (OIPA),<sup>3</sup> and the more specific *Sydney 2000 Games (Indicia and Images) Protection Act 1996* (SIIPA).<sup>4</sup> The 1996 Act was passed in response to the report of the Senate Legal and Constitutional References Committee, *Cashing in on the Sydney Olympics: Protecting the Sydney Olympic Games from Ambush Marketing*.<sup>5</sup>

The casual reader of this bulletin would have gained the impression from an article published here last year that the courts have been keen to join the chorus of support for protection of the Olympic brand (see Di Bella S and Pigani T 'SOCOG vigilantly protects the Olympic brand' (1999) 15(2) TPLB 29-32 (the June 1999 article)).<sup>6</sup> Unfortunately, while the title of the article may reflect the intentions of SOCOG and the Australian Olympic Committee (AOC), the article fails to do justice to the judicial reaction to these intentions. Not to put too fine a point on it, the true effect of two out of the three cases cited by the article is wrongly stated to be that the AOC succeeded. In fact both the cases demonstrate that there are distinct limits to the protection the law will provide to brand-owners against members of the public who may wish to use the word 'Olympic' or related words.

## Protection of the Olympic brand is not as strong as previously suggested

The introduction to the June 1999 article is a clear exposition of the policy ➤

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> reasons for protection against 'ambush marketing'<sup>7</sup> in connection with the Sydney Games, and a summary of specific legislative responses. The June 1999 article suggests the general law of intellectual property (copyright, trade marks, design, passing off and trade practices law) might also be used to protect the Olympic brand.

However, on careful analysis the summary of the effect of SIIPA (or the Indicia Act as the authors call it) is not entirely accurate. The June 1999 article (on p 30) correctly points out that certain 'indicia' can only be used 'for commercial purposes' by SOCOG and other official bodies or their licensees. A later sentence in the same paragraph points out that SIIPA prevents more than a use of 'identical' images or indicia:

It need only be such that a reasonable person would get the impression that the user 'is or was a sponsor of, or is or was the provider of other support for' the Games or related events (s 10(2) of the Indicia Act).

The next paragraph goes on to point out that the word 'Olympic' is one of the protected 'indicia', along with the word 'Olympiad'.

Unfortunately, the June 1999 article at this point moves on without making one important point clear — the quote concerning a connection with sponsorship of the 2000 Games came from the definition in s 11 of SIIPA of 'commercial use' of the indicia. For commercial use of the Games indicia to be regulated by SIIPA, that use must suggest, not some general connection with the Olympic movement, but a *specific* connection with the Sydney Olympic Games to be held in 2000.

The significance of this mis-description of the legislation early in the article will become apparent below.<sup>8</sup>

Having discussed the 1987

'Insignia Act' briefly (and having correctly pointed out that it primarily relates to the graphic representation of Olympic pictorial symbols such as the 'five rings' and the 'torch and flame'), the June 1999 article moves on to discuss three specific cases. Each of these cases arose, not under the Games-specific legislation (although as we will see, SIIPA was discussed extensively in the *Baxter* case), but as actions under the general intellectual property laws.

### The hen and the eggs

The first case, *SOCOG v Clarke* [1998] FCA 792 (25 June 1998), is accurately summarised in the article. SOCOG were successful in obtaining an injunction preventing breach of copyright by sale of T-shirts by an animal liberation group in Tasmania. The T-shirts bore a logo which strongly resembled the 'Sydney 2000 Olympic Games logo', but which was intended to be a hen inside a cage over five eggs. Branson J of the Federal Court found that SOCOG were the owners of the copyright in the logo, that 'the designs [on the T-shirts] and the logo are substantially similar', and that the design 'is a reproduction of a substantial part of the logo'.

We will return to consider some of the implications of this fairly outrageous example of 'vigilance' in upholding 'the sanctity of the Olympic brand, even in non-commercial and non-profit circumstances'<sup>9</sup> below. For the moment it is interesting to note that it was not the highly trumpeted SIIPA, or indeed the earlier OIPA, which was used in the case.

