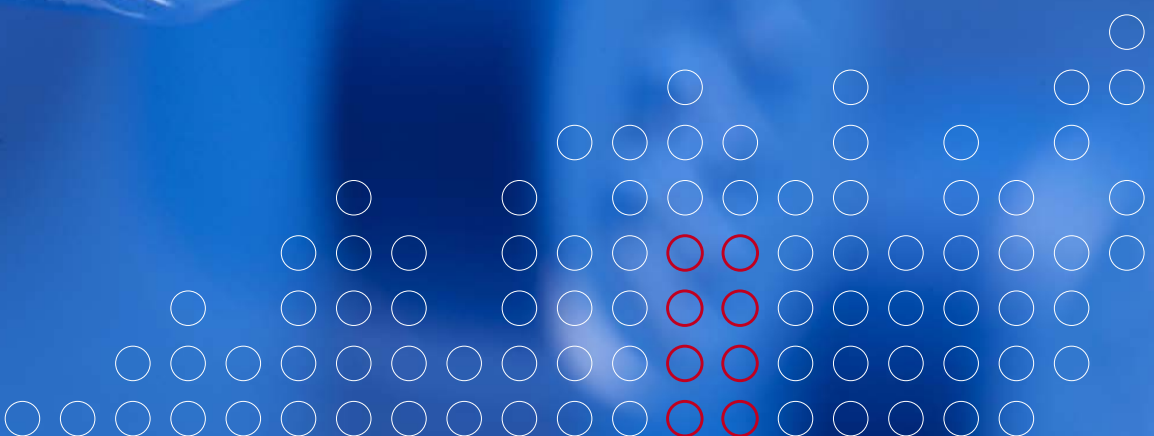




# Fair Play

- a guide compiled by the LEGO Group



# INTRODUCTION

## **Rights worth defending**

Parasitic copying of original designs and products is a growing problem, whether you make watches, clothes, medical products – or toys.

Insufficient protection of product rights works to the disadvantage of manufacturers who invest heavily in product development, product safety, quality control and marketing.

Copying makes it difficult for consumers to choose on an informed basis.

To protect consumers against being misled and to ensure that it continues to be profitable for manufacturers to develop, make and market quality products, it is becoming ever more important to establish worldwide regulations on protection of Intellectual Property Rights. Equally important are routines for informing our customers and consumers of how they can make sure they are choosing the genuine product.

These are the reasons underlying the LEGO Group's decision to produce this brochure. It explains what we are doing to protect our products and trademarks, why we do so and for what reasons we believe it important to avoid the risk of our products' identities being watered down. The brochure also explains what we believe should be done on the legislative side to strengthen protection of consumers' and producers' rights alike.

## **Trademark**

The typical function of a trademark is to identify a given product with its manufacturer. Trademarks consist of names, words, word combinations, devices etc. Sometimes a product shape can qualify as a trademark. The protection against identical or confusingly similar trademarks in principle lasts forever.

## **Patent**

A patent grants a time-limited protection for new inventions, eg. new technical developments.

