

Tough laws to protect RWC sponsors

The big intellectual property issues surrounding the Rugby World Cup centre on the Major Events Management Act (MEMA). Essentially, this legislation is designed to help organisers protect the interests of sponsors who fund the hosting of such events.

At a very basic level, the MEMA makes it illegal for unauthorised parties to commercially exploit the event. Marketing can fall foul of the Act if the wording or imagery suggests an official connection with the event or if your marketing is present during specified times in specified places.

The Ministry of Economic Development has released guidelines on the MEMA (at www.med.govt.nz) and its application to the Rugby World Cup. The guidelines contain various practical examples of advertising activities that are likely to fall foul of the Act, as well as examples of what would be considered legal.

Use of wording or imagery

If advertising is not authorised by the event organiser and features wording and/or imagery suggesting that the advertiser is officially connected with the event (i.e. it creates an association), then it will contravene the MEMA. The Act provides for special protection for certain 'declared' words and/or emblems used in connection with an event. A range of Rugby World Cup words and emblems have been declared under the MEMA; the key words and emblems are reproduced in the MED guidelines referred to above. Any unauthorised advertising that features use of these words and/or emblems can be presumed to make an association. However, it is important to note that this presumption can be challenged and overcome - if you can establish that an association was unlikely to result from the advertising.

Watch out at the border

The MEMA provides for New Zealand Customs Service to detain goods that come into New Zealand bearing declared words and/or emblems that are not official merchandise. The penalty for knowing use of declared words and/or emblems without authorisation can be as high as \$150,000. A consignment of over 1000 t-shirts bearing a Rugby World Cup declared emblem has already been seized by Customs, and the Ministry of Economic Development recently laid its first charges under the Act against CL NZ Trading Company Ltd and its director.

Placement of advertising

This is the second major form of protection against unauthorised commercial exploitation. It seeks to restrict advertising that is placed en route to an event and at the venue itself (or near



by) during specified times. While the advertising doesn't have to contain words or imagery that suggest an association with the event, its mere proximity to the venue is considered to create the association.

The restrictions on advertising are limited to:

- (1) a specified period - 'a clean period' (probably only the day of a Rugby World Cup match);
- (2) specific areas - 'clean zones' (largely the event venue) and 'clean transport routes'.

It is important to note that clean transport routes can only apply to state highways, motorways and railway lines up to 5km from the event. The detail around these 'clean' time frames and areas have yet to be announced.

It will be an offence to place any unauthorised advertising during the clean period either:

- In a clean zone (or visible from the clean zone); or
- On a clean transport route (advertising visible from the transport route is okay).

Street trading in the clean zone during the clean period is also a breach of the MEMA. (So setting up a sausage sizzle stand on Walters Road for fans heading to Eden Park will be a 'no no' - if that happens to be within the clean zone).

Exceptions

The MEMA attempts to balance the rights of local businesses with the protections for event

sponsors by providing a number of exceptions to the limitations on advertising. For instance, use of trade marks that were registered before 24 September 2007 (being the date that the Rugby World Cup was declared to be a 'major event' under the Act) will not breach the MEMA. Also, advertising that is considered to be in 'accordance with honest business practices' can continue. So businesses with existing billboards on the clean transport route or advertising on buildings visible from the clean zone will not have any problems. But if advertising is planned for just prior to the event, it could be problematic.

Tread carefully

It is hoped that the Rugby World Cup will pump \$500m into the local economy, bring more than 60,000 visitors to New Zealand and a collective television audience of four million. Naturally, New Zealand businesses will want to exploit this opportunity. Protections to safeguard the financial interests of sponsors mean that businesses need to tread carefully and be aware of the risks - while seizing the opportunity.

* Other Rugby World Cup related legislation

Rugby World Cup Minister Murray McCully is said to be preparing an 'empowering' Bill for the event designed to fast track the consent and licensing process for events supporting the Rugby World Cup such as liquor licensing and resource consents. We'll keep you posted on this.

Copyright in directories

A controversial decision in the Federal Court of Australia that denied copyright in the Yellow Pages and White Pages telephone directories has brewed up a storm that may have implications for New Zealand businesses that compile information directories.

