



Jus Corpus Law Journal

Open Access Law Journal – Copyright © 2023 – ISSN 2582-7820
Editor-in-Chief – Prof. (Dr.) Rishikesh Dave; Publisher – Ayush Pandey

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Intellectual Property Rights in the world of Sports

Aditya Choudhary^a

^aChandigarh University, Chandigarh, India

Received 26 January 2023; Accepted 15 February 2023; Published 20 February 2023

The category of property known as "intellectual property" (IP) covers intangible works produced by the human mind. The principles for acquiring and upholding legal rights to innovations, designs, and creative creations are covered under intellectual property rights. These rights safeguard exclusive control over intangible assets in the same way that it safeguards ownership of tangible assets like real land and personal property. By securing they may profit from their creations without the worry of theft by others, these regulations are intended to encourage people to produce creative works that benefit society IPR provides them with certain exclusive rights. There are several forms of intellectual property protection, including trademarks, copyright, designs, trade secrets, and patent. IPR is a requirement for improved innovation or Identification, preparation, promotion, and protection of original works. In this article, I have briefly explained the relationship between sports and IPR, its interconnectivity, the rise in the sports global market, the need for IPR in the sports world, and tracking the use of IPR in sports globally and my viewpoint on the impact of Intellectual Property Rights on World Sports.

Keywords: *sports, intellectual property, personal property, ipr in sports, world sports.*

INTRODUCTION: SPORTS AND INTELLECTUAL PROPERTY RIGHTS

Sports are a multi-billion dollar worldwide sector that is important to all societies. The sports sector has phenomenal worldwide support and viewership It is the pinnacle of entertainment, commerce, gaming, and culture. Every sport, from football to tennis to cricket, has innovators

and designers at work in the background to push the limits of physical performance, enhance the spectator experience, and bring sporting events into every house. In practically every area of the sports sector, IPRs are present. Since its inception, almost no sport has remained essentially unchanged; All of them have experienced growth and innovation. What has sparked this change? IP rights have, in large part, provided the necessary incentives to consistently encourage sports innovation. Different kinds of intellectual property rights have different effects on the growth of the sports industry.

As expressed by Daren Tang¹, the Director General of the World Intellectual Property Organization (WIPO), “The use of intellectual property rights has enabled the development of sports into the global \$350 billion industry that we know today. 1 From the Olympics to the World Cup, sports are fundamental to our identity and a truly universal language that brings people together. IP rights have always played an important role in the development of sports and will continue to do so with the emergence of new areas such as eSports, which has grown rapidly to reach a global audience of nearly 500 million.² As the industry continues to innovate, a better understanding of IP will help to bring sports to every corner of the world, support sportspersons in earning a living, and bring the full benefit of sports to all countries.”

THE NEED FOR IPR IN SPORTS

A recent study by A.T. Kearney² forecasts a 7% growth rate for the worldwide market for athletic events alone in 2014, which is estimated to be worth \$80 billion. Spending on sports products, clothes, equipment, and health and fitness is predicted to contribute 1% of global GDP altogether, raising the value to \$700 billion. Countries must grant a variety of IP rights to create a contemporary, prosperous sports industry. Sports naturally entail many different types of economic activity. When presented properly, playing football on a dirt field in a remote area may turn into a stadium with tens of thousands of people watching in addition to millions more

¹Jacques de Werra, ‘Reference Guide to Sustaining Sport and its Development through Intellectual Property Rights’ (WIPO) <<https://www.wipo.int/export/sites/www/sports/en/docs/guide-sustaining-sport-ipr-2022.pdf>> accessed 24 January 2023

² ‘Leveraging Intellectual Property in the Global Sports Economy’ (US Chamber of Commerce Global Innovation Policy Center) <<https://www.theglobalipcenter.com/report/sports-and-ip/>> accessed 24 January 2023

watching on their televisions, computers, or cellphones. Sports are a very entertaining and well-liked activity because of innovative sporting equipment, attractive clothing styles, and the competitive spirit involved in the game. But each sport, as well as the companies that support it, need the protection of some kind of intellectual property rules, as well as a system for upholding those rights. A chain reaction develops in an environment where strong IP rights are present, benefiting several economic sectors to the tune of 1% of the world's GDP.