## **Design**

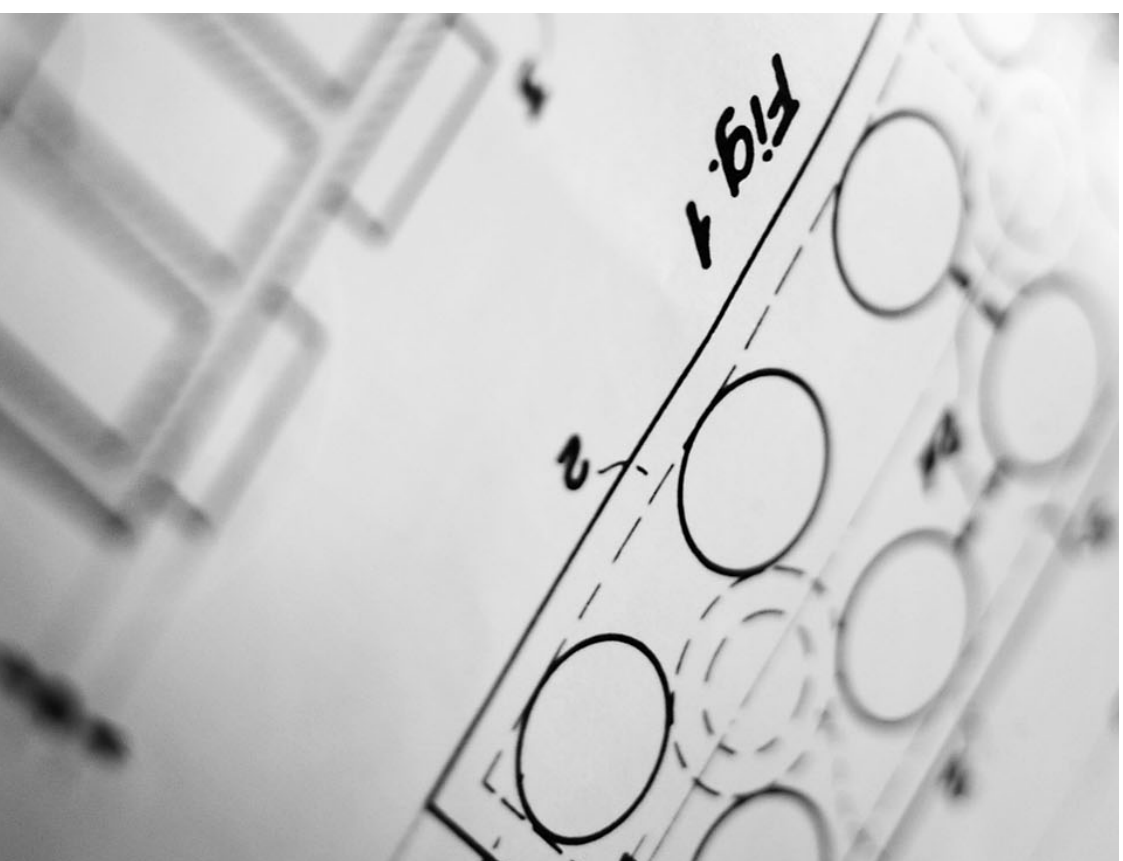
A design registration grants a time-limited protection for new designs, eg. new product shapes. Sometimes designs are protected without registration.

## **Copyright**

Literature and certain artistic works are automatically protected against copying for a considerable period of time, typically for 70 years after the death of the person who created them.

## **Unfair Competition Laws**

In cases when patent, design and trademark protection may not apply, and the overall presentation of a rival product is clearly designed to induce consumer association with an original product and to mislead as to the origin of the rival product, the remedy may be found under unfair competition/passing off laws.



# HISTORY

## **The LEGO® Brick / Toy of the Century**

On the verge of the 21st Century, the LEGO® Brick was voted "Toy of the Century", first by Fortune Magazine, later by the British Association of Toy Retailers.

When Danish Carpenter Ole Kirk Christiansen began making wooden toys in 1932, he could scarcely have foreseen the process he was setting in motion. Today the LEGO Group is the fourth-largest toy company in terms of sales and its products are among the best-known and the most loved in the world.

The LEGO Group is dedicated to delivering quality play experiences and constantly seeking out new ways of learning and being creative.

## **LEGO System of Play**

The iconic LEGO brick was developed more than 50 years ago. During the late 1940s plastic bricks became part of the LEGO assortment and in 1955 the LEGO Group launched its revolutionary "LEGO System of Play" with the first "Play and Learn" concept which stressed the importance of learning by playing. This led to further development of the plastic bricks and in 1958 the LEGO brick was launched with its now classic knob-and-tube coupling system. The famous 1958 patent, the LEGO patent, concerns the tubes only.

## **Inventing the Wheel**

To the LEGO Group this was only the starting point for the LEGO System. In 1962 the wheel was re-invented and experiments

with electric motors began. In 1966 the first LEGO train with accompanying rails and a 4.5-volt motor for propulsion was introduced. The LEGO Technic range was introduced in 1977.

## **Big Bricks for Small Hands**

Another ground-breaking event occurred in the late 1960s: instead of aiming at the broad target group "children", LEGO products were split into age and development segments. LEGO® DUPLO® was launched to give the youngest children a chance to play with LEGO products. The DUPLO bricks are twice as big in each dimension as ordinary LEGO bricks and are therefore easier for young hands to handle.

