

MEMO

To: FIDE Presidential Board
From: Morten Sand, FIDE Legal Advisor
Re: Protection of FIDE logo
Date: 6 August 2007

1) Present status

The FIDE Presidential Board decided in its meeting in Antalya to move forward with the logo protection plan presented at the meeting. According to the plan, protection will be obtained by registration in the following countries:

European Community
USA
Australia
Russia
South Korea
Japan
China
Belarus
Georgia

Protection obtained by either long or extensive use or by registration, will in most jurisdictions give the FIDE the exclusive right to the use of the mark in relation to the goods or services for which established use is considered to exist – or for which it is registered. Such exclusive right has the effect that only FIDE can label, advertise, produce or import/export products (or services) using the mark in question, or other marks considered confusingly similar.

The international application has been prepared and was filed with the Norwegian Patent Office on April 20, 2007. What will happen next is that the Norwegian Patent Office will perform a simple formality check and then the application will be forwarded to the International Bureau in Geneva (WIPO - www.wipo.int).

The International Bureau on their part will further process the application - issue a Registration Certificate - and pass a copy of the application on to each of the designated countries. In each of the designated countries, the application will be examined in accordance with national law (thus, the issuance of the registration certificate by WIPO will not entail immediate protection in the designated countries. Whether or not the mark will become valid in each of the countries depends on the outcome of the national examinations).

Time frame:

Norwegian Patent Office: Forwards the case to WIPO within 2 months.

Int. Bureau (WIPO): Notifies the designated countries within 3-4 months after receipt from the Norwegian PO.

Designated countries: Examines the application within 18 months from the date of notification.

2) Contractual and Legal aspects

It is essential that FIDE not only formally protects its logo, but also through its rules, regulations, contracts and actions protect itself against any unauthorized usages of the FIDE name, logo and slogan. In the future this will mean that FIDE establishes a standard procedure if and when we are made aware of such unauthorized use.

At present FIDE has already entered into contracts that do authorize the use of FIDE name, logo and slogan:

2.1 Global Chess BV

In this contract FIDE “..grants the commercial Rights to Global Chess as its sole and exclusive licensee....”

In this capacity GC shall “...use the **marks** in the form in which they are registered or otherwise used by FIDE”.

Marks “..means all existing and future logos, signs, representations, trademarks, trademark insignia or service marks used by and/or describing or identifying FIDE.”

The above defined rights of GC are then connected to the list of FIDE Events that basically covers all the Championships within the FIDE calendar and for a period of five and a half year (31.12.12), see schedule L.

Further to the use of the Intellectual Property Rights, it is agreed that “...save for those rights expressly set out herein, Global Chess acknowledges and agrees that it has no right title or interest in the Intellectual Property Rights and that all such rights....shall be owned exclusively by FIDE.”

Under this Agreement the parties may of course agree on additional areas of cooperation, products etc and on how to use the FIDE logo.

2.2 DGT Projects BV

FIDE has 2 existing agreements with the DGT

Distribution and Marketing Support Agreement (A-I)

Agency, Distribution and marketing Support Agreement (A-II)

2.2.1 A-I

This agreement was signed in Kishniev, Moldova in 1997 and was later adjusted in Halkidiki, Greece, in 2003.

One of the main objects of this agreement was to make the Digital Game Timer “***The official Chess Clock of FIDE.***” For this, FIDE receives 7% of the total amount invoiced by DGT Projects BV and sold to other buyers than FIDE itself.

In the Agreement it is explicitly stated that “*FIDE will retain the right to state that a certain chess clock complies fully with FIDE rules and regulations.*” Based on this, FIDE has established guidelines and testing protocol for controlling whether electronic chess clocks complies with FIDE regulations.

The DGT chess clocks are promoted as the official FIDE chess clock and with the FIDE logo.

2.2.2 A-II

This agreement was signed in Doha, Qatar in 2005 and expires 30 October 2010.

The main purpose was to secure the best possible transfer of chess games to internet by using DGT equipment and ToMa software and says “*.FIDE intents only to sign contracts for the right for “live” broadcasting of chess games of the tournaments as mentioned on the list of 1.2 (appendix) with organizers who agrees to use DGT equipment and ToMa software. FIDE will offer to the tournament organizer the opportunity to purchase or rent the equipment.*”

There are no clauses in this contract regarding the FIDE logo.

3. Official FIDE equipment

In a growing market of chess equipment of all sorts, there will be a need to distinguish the quality products that are duly tested over time and that meet all the necessary regulations, from the mass products. This will represent a mutual benefit for the producer, the consumer and FIDE.

We need to clearly define the content and added value for chess equipment being listed as “Official FIDE” equipment. So far only the electronic chess clock from DGT has been given this status. There is a potential to define other type of equipment as “official”.

FIDE should consider creating regulations whereby;

Official FIDE equipment should have exclusive right to use the FIDE logo and to use the term “Official FIDE” linked to the product and to the advertising of such products.

FIDE Tournament regulations and contracts with future organizers should contain a clause making it mandatory to use “Official FIDE” equipment in the tournaments.

FIDE should actively market “Official FIDE” products towards federations, organizers and the chess community.

In return FIDE must secure a payment of royalties or commission that reflects the benefit of being official and the marketing effort.

All unauthorized use of the FIDE name, logo and slogan must be pursued.

4. FIDE approved

FIDE has approved a testing protocol for electronic chess clocks. There is an obvious need for such procedures since the market is now flooded by such clocks in very different qualities. FIDE owes it to the chess world and to regular consumers to inform which clocks meet the requirements and which don't.

Till now the idea has been to test the clocks upon request and payment of a fee (€2 500) by the producer and then if accepted, to give the producer the right to state that the clock is “FIDE approved”. After paying this fee there is no system of annual payment

It is time to discuss if this is the best procedure. It is clear that this will not generate any income and that the fee was meant to cover expenses for the testers etc. Maybe FIDE should consider doing this testing “ex officio” without any request and then publish the result and at the same time prevent the producer or retailer to use the phrase “FIDE approved” unless a fee of €5 000 is paid with annual fees of €1 500. Every time there are changes in laws of chess etc a clock can be removed from the approved list and a letter sent to the producer asking him to stop any marketing indication approval from FIDE or that the clock meets all FIDE requirements.

5. Additional use of FIDE logo

FIDE has recently been asked by tournament organizers whether they can use the FIDE logo in connection with their tournaments. This is a question of “policy” by FIDE. In general there are few, if no, problems if the organizer puts the FIDE logo on the website, printed material etc. It gives credibility and underlines that FIDE is the governing body of chess. It will anyway be practically impossible to try to prevent such use of the logo.

However, if the organizer is gaining financially by such use or misuses the FIDE name and logo in a negative way, FIDE has a clear interest of prevention.

6. Recommendations

- 1) FIDE must protect its name, logo and slogan in a way that prevents unauthorized use or misuse by others.
- 2) The list of countries, where FIDE has formal registration, must be updated accordingly.
- 3) Establish internal procedures re first contact to “offenders”.
- 4) Upgrade the importance and possibilities of “Official FIDE” products.

- 5) Implement mandatory use of such equipment into regulations and contracts.
- 6) Be more active in testing of electronic chess clocks to disclose whether they meet FIDE requirements or not.
- 7) Upgrade the fee system for using the term “FIDE approved”.

Oslo, 6 August 2007

Morten Sand