The study by A.T. Kearney lays down some key findings:-³

The Modern Sports Sector relies on IP Rights and can not exist without them: Every sport possesses an innovative element. However, without incentives and intellectual property rights, sports cannot develop into a profitable asset. Improvements in athletic equipment, including clothing and footwear, are driven by patent-protected inventions. The investment in sending events to fans and sports lovers is based on the purchase of broadcasting rights. The reputation of sporting goods producers, leagues, teams, and events is safeguarded by trademarks. Sports production may be increased through licensing and merchandising deals, which produce the necessary profits. The sports economy is a useful example of how an intellectual property asset may be used as a platform for business and associated sectors.

A Wide Range of IP Rights is needed for the Modern Sports Sector to succeed: The two primary IP rights in sports historically have been copyright and trademarks. However, this study discovers that this conventional view is a constrained picture of how sports companies employ intellectual property rights. Although copyright and trademarks continue to be fundamental to many industries (such as broadcasting, clothing, and brand value), new forms of IP rights are increasingly being used to safeguard material and creative work. For instance, the development of advanced technology has led to an increase in research-based, cutting-edge athletic goods.

³ 'LEVERAGING INTELLECTUAL PROPERTY IN THE GLOBAL SPORTS ECONOMY' (*Global Innovation Policy Center*) <https://www.theglobalipcenter.com/wp-content/uploads/2018/06/023441_GIPC_Sports_Econ_Insides_03.pdf> accessed 24 January 2023

These goods thus need robust patent protection. Sports are covered by literally tens of thousands of utility patents. There are tens of thousands of utility patents referencing sports in the Google Patents Public Datasets⁴, a patent database compiled from 17 patent offices worldwide referring to concepts like "athletic" or "athletes." Numerous athletic goods businesses double as technology businesses with sizable patent portfolios. Similar to this, the expansion of the internet and the globalization of sports—with the exponential increase in the number of foreign spectators of local leagues—require robust and transparent broadcasting rights. To build training infrastructure, host competitions, and championships, and engage in community involvement activities to maintain and increase public support in their sport, sports organizations (including leagues and individual teams) are increasingly relying on revenues from media rights and broadcasting rights.

The Sports Industry and Consumers are seriously at risk of Physical Counterfeiting:

Sportswear and athletic goods counterfeiting have a significant negative influence on economies, denying sportsmen and leagues financial rewards, undermining consumer trust in brands, and leading to the loss of legitimate employment opportunities. As a result of the boom in online shopping and the double-digit yearly growth in e-commerce, counterfeiting is developing tremendously. According to this report, counterfeiting has a direct economic impact of close to \$50 billion annually on the markets for sporting goods and athletic apparel. The annual cost of counterfeiting is estimated to be \$84 billion when the indirect impact on associated services is taken into consideration.

Piracy is Threatening the Integrity of Broadcasting: Online sports broadcasting piracy is muffled but governments find it difficult to stay on top of the threat. There are thousands of illegal streaming services and websites that broadcast sports illegally. Free access to sports broadcasts is now possible with the touch of a mouse thanks to widely available, inexpensive "plug-and-play" set-top boxes. Broadcast piracy's rapid spread is a serious worry since it slows the development of advertising and subscription fees, which are anticipated to generate dozens

⁴ Vaishali Singh, 'The Untapped Emergence of IP Rights and Sports: Faster, Stronger and Higher' (SCC Online, 22 July 2019) <https://www.sconline.com/blog/post/2019/07/22/the-untapped-emergence-of-ip-rights-and-sports-faster-stronger-and-higher/#_ftn2> accessed 23 January 2023

of billions of dollars annually. For instance, China's local soccer competition is being choked off by internet piracy (Chinese FA Super League).