## **LEGOLAND® Parks on the Map**

In 1968 the LEGO Group set up LEGOLAND® Park in Billund. It was to prove itself the most famous and living symbol of creativity and imagination from a child's perspective. Three more LEGOLAND Parks have been opened since: one at Windsor, England (1996) one in California, USA (1999), and one at Günzburg, Germany (2002). In 2005 the LEGO Group sold the majority of the shares in the Parks to Merlin Entertainments Group.

The LEGOLAND trademark is still owned by the LEGO Group and continues to be used under license. The owners of the LEGO Group, KIRKBI A/S, owns approximately a third of the shares in Merlin Entertainments Group.





# HISTORY

## LEGO® Education

Since 1981 the LEGO Group has marketed products for schools. LEGO® Education products have been developed specially for the educational sector and contain material for both teachers and pupils. Pupils get the opportunity to do their own research, for example, into how cause and effect are related. When you learn by doing, you remember it better than if someone simply tells you. This is the philosophy behind LEGO Education's teaching concepts.

## Robot Technology for Children

The 1990s was the decade in which the LEGO Group moved into robotics. Intelligence and behavior became well and truly an integral part of the LEGO product range. By integrating robot technology with the LEGO building system, LEGO® MINDSTORMS® enabled children to create and program intelligent LEGO models. The technology system was launched in 1998.

## License

The first LEGO® Star Wars™ products were marketed in 1999. This was the first time the LEGO Group decided to license a story into the LEGO world and LEGO Star Wars products have been a success. Since then several licensed LEGO products have been marketed, such as Harry Potter™, Winnie the Pooh™ and Toy Story™.

## New Products and Concepts

In addition to ongoing product development based on the existing core portfolio, the

LEGO Group will develop innovative new products which are ideally suited as LEGO products, yet never seen before.

An example of such new products was seen in 2009 when a completely new product line was launched: LEGO® Games. The line consists of a series of board games that can be played by the whole family.

The LEGO Group currently operates on electronic platforms through the www.LEGO.com website and video games. The digital presence will be further expanded, in particular through LEGO Universe – the first MMOG (massively multiplayer online game) from the LEGO Group which was launched in October 2010.

## LEGO Facts & Figures

Children around the world spend 5 billion hours every year playing with LEGO elements.

When moulding LEGO elements the tolerance of accuracy is 10 my (0.01 mm).

Approx. seven LEGO sets are sold each second.

There are 915,103,765 different ways of combining six 2x4 bricks of the same colour.

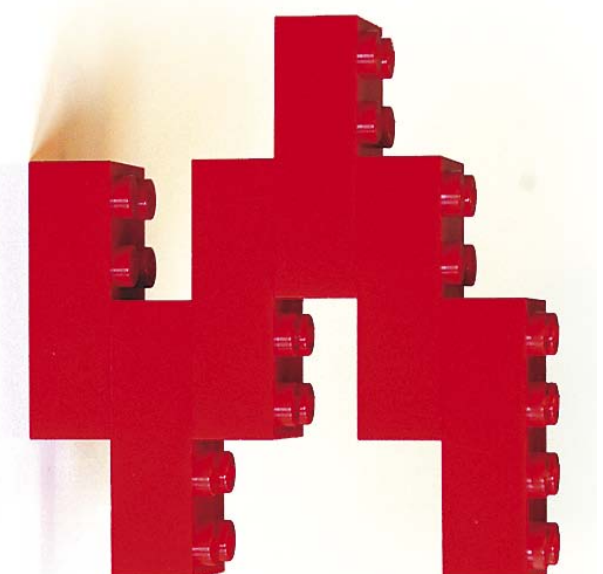
"One of the more than nine hundred million ways in which six 2x4 LEGO Bricks of the same colour can be combined."



LEGO Universe Key Visual.



The dice from LEGO Games.