### Misleading discussion of two other cases

The major concerns that arise about the June 1999 article stem from the discussion of two cases near the end of the article:

*Australian Olympic Committee* >

➤ *Inc v Brennan* (1994) AIPC 91-081; and *Australian Olympic Committee Inc v Baxter* [1996] ATMO 32 (30 October 1996).

Because it is the more serious example of misleading scholarship, we will consider the *Baxter* case first. As a minor point the correct citation of the case is *Baxter & Co Pty Ltd v the Australian Olympic Committee Inc* [1996] ATMO 54 (30 October 1996).<sup>10</sup> The more serious problem is the summary of the case in the June 1999 article. There we read (at 31-32):

In [*Baxter*] an application was made for the registration of a trade mark, THE OLYMPIC, in plain block capital letters. This trade mark was to be used in respect of 'footwear, including boots and shoes'. The AOC successfully opposed the registration of the trade mark by arguing that it infringed the [*Olympic Insignia Protection Act 1987*]. The AOC distinguished the alleged 'cashing in' activities of *Baxter & Co* from genuine trading activity which had occurred over a long period of time by companies which had adopted the use of the word 'Olympic' without any implication or connection with the Olympic movement; for example Olympic Airways and Olympic Tyres.

The statement of facts in the first two sentences is accurate. The third sentence of that paragraph, summarising the result of the case, is however very misleading. Far from the AOC being 'successful', the concluding paragraph of the Delegate's judgement in *Baxter* reads:

I find that *none* of the grounds relied on by Mr Golvan on behalf of the AOC has been made out. Consequently I *dismiss the opposition* and direct that in the absence of any appeal against this decision *the trade mark subject of application 612411 be registered*. I award costs to the applicant. [Emphasis added.]

This conclusion was reached by the Delegate (Mr Michael Homann) after a careful review of the arguments of counsel for the AOC, Mr Golvan.

There was *never* any question (contrary to the suggestion in the extract above) that any protection could have been gained from the OIPA. As noted previously that Act deals only with visual symbols such as the 'five rings', and does not in any way restrict the use of the word 'Olympic'.

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*'... the commercial use prohibited by SIIPA was a use which suggested a connection with the Sydney 2000 Games in particular, rather than with the Olympic movement in general ...'*

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The Delegate also rejected the argument that SIIPA applied. He pointed out that there was no breach of that Act because the commercial use prohibited by SIIPA was a use which suggested a connection with the Sydney 2000 Games in particular, rather than with the Olympic movement in general (see (1996) 36 IPR 632 at lines 32-37).

In short, the summary of the *Baxter* case could hardly be more in error! When we turn to the *Brennan* case, the story is sadly

very similar. The June 1999 article says:

In the [*Brennan*] case, the applicants applied for an extension of the trade mark OLYMPIAN THE GAME OF CHAMPIONS in conjunction with the marketing of a new board game. Initially the *opponent* had applied for one three-month extension of the trade mark, which was unopposed, followed by a further three-month extension, which was opposed by the AOC. In this case, it was *successfully* argued by the AOC that the continued use of the mark in question would lead to the deception or confusion of a substantial number of persons. [Emphasis added.]

Even before the case is consulted there is some incoherence in the summary. Why is an 'opponent' applying for a three month 'extension' of a registered trade mark? But when the case is read the summary itself is seen to be deceptive and confusing. The applicants (the Brennans) were not applying for an *extension* of a trade mark; they had applied for an original registration. The AOC were the opponents; but it was the AOC which was required within three months to file evidence supporting their opposition. Having received one (unopposed) three month extension, the AOC in this case were applying for a *second* three month extension. Notice again that these were not extensions of the trade mark period — they were temporary extensions in the course of a challenge to a registered trade mark, applications for which were filed by the AOC, not the applicants!

The result of the *Brennan* case is also far removed from the June 1999 article's summary. The article suggested again that the AOC was 'successful' in arguing that the trade mark was deceptive and confusing. This is *not* true. The AOC were only 'successful' in gaining another ➤

➤ three months to present evidence in support of their application to oppose registration. The Delegate, Assistant Registrar Hardie, specifically adopted in her reasons the remarks made in *Bundy American Corp v Rent-A-Wreck (Vic) Pty Ltd* (1985) AIPC 90-260:

It is not for me, here, to consider the merits of the situation as it exists or existed between the applicant and the opponent, or their respective rights so far as the mark is concerned. That will properly be a matter to be considered when [or if] the opposition comes to be decided.