In particular, league revenue from paid memberships only accounts for less than 10% of total revenue, compared to 50% in developed countries, despite increased consumer interest and match attendance. Governments and significant players like Amazon, eBay, and Facebook are taking action in developed markets to combat the danger created by piracy. Emerging economies are still having trouble defining the parameters of their copyright laws, making it difficult for them to quickly take action to shut down sources of pirated content.

TRACKING IP RIGHTS IN THE SPORTS SECTOR

Intellectual property (IP)⁵ rights encourage innovation in almost every aspect of human life and give people the means to turn brilliant ideas into successful ventures. Sport is a vast area with so many intellectual ideas and innovations that need the protection of IPR in almost every step of its functioning. This paragraph examines how the sports industry protects assets, creates value, and encourages growth by utilizing five essential types of intellectual property rights – patents, trademarks, design rights, copyrights, and trade secrets.

PATENTS

The patent system, in its simplest form, is a pact made by innovators and the general public. In return for disclosing the specifics of how to make an innovative idea, the government will forbid others from reproducing it for a certain amount of time—about 20 years in most of the economies—providing the inventor with the chance to recoup investment as the only source in the market selling the invention. The patent system is directly utilized and advantageous in the sports industry. Sporting goods equipment is always changing. Athletes may now leap higher, swim faster, cycle farther, and smash the ball farther and harder thanks to new technologies. Technologies that reduce impact and stress on athletes' bodies enhance safety as well. These innovations are a direct outcome of a patent system that provides the right incentives for

⁵ 'Sports and Intellectual Property' (WIPO) <<https://www.wipo.int/sports/en/>> accessed 24 January 2023

innovation and a reliable platform for the distribution of ideas and their widespread commercialization. Businesses are encouraged to invest in creating and marketing novel and better products thanks to patents. Since all patent applications are made public, they aid in fostering technical advancement. And when these goods are made available for purchase by the general public, they are increasingly accessible to sports fans.

Thanks to the patent system, sports equipment manufacturers benefit financially from innovation, which in turn strengthens and revitalizes the industry for the benefit of the economy as a whole; researchers have access to a wealth of technical data that they can use to spur innovation and improvements to existing products; and sportspersons all over the world benefit from sports equipment innovations to improve their performance, reduce injuries, and increase safety.

TRADEMARK

When it comes to the significance of brands in producing commercial value, the sports business is no exception. Strong brands are valuable assets that drive economic growth and customer loyalty by fetching high prices. They are essential to many business dealings in the world of sports, notably in terms of sponsorship deals and product sales. Trademarks are at the core of branding. To provide value, interest, and energy to sports, branding is crucial. It increases customer loyalty and faith in the characteristics and quality of athletic items. It also fosters affinity to athletic teams and clothing trends. In the sports industry, trademarks operate differently for products and services depending on the design or asset being safeguarded, but the uniqueness of the mark serves as a unifying factor. A key benefit of trademarks is that they shield consumers from being misled about a product's authenticity. The sports industry offers a singular chance to generate a 'domino effect'⁶ in the development of trademark value.

When a skilled athlete establishes himself or herself as a valuable player in a team sport and creates a personal brand. The success and notoriety of this athlete's team, as well as the whole

⁶ LEVERAGING INTELLECTUAL PROPERTY IN THE GLOBAL SPORTS ECONOMY (n 3)

professional league in which they compete, are fueled by their supremacy. There are many instances of sportsmen boosting the reputation and goodwill of clubs, leagues, and even whole sports to a national or even international level. This, therefore, opens up commercial prospects for connected sports sectors, such as sporting goods producers (apparel, shoes, and gear tailored to certain sports), as well as broadcasters as television viewership records and interest in the sport rises. Some major examples of this are, In NBA Michal Jordan signed a shoe deal with Nike for his shoe named the 'Air Jordan', It became the selling shoe of all time.⁷