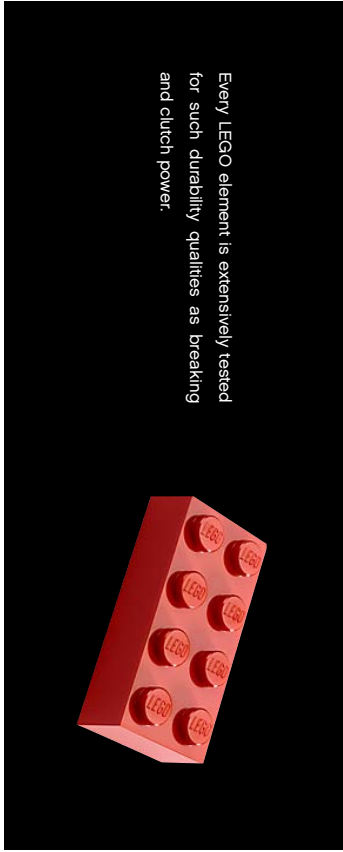


# QUALITY AND SAFETY

## No short-cuts in Quality or Safety

We are as demanding in our quality, product safety and precision requirements as we are about the creative possibilities. All LEGO® elements are made in high-precision moulds and elements made more than a generation ago still fit with those made today.

Every LEGO element is extensively tested for such durability qualities as breaking and clutch power, the latter measured through the amount of force required to separate two elements. All raw materials are, of course, non-toxic and every element is tested according to the highest safety standards and rules. Building instructions are precise and easily understood.



# FAIR OR UNFAIR

## Fair Play or Unfair Competition?

Legal rights as well as common regard for fair play are increasingly violated by copyists in their attempts to mislead consumers by trading on the reputation of well-established products and trademarks.

The LEGO Group actively opposes all abuses that violate the protection enshrined in national and international legislation. We feel we have good reasons to do so, for one of the aims of such legislation is to guarantee to consumers that they are buying the genuine, original product and not an inferior copy. Generally, the LEGO Group has focus on these major areas:

1. Policing our Rights
2. Misuse of Trademarks
3. Misuse of Trademarks in Domain Names and on the Internet
4. Attempted Association with the LEGO Group by unrelated parties
5. Product Copying
6. License and Co-Promotion



# POLICING OUR RIGHTS

6

Correct use of our trademarks protects our rights, whereas incorrect use leads to dilution and eventually loss of rights. By following a simple set of rules we can all contribute to the protection of our trademarks.

In order to emphasize further the trademark status we insert either the symbol ® (for registered trademark) or the symbol ™ (for pending/unregistered trademark).  
When using the symbols a legal line (an explanatory note) is placed on the said material. An example of a legal line is:

## **LEGO and the LEGO logo are trademarks of the LEGO Group.**

Copyright normally requires no registration but to prevent unauthorised copying it is important to use the internationally accepted notice comprising the symbol © followed by the year in which the work was first published, and the name of the owner of the copyright. The following copyright notice is used on all materials just below the legal line, e.g.

### **©2011 The LEGO Group**

Trademarks and company names are two different things. A trademark can be part of a company name or may even be the same as a company name. This is the case in the LEGO Group. Most of our companies have the word LEGO in their name.

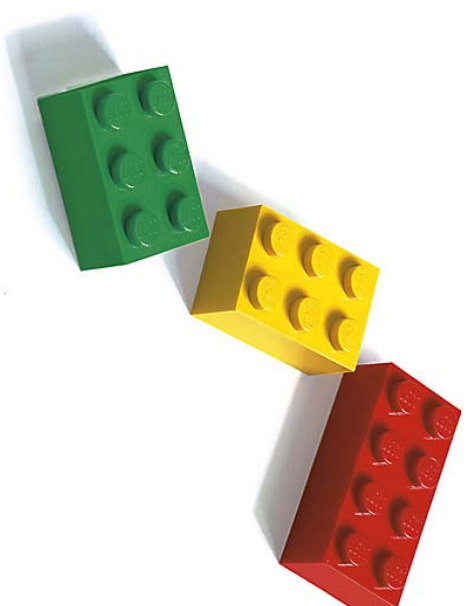
**Please note that the ® symbol is NOT used under any circumstances in company names such as e.g. the LEGO Group, LEGO System A/S, etc.**

**ALWAYS** write our trademarks in capital letters.

**ALWAYS** use a noun after the trademark, e.g. LEGO toys, LEGO values.

**NEVER** add a possessive "s", plural "s" or hyphen, e.g. LEGO's design, more LEGOs to play with, LEGO-bricks.

**NEVER** change or adjust the graphical design of a trademark, e.g. change the colours or shape of the LEGO logo.



# MISUSE OF TRADEMARKS

Product names, logos and product shapes which obviously imitate the LEGO Group's registered trademarks are frequently used to mislead consumers into thinking that they are buying genuine LEGO® products. The most important asset of the LEGO Group is the LEGO trademark. The LEGO trademark was created in the early days of the company in 1932 from the Danish words "leg godt" meaning "play well". The LEGO trademark is registered in more than 150 countries all over the world. The LEGO Group is also the owner of a whole range of trademarks, including the basic brick, the minifigure and the knobs.