The Delegate, then, specifically refrained from deciding the issues of 'deception and confusion' which the article states were resolved in favour of the AOC.

That the actual result of these two cases is completely misstated by the June 1999 article is further confirmed by an online search of the trade marks database (ATMOSS at <<http://pericles.ipaustralia.gov.au/atmoss>>). Both 'THE OLYMPIC' and 'OLYMPIAD THE GAME OF CHAMPIONS' are registered trade marks — the first as TM 5093 (first registered in 1907) with a specific graphic, and also the words alone as TM 612411; the second as TM 599496, interestingly owned by the AOC. Presumably (this has not been confirmed) the result of the *Brennan* litigation was a sale of the trade mark to the AOC — hardly an unqualified victory of the sort suggested by the article!

### Need to be 'vigilant' about not extending IP rights too widely

It is particularly unfortunate that the effect of two out of the only three so-far-reported Australian cases involving Olympic intellectual property rights is so badly misstated. All intellectual property rights involve an 'expropriation' of language otherwise in the public

arena which it is obviously important to carefully guard. As Orr comments:

The more widespread and hence commercially profitable the symbol or mark, the more likely it is to justify legislation controlling its use. Paradoxically, the more widespread the symbol or language, the more likely it is to be entrenched in ordinary speech and usage, and hence the more censorial and worrying the legislation will appear

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*'Despite the specific head of power in s 51(xviii) relating to "copyright, patents of inventions and designs, and trade marks", it has not been thought to be appropriate to use these more traditional regimes of intellectual property.'*

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... In a practical sense then, the effect and consequential purpose of this legislation is to channel economic power to the peak Olympic bodies: the AOC and the relevant organising committees. To an extent, it may do so at the expense of some of the successful individual athletes who would otherwise be freer to exploit their achievements.<sup>11</sup>

Or, we might add, at the expense of legitimate traders who simply wish to use common words and phrases in the English language.

These dangers will of course be

exacerbated if legal analysts do not pay careful attention to the 'checks and balances' which are there in the legislation itself and the decided cases. In the case of SIIPA, the Delegate in *Baxter*, Mr Homann, referred to the fact that the 1995 Senate Committee Report had recommended increased protection for the word 'Olympic' in general. But the Government, in enacting legislation in response to that Report, had specifically declined to follow the recommendation, instead carefully restricting protection to commercial uses which implied a specific connection to the 2000 Games (see (1996) 36 IPR at 632).

Indeed, it might well be thought that the Government's decision not to extend the scope of prohibition to words such as 'Olympic' or 'Olympiad' in general was effectively forced upon it by the decision of the High Court in *Davis v Commonwealth* (1988) 82 ALR 633. That case involved an earlier exercise in Commonwealth legislation designed to control the commercial use of certain words and phrases to allow a licensing scheme to 'cash in' on a major event. The event in question in the earlier legislation, the *Australian Bicentennial Authority Act 1980* (ABAA), was of course the 1988 celebration of the Bicentenary of the European settlement of Australia.

Re-reading *Davis* a number of issues emerge which Commonwealth policy and drafting personnel have clearly taken into account in drawing up the 1996 SIIPA. What, after all, is the constitutional basis for Commonwealth legislation protecting marketing rights in relation to the Olympic Games? No head of power can be found in s 51 of the Constitution relating to 'olympic games'. Despite the specific head of power in s 51(xviii) relating to 'copyright, patents of inventions and designs, and trade marks', it has not been thought to be

➤ appropriate to use these more traditional regimes of intellectual property.<sup>12</sup>

The basis upon which the ABAA was found to be constitutionally valid in general was that the commemoration of the Bicentenary was 'a matter falling within the peculiar province of the Commonwealth in its capacity as the national and federal government' (Mason CJ, Deane and Gaudron JJ at 641.) In SIIPA this 'national interest' is expressed particularly in the objects clause of s 3(1)(a):

to protect, and to further, the position of Australia as a participant in, and a supporter of, the world Olympic and Paralympic movements.