DESIGN RIGHTS

In the realm of sports, design has a significant impact. Design is engaged everywhere image and aesthetics are, and aesthetics or design quickly follow the emergence of new materials. Sports clothing such as swimwear, gym and tennis attire, sports bags, and athletic shoes may all be included in designs. Designing a product in a way that appeals to customers has a crucial role in enhancing its economic worth and increasing its marketability in a highly competitive market. To create designs that are successful and adapt to shifting consumer preferences, businesses devote significant resources and experience. Companies may protect themselves from copycats and counterfeiters by registering their designs and acquiring intellectual property right over them.

COPYRIGHTS

Copyright is essential to preserving the vitality of sports, inspiring and retaining fans, and raising value. Promotion and marketing of different leagues and sporting events, artistic logo ideas and design for sports teams and competitions, literature, and information found in game-day programs provided to fans and supporters on the matchday, merchandise, and computer and online game software are all examples of subject matter that is subject to copyright. The primary source of funding for sports groups to construct stadiums, stage athletic events, and

⁷ 'Michael Jordan & Nike Celebrate 38 Years Together' (*FanNation*, 26 October 12022) <<https://www.si.com/fannation/sneakers/news/michael-jordan-nike-celebrate-38-years-together#:~:text=On%20this%20day%2038%20years%20ago%2C%20Jordan%20signed%20his%20first,breaking%20contract%20at%20the%20time>> accessed 25 January 2023

engage in community outreach to sustain high levels of interest is frequently revenues from broadcasting and media rights.

The grandeur and thrill of major sporting events may now be experienced by billions of people worldwide because of advancements in communications technology in broadcast sports coverage. Copyright and related rights, particularly those that apply to broadcasting corporations, promote the connection between sports and television, and other media. Large amounts of money are paid by television and media houses for the exclusive broadcasting rights of major sporting events live. The royalties that broadcasters receive from the sale of their exclusive content to other media sources allow them to make the expensive organizational and technological infrastructure investments necessary to transmit sporting events to millions of viewers across the world.⁸

TRADE SECRETS

A significant amount of trade secrets, which are essential for gaining a competitive edge and creating value, are also produced by the sports industry. To acquire a possible competitive advantage over their competitors, teams collect confidential information in the form of statistical data studies, scout reports, nutrition regimens, physiological measures, and psychological evaluation procedures. To help players perform better, sports equipment frequently uses innovative chemicals and materials that are kept hidden.

In the field of sports, trade secrets may take many different shapes, from secretive methods and data utilized by specific teams and leagues to approaches and commercial strategies employed by producers of athletic products and equipment. Golf balls can be made to be more aerodynamic and skateboards can be made to be lighter and stronger thanks to secret formulae, materials, and manufacturing procedures used in sportswear and equipment. The years-long

⁸ 'Broadcasting & Media Rights in Sports' (WIPO) <<https://www.wipo.int/sports/en/broadcasting.html>> accessed 25 January 2023

prototyping and testing required to produce new goods and designs must be kept a secret to avoid giving the competitors an advantage.⁹

CONCLUSION

The popularity of sports as a form of entertainment has skyrocketed. The commercialization of the same with the aid of many IPRs has generated enormous revenues. The updated version of commercial sports places particular emphasis on important IP issues including trademarks, copyright, design, licensing, and franchising, among others. All of this suggests that in circumstances similar to the one above, IPR protection cannot be avoided. To safeguard all parties and their financial interests, legally binding contracts must be in place to safeguard all forms of intellectual property developed for sporting events, teams, individual players, and other situations. With the advancement in technology there is also an increase in the infringement of IP rights in sports and to avoid the losses occurred due to these ill practices IPR must be followed regularly.

⁹ 'Trade Secrets' (WIPO) <<https://www.wipo.int/tradesecrets/en/>> accessed 25 January 2023