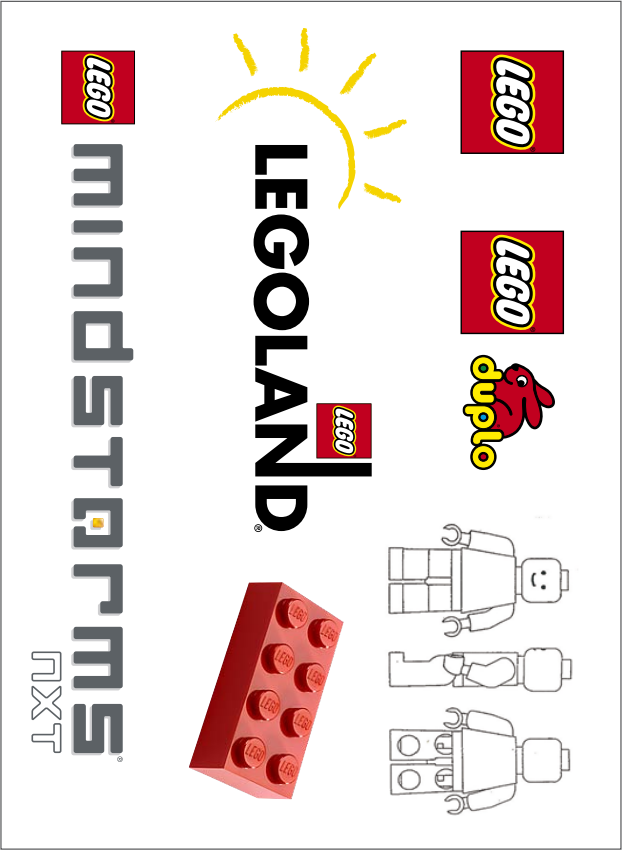
Our policy is to protect, maintain and defend our trademark rights in the best

possible way thus the LEGO Group has established a number of clear rules for the proper use of its trademarks.

The LEGO trademark is considered a famous trademark in a number of jurisdictions. In some indicated in a registration certificate or included on a list of famous trademarks, but most often confirmed through decisions rendered in specific cases. It means that the LEGO trademark has the widest possible protection, i.e. for all goods and services, and that we should be able to prevent others from using the LEGO trademark, not just for toys, but for any goods.

Above to the right are some examples of the trademarks of the LEGO Group. They are not to be copied, depicted or used in any way without the prior consent of the LEGO Group.

To the right examples of imitations of the LEGO logo made to deceive the buyer or to create a false association with the LEGO Group.





# MISUSE OF TRADEMARKS

## Misuse of Trademarks in Domain Names and on the Internet

Improper use of the LEGO® trademarks may cause consumer confusion and lead to the dilution of such marks. We actively seek to prevent misuse of the LEGO trademarks and any confusion as to whether it sponsors or authorizes unofficial and/or unlicensed sites. For this reason, certain guidelines have been developed to outline the proper use of the LEGO Groups registered trademarks and copyrighted material in domain names and websites.

## Domain Names

Use of a LEGO trademark in a domain name is an infringement of LEGO trademark rights. Further to this, it is highly likely that an observer will make the mistaken presumption that the site is in some way related to, sponsored or endorsed by the LEGO Group. As a consequence, LEGO trademarks cannot be incorporated in domain names. This restriction applies to all registered LEGO trademarks, such as but not limited to: LEGO®, MINDSTORMS®, DUPLO® and LEGOLAND®.