It seems reasonable to argue that the holding of an Olympic Games in a country is almost pre-eminently a matter for the national government of that country to support and be involved in.

Nevertheless, some of the areas where the ABAA was found lacking in *Davis*<sup>13</sup> can be seen to have been addressed in SIIPA. In particular, the High Court were scathing in their criticism of the breadth of the 'prohibited' words and phrases in the ABAA. Mason CJ, Deane and Gaudron JJ commented:

The effect of the provisions is to give the Authority an extraordinary power to regulate the use of expressions in everyday use in this country, though the circumstances of that use in countless situations could not conceivably prejudice the commemoration of the Bicentenary or the attainment by the Authority of its objects. In arming the Authority with this extraordinary power the Act provides for a regime of protection which is grossly disproportionate to the need to protect the commemoration and the Authority [at 645].

Similarly, Brennan J, calling the prohibition of certain phrases 'absurd', noted:

Freedom of speech may sometimes

be a casualty of a law of the Commonwealth made under a specific head of legislative power — for example, wartime censorship — or of a law designed to protect the nation — for example, a law against seditious utterances — but freedom of speech can hardly be an incidental casualty of an activity undertaken by the Executive Government to advance a nation which boasts of its freedom [at 657].

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*'... in general the courts continue to construe the legislation protecting the 'Olympic brand' with the care that it deserves, given the constraints that it may impose on innocent free speech and (it might be added) innocent marketing activities.'*

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In light of these strong comments the approach taken by SIIPA — preventing simply 'commercial' use in circumstances where a sponsorship connection with the specific Games to be held in Sydney in 2000 — seems the only constitutionally valid approach.

### **A New Zealand Court also declines to provide wide protection**

It is instructive to compare the careful approach taken by the Delegate in *Baxter* with the equally careful approach taken by the High Court of New Zealand in another

case involving alleged Olympic 'ambush marketing', this time in connection with the 1996 Atlanta Olympics. In *New Zealand Olympic Association Inc v Telecom New Zealand Ltd* (1996) 35 IPR 55, the relevant NZ authority (NZOCCA) took action against the local Telecom for 'passing off' and misleading advertising under the NZ equivalent of s 52 of the *Trade Practices Act 1974* (Cth).

The facts were that Telecom were not the 'official' telecommunications sponsor for the NZ Olympic team — that was a competitor called BellSouth. Telecom placed an advertisement in a magazine which involved the word 'ring' in capitals, repeated five times and arranged on the page in a pattern designed to evoke the 'five circles' of the Olympic logo. The impression was strengthened by each of the separate words being printed in the colour which corresponded to the relevant Olympic 'ring'.

The matter came before McGechan J in the High Court of NZ by way of an application for an interlocutory injunction. His Honour said that the issue to be resolved was really fairly simple:

Does the Telecom advertisement, taken as a whole, read in the way that a typical newspaper reader normally would, convey an impression that there is some association or connection between Telecom and the Olympic movement or the New Zealand Olympic team, whether generally or as a sponsor? [(1996) 35 IPR at 59]

The matter was slightly complicated by the need on an interlocutory hearing to address issues of seriousness, balance of convenience, and overall justice. In the end, however, his Honour took the view that the ordinary reader of the advertisement would be amused by the joke, but would not conclude that Telecom was an 'official' ➤

➤ sponsor. As a result he declined to issue the injunction.<sup>14</sup>

With respect, the decision was clearly right. By not using 'rings' or 'circles' Telecom had avoided any danger of a trade mark or copyright action; by not asserting official sponsorship they had avoided misleading the public. They had merely done what someone should clearly be entitled to do: allude to a current event in an interesting or clever way to make a point.

### Conclusion — which should come first: the chicken or the copyright?

To conclude, we may briefly return to the *Clarke* case referred to previously.<sup>15</sup> Many people might well be surprised at the result of the case: first that SOCOG should use their vast intellectual property resources to quash an animal liberation activist in Tasmania, and secondly that such an allusion to the Olympic Games should be prohibited. Whatever the connection between the cause of battery hens and the Olympics, does it not sound much more like political comment and parody that ought to be protected as free speech, than commercial 'ambush marketing'?

