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## Turnaround in off-field football dispute: Brazilian spray patent battle

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#### › Facts

#### › Decision

#### › Comment

Recently, there was a notable development in the Brazilian spray patent battle, which concerns the alleged patent infringement of the spray used to mark the distance between the position of the defenders and the ball when free kicks are taken in football matches (for further details on the facts of the case, see "Off-field football dispute: Brazilian spray patent battle").

#### **Facts**

In July 2020, the first-circuit judge rejected a claim in the infringement lawsuit filed by the Brazilian inventor of the vanishing spray and his company (the patent owner) against the International Federation of Association Football (FIFA). The judge held that the inventor had failed to prove:

- that the products used by FIFA corresponded to infringed copies of his products; or
- the existence of any kind of damage.

The Brazilian inventor appealed this decision to the higher courts.

#### **Decision**

The Rio de Janeiro Court of Appeals reversed the decision of the lower court, in view of FIFA's evident and flagrant breach of good faith during pre-contractual negotiations. The Court ordered FIFA to indemnify the

inventor for material and moral damages.

Upon reanalysing the evidence presented by the inventor, the Court held that FIFA had used its advantageous position in the football sector to control the power and economic conditions therein, which constituted a flagrant abuse of rights. The Court found that FIFA had:

- made unfounded promises of legal negotiations in exchange for receiving expertise and free use of the equipment; and
- offered an incompatible value proposal to terminate the negotiations, aiming to remove the Brazilian inventor from the business and establish a partnership with other international companies.

The Court held that FIFA – having repeatedly used the product for free, received expertise and made promises to purchase the patent – had acted in flagrant bad faith by violating the name of the Brazilian inventor and failing to complete the legal transaction.

Thus, the Court sentenced FIFA to pay to the inventor:

- material damages arising from:
  - the use of the invention; and
  - the loss of profits caused by damage to the inventor's image and sponsorship; and
- moral damages.

#### ***Material damages from use of invention***

The initial term over which to calculate the damages was initially set as from May 2012 – which was considered the start of the business negotiations and the subsequent use of the spray cans in Brazil, covering not only the tournaments organised by FIFA, but also all football matches played within official competitions held in Brazil organised by entities belonging to FIFA (ie, CONMEBOL, Brazilian Football Confederation and State Football Federations) – until the time when the exclusivity of the Brazilian inventor's patent in Brazil ended.

#### ***Material damage from loss of profits***

The inventor had claimed that, due to FIFA's behaviour, he had failed to publicise his image and obtain television association contracts and other gains subject to this type of unearned contracting. The Court accepted such claim, considering the amount that the Brazilian inventor had failed to earn through sponsorship and appearances in the media

due to the omission of his trademark when the spray was used in the 2014 World Cup and other tournaments. The absence of publicity on a world stage event prevented the execution of sponsorship contracts, in addition to the natural losses of image and television association damage to the Brazilian inventor and his company.

### ***Moral damage***

FIFA was also sentenced to pay moral damages to the Brazilian inventor and patent owner, in the amount of 50,000 reais (approximately \$9,000).

### **Comment**

This matter is far from finished, as FIFA can appeal this decision to the higher courts, meaning that a final decision is likely to be made after the Qatar 2022 World Cup. Meanwhile, all football and patent fans will have to stay tuned to keep track of this battle.

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