## Use in Unofficial Websites

The protection of the reputation and goodwill of the LEGO Group is a major concern when developing guidelines for use of our trademarks in unofficial websites. For this reason the red LEGO logo may never be used on any unofficial website. However, in connection with sales of genuine LEGO products e-tailers can obtain permission to use the LEGO logo in

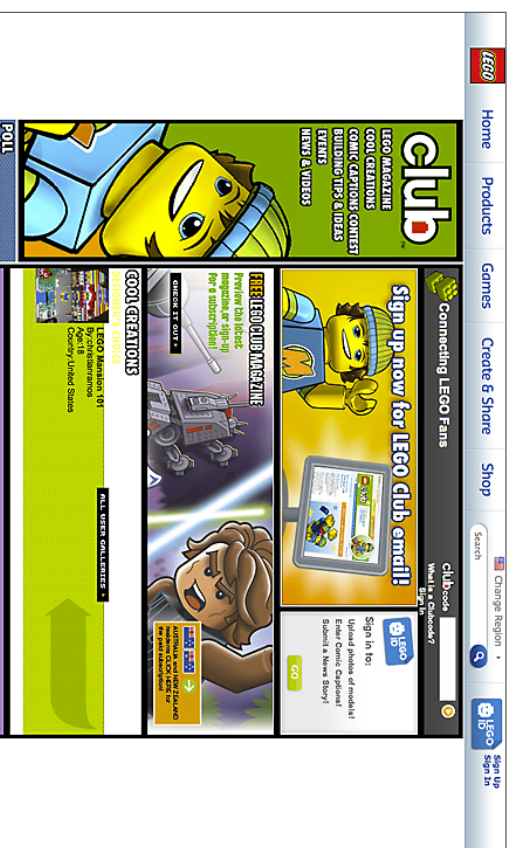
a non-prominent way. The use must never mislead the observer to believe that the site or the activities on the site are sponsored or authorized by the LEGO Group.

The LEGO Group owns copyrights to all of the building instructions, publications and photographs used in its catalogs, on its packages and websites. We permit very limited reproduction of our copyrighted material on websites. Copyrighted material, such as an extract from the most recent LEGO club magazine, from building instructions or from www.LEGO.com, may be used for non-commercial purposes (e.g. posting on a web site to exchange information or making fair use commentary). The copyrighted material used should be unaltered and must be limited to extracts only. Typically, permissions to use of copyrighted material in an educational context are granted and sellers, in general, can show photos of the LEGO sets/packages sold on the website. Finally, because the LEGO Group licenses the right to use certain copyrighted material to third parties, other restrictions may apply to the use of this material on unofficial websites.

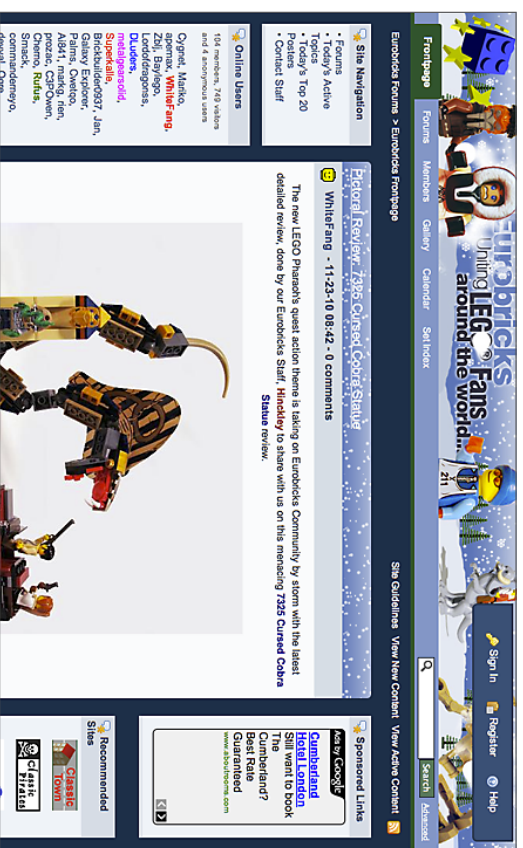
The same rules and guidelines apply to sites/domains belonging to fans of the LEGO brand.

## Disclaimers

Disclaimers should be included in any non-official site making use of any LEGO trademarks and/or copyrighted material



Our own LEGO Club page where the fans (primarily children) can participate in a community.



One of the very popular enthusiast sites which contains a lot of valuable information about the LEGO community.