Unfortunately, there is no general defence of 'parody' in the *Copyright Act 1968* (Cth).<sup>16</sup> Ms Clarke, of course, could not be proceeded against under SIIPA, as no 'reasonable person', in terms of s 11(2)(c) of that Act, would think that the use of the logo amounted to an assertion of sponsorship for the 2000 Games. And she was presumably not advised as well as the directors of Telecom in New Zealand had been advised, to avoid using a 'substantial portion' of the relevant artwork.

Nevertheless, in general the courts continue to construe the legislation protecting the 'Olympic brand' with the care that it deserves,

given the constraints that it may impose on innocent free speech and (it might be added) innocent marketing activities. Those who advise about the legislation need to be careful that the protection that they claim is given to the brand, is not unjustifiably stated to be 'higher, faster and stronger' than it really is. ♦

*Neil Foster, Faculty of Law,  
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### Endnotes

1. Abernethy M 'Collaring the copy cats' *The Bulletin*, February 9, 1999, pp 22-24, at 23.

2. The Sydney Organising Committee for the Olympic Games (SOCOG) is established by an Act of the NSW Parliament and charged with the running of the Games.

3. Discussed in Deane P 'Exploitation of Olympic Symbols' (1995) 17 *European Intellectual Property Review* 161-162.

4. For detailed comment on the 1996 Act, see Altobelli T 'Cashing in on the Sydney Olympics' (1997) 35(4) *Law Society Journal* 44-48.

5. March 1995.

6. The article was also published in (1999) 11 *Australian Intellectual Property Law Bulletin* 71-74.

7. Defined by one writer as 'the unauthorised association by businesses of their names, brands, products or services with a sports event or competition': Morgan O J 'An Olympic ring-in: ambush marketing in NZ' (1997) 10(5) *Australian Intellectual Property Law Bulletin* 72-75 at 72. See also a brief discussion in Scuderi E and Bedford F 'Ambush marketing: an event at the Sydney 2000 Olympic Games?' (1999) *In Black and White* 16-17.

8. In all fairness, it must be acknowledged that a brief summary of the complexities of the Act will always be slightly misleading. Even Orr, who is mildly critical of the SIIPA regime, fails to stress the

need for a specific connection with the 2000 Games in his initial summary of the provisions: see Orr G 'Marketing Games: The Regulation of Olympic Indicia and Images in Australia' (1997) 19 *European Intellectual Property Review* 504-508 at 505. But in the context of the conclusions that Di Bella and Pigani reach the omission may be significant.

9. Di Bella and Pigani (1999) 15(2) *TPLB* 29-32 at 31.

10. The case is also reported at (1996) 36 *IPR* 621.

11. Orr, above note 8, at 507-508.

12. Perhaps partly in response to the comments of Mason CJ, Deane and Gaudron JJ in *Davis* to the effect that trade mark protection must involve distinguishing particular goods and services with which the proprietor is connected (82 *ALR* at 643). A regime in which the proprietor's aim was simply to license the mark to others arguably might not fall within that description. Note, though, that one of the main problems in the Bicentennial legislation was the wide reach of the prohibited 'common words' which clearly had no 'capacity to distinguish' the ABAA expressions such as 'Sydney 1988', for example.

13. Section 22(6)(d)(i) of the 1980 Act was held to be invalid to the extent that it would have prevented the use of the phrase '200 years'.

14. For further discussion of the case, see Van Melle A I 'Passing Off and Character Merchandising' [1996] *New Zealand Law Journal* 303-306 at 308, and Morgan, above note 7.

15. *SOCOG v Clarke* [1998] 792 *FCA*.

16. For discussion of the area see Spence M 'Intellectual Property and the Problem of Parody' (1998) 114 *LQR* 594-620; in Australia see particularly *Re: AGL Sydney Limited And: Shortland County Council* (1990) *AIPC* para 90-661; 17 *IPR* 99.