While New Zealand courts tend to follow UK case law, the Australian decision of *Telstra Corporation Limited v Phone Directories Company Pty Ltd* may be influential. The New Zealand take on this issue might be determined soon during proceedings taken by Yellow Pages Group Ltd (the owner of the New Zealand Yellow Pages directory and website yellow.co.nz) against Image Marketing Group Ltd which is accused of stealing business listings from the Yellow Pages Group. The case is to be heard later this month.

Copyright automatically subsists in "original works" that have been created by an identifiable author or several authors. The Copyright legislation in Australia recognised that copyright might exist in a compilation. However, the factors that denied Telstra copyright in its White and Yellow Pages directories were (1) the authors of the work could not be identified and (2) the directories were not considered to be 'original'.

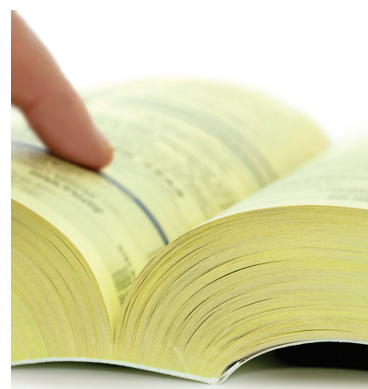
In Telstra's case, there were many authors involved in creating the directories - not all human and not all contributions by human authors could be linked with a particular part of the work. This was the first obstacle that Telstra faced. The second was originality.

What makes a work original is not defined in legislation but in case law. In Australia, the water shed case of *IceTV Pty Ltd v Nine Network Australia Pty Ltd*, which concerned TV programming guides, established that for a work to be original its creation had to involve "independent intellectual effort" or the "exercise of sufficient effort of a literary nature."

The Federal Court held that the compilation of the telephone directories by Telstra was not the result of independent intellectual effort or sufficient effort of a literary nature because it was a largely automated process. Where people were involved, they were required to follow sets of rules, which in itself appears to be a form of automation. There was little room for creativity.

Until the *IceTV* decision in 2009, the Australian position on originality was in line with UK and New Zealand i.e. a great deal of skill, judgement, experience and labour had to go into producing the work.

Not surprisingly, an appeal has been lodged. We await the outcome with interest!



Use it or lose it

Securing a registration for your brand name or trading name is an important step in protection but it's not the end of the line. Your exclusive rights that come from this registration are only as effective as your willingness to enforce those rights - so keep an eye on the market (or ask your advisor) to make sure that competitors haven't adopted identical or similar names.

In New Zealand, a registration can last forever, provided you pay the renewal fees. However, a registration can be vulnerable to cancellation by interested third parties. If an interested third party can satisfy the Commissioner of Trade Marks that a trade mark has not been in use for the past three years then your registration might be removed. A registration might also be removed if you allow others to use your trade mark

incorrectly, where that results in the name becoming a generic term (e.g. it has been argued that Sellotape has become a generic term). A registration may also be cancelled if the interested third party can show that the trade mark should never have been registered in the first place.

In short, trade mark protection doesn't stop at registration. You should: take action before identical or similar brands become entrenched; continue to make genuine use of the trade mark (if you want to keep it long term); and you should ensure that you and anyone else using your trade mark does so correctly so that it does not fall in danger of becoming generic.

* *There is a grace period of three years from the date of registration for you to use your newly registered trade mark.*

Internet disconnection

In our last update, we reported on the introduction of a replacement for the controversial section 92 of the Copyright Act, which obligated ISPs to terminate their client's internet connections if they were regarded as repeat copyright infringers. Among the most controversial aspects of the original legislation was the lack of a robust and equitable process around deciding whether an account holder was, in fact, a repeat copyright infringer and whether disconnection from the internet in this day and age was too harsh.

A re-write of this section was introduced into Parliament as the Copyright (Infringing File Sharing) Amendment Bill. For a general overview of the content of the Bill see previous update. The legislation has now been referred to the Commerce Committee and is due to report back to Parliament in October. Submissions have been called for by June 17.

QUICK IP TIP: How to use your trade mark

Whenever you reproduce your brand name, always try to differentiate it from the surrounding text - use title case, block capitals or use a different font altogether. Use the ™ symbol (or the ® symbol if it is registered in New Zealand) immediately after the trade mark and, where appropriate, follow the brand name with the generic description for the goods or service. For instance: "Heavenly Sink™ drain cleaner".

Get your marketing team to take this on board and try to get everyone to follow these guidelines. They are especially important if your brand name is not initially considered eligible for registration because examples of proper use could be used to overcome the objections.

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