# MISUSE OF TRADEMARKS

In order to ensure that the site is not mistakenly seen as affiliated, authorized or sponsored by the LEGO Group.

For any LEGO® trademark appearing on a page, the following disclaimer is appropriate:  
**LEGO is a trademark of the LEGO Group, which does not sponsor, authorize or endorse this web site.**

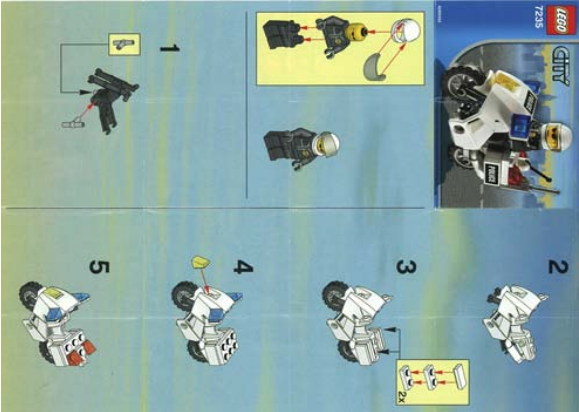
The disclaimer should include a reference to all LEGO trademarks that are included on the site. For example, if a reference is made on a web site to the LEGO DUPLO® trademark, DUPLO should also be included in the disclaimer.

For any copyrighted material used, the following copyright line should be included:

**©2011 The LEGO Group.  
All Rights Reserved.**

This copyright line must be included under any copyrighted material and the year used must be the year of actual publication of the material displayed.

Finally, it must be observed that a disclaimer will not undo an improper trademark or copyright use.



An example of the copyright line.



Examples of websites we believe is infringing.



# ATTEMPTED ASSOCIATION

## Attempted Association with the LEGO Group by unrelated parties

Time and again, we see our products and trademarks used in the marketing of totally unrelated products and services, giving the impression that the LEGO Group is somehow involved in or associated with such business activities or services, with which we are not actually involved.

When used in these unrelated settings, be it in printed material or on the internet, the value of our trademarks may be diminished and the identities of our company, our products and our trademarks can lose their distinctiveness.

The LEGO Group is a construction toy manufacturer which has kept children all over the world occupied in creative, enjoyable play for many decades. As such, we now enjoy a tremendous amount of goodwill. Our name and the "red square" LEGO® logo are instantly identifiable, and the general public associates any products bearing our trademarks and copyrights with the LEGO Group. The attempts of others to gain a reputation by associating their unrelated, unauthorized or unlicensed products with the LEGO Group may enhance their commercial prospects, but if used without our permission, may constitute trademark or copyright infringement. Therefore, we emphasize that unrelated third parties are not permitted to use trademarks or copyrights of the LEGO Group for their own commercial or marketing purposes, unless formal permission or a written license has

been granted by the LEGO Group.

For these same reasons, the LEGO Group has implemented a general policy against the use of our name, products and logos by business associates, e.g. suppliers, in their own advertising. We allow business associates to include our company name on a reference list.

In the past several years, more and more unrelated books and publications have been written with a LEGO theme, which cover a wide range of topics. However, only books which have been officially endorsed and/or licensed by the LEGO Group are allowed to use the LEGO logo, the 2x4 brick and knob configuration, or the minifigure anywhere on or in the book or publication. Official endorsement comes through a formal agreement with the LEGO Group.

For additional information regarding the rules and requirements for unauthorized books and publications, please inquire about our Books Policy.

What are LEGO toy elements doing in these settings? Nothing at all. When a product offered has nothing to do with LEGO bricks, we insist on being left out.





# PRODUCT COPYING

A large proportion of the approx. 3,900 different elements developed for the LEGO® product programmes are protected by the laws of a substantial number of countries. In some countries, the LEGO 2x4 brick, the minifigure and the knobs are protected as trademarks. To the buyer – an adult or even a child – a LEGO building set consists of building elements, the packaging with its illustrations and detailed building instructions. We oppose copying and manufacture of close look-alikes of our elements, packaging and marketing material.

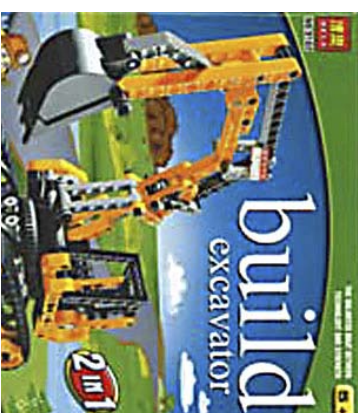
As shown in this brochure, the intention to copy products, packaging and trademarks seems to know no limits. The aim of many copyists is to induce a mis-conception as to the origin of their product and thus confuse the consumer, who has been deprived of the ability to make a safe purchase. What you see is not always what you get. The LEGO logo is the consumers' guarantee that they have bought a genuine LEGO product. Few look alikes are made in accordance with the quality and safety standards met by the genuine LEGO products.

Even less tangible is the process known as post-sale confusion. For example, the child receiving a box of building blocks will almost certainly add these to the collection of LEGO elements it already has and experience that the new buy does not live up to the quality and play value known from the LEGO elements.

Since interlocking plastic building elements can be made in any design and dimensions, we maintain that copying the special LEGO characteristics is very often done only to confuse the consumer and to trade on the reputation the LEGO Group has built up over decades. We do what we can to stop copycats. We do so to safeguard our reputation as well as the consumer's ability to choose on an informed basis.

"Some copyists take the final step by simply reproducing the LEGO packaging."

The most universally recognized distinguishing feature of our products (apart from the LEGO logo and name) is the LEGO knobs. In its carefully developed form, the tiny knob has become a famous symbol of the LEGO Group. Research has even shown that consumers tend to identify distinctly different types of toys as LEGO products when the manufacturer chooses circular knobs for connecting (or purely decorative) purposes. Thus, the LEGO knob has become a badge by which LEGO products are identified.





# LICENSE AND CO – PROMOTION

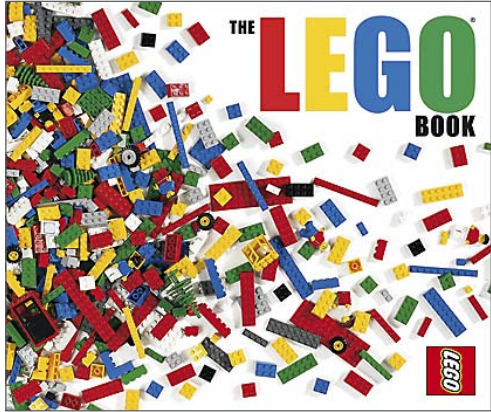
From time to time, the LEGO Group cooperates with other companies that are known and respected leaders in their line of business. This is done both by granting licenses and in co-promotional initiatives. It only happens when both parties stand to

benefit from the effort and after carefully choosing "playmates" whose products or services are suitable for a LEGO® license product or for co-promotion with LEGO products.



The 4 examples from top left shows different Licensing Products from books to clothes.

The 2 examples at the bottom shows different Co-Promotion Advertising.



# CONCLUSION

## Fair Play

National patent, design and trademark laws – not to mention the observance of such laws and associated regulations – differ quite substantially from country to country. Laws against unfair competition do not even exist in a number of countries. Lately, the absence of regulations against counterfeiting, trademark infringements etc. has confronted the owners of original rights with growing problems from copy producers, especially in some Asian and Eastern European countries. Since the lack of regulations clearly invites counterfeiting and copy production, the LEGO Group naturally welcomes all steps taken to introduce product and trademark protection into national legislation. We also support the regulation of the European Union on the seizure of counterfeit products and the efforts of the World Intellectual Property Organization

(WIPO) and the European Union to strengthen and harmonize the relevant laws.

We believe that designs and trademarks should not be used in unrelated settings without the owner's consent. Each year, our legal department handles hundreds of incidents involving infringement of our rights, and regularly brings infringers to court.

We want to make sure that consumers can have confidence that anything bearing the LEGO® logo is a LEGO brand product. This is in the best interest, not only of our company but also of consumers - primarily children - all over the world.

All we ask is that there should be Fair Play.

All we ask  
is that there should be  
**FAIR PLAY**



LEGO, the LEGO logo, DUPLO, MINDSTORMS, LEGOLAND, the Brick and Knob configurations and the Minifigure are trademarks of the LEGO Group. ©2011 The LEGO Group.