A short guiding tour... 2019
1. WFSGI, our Federation in brief...
2. WFSGI Legal Committee
3. Legal Areas of Work
   3.1. Product Compliance
   3.2. Intellectual Property Rights
   3.3. Business Ethics
   3.4. Digitalization
   3.5. Ad Hoc + Legal Trends
1. WFSGI IN BRIEF...
1.1. ABOUT THE WFSGI

- Not-for-profit organization formed in 1978
- Global voice of the sporting goods industry
- Officially recognized by the IOC
- We exist to serve our members

CONNECT  INFORM  REPRESENT  PROMOTE
1.2. WFSGI – QUICK FACTS

- ≠ categories of members including leading sport brands (Nike, Adidas, asics, puma, NB, UA etc), retailers (IIC, Sport 2000, Decathlon) manufacturers, federations/associations

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1.3. WFSGI – HOW WE WORK

"USING THE POWER OF SPORT TO CHANGE THE WORLD"

Sean O'Hollaren, Senior Vice President
Governments & Public Affairs, Nike, Inc. / Chairman of the Board, WFSGI

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2. WFSGI LEGAL COMMITTEE
2.1. FRESH IMPULSE IN 2014

- 80’s: Focus on IPR protection
- 2014: New dynamics
  - Broader scope
  - New composition
## 2.2. LEGAL COMMITTEE MEMBERS

<table>
<thead>
<tr>
<th>Name</th>
<th>Title and Organization</th>
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<tbody>
<tr>
<td>Dr. Jochen Schaefer</td>
<td>Chairman, WFSGI Legal Counsel</td>
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<tr>
<td>Alex Junco</td>
<td>Vice Chair, Managing Attorney, Nike</td>
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<tr>
<td>Dr. Markus A. Kürten</td>
<td>Vice- Chair, Senior Director, Legal &amp; compliance, adidas group</td>
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<tr>
<td>Rutger Oldenhuis</td>
<td>Deputy Director, Shimano</td>
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<tr>
<td>John Carriero</td>
<td>Sr. Direction of Brand Protection, Under Armour</td>
</tr>
<tr>
<td>Paul Gauron</td>
<td>Executive VP and General Counsel, New Balance</td>
</tr>
<tr>
<td>Michael Gerrits</td>
<td>European Product Compliance Director, Nike</td>
</tr>
<tr>
<td>Scott King</td>
<td>Co-founder, SRAM</td>
</tr>
<tr>
<td>Alistair Kilgour</td>
<td>Legal Director, Pentland Group</td>
</tr>
<tr>
<td>Roberto Grasso</td>
<td>Director of Legal Affairs, Columbia</td>
</tr>
<tr>
<td>Raliza Koleva</td>
<td>Head of Governance, Chief Compliance Officer, PUMA</td>
</tr>
<tr>
<td>Frank Nicoud</td>
<td>Regional Legal Counsel, Specialized Bicycle</td>
</tr>
<tr>
<td>Megumi Ohta</td>
<td>Executive Officer, Global Legal &amp; Compliance, asics</td>
</tr>
<tr>
<td>Dominic Elsaesser</td>
<td>Head of Legal, Scott Sports SA</td>
</tr>
<tr>
<td>Toke Vandervoort</td>
<td>VP, Deputy General Counsel, Under Armour</td>
</tr>
<tr>
<td>Toni Garcia</td>
<td>Director of Government and Public Affairs, Nike</td>
</tr>
<tr>
<td>Marcel Apfel</td>
<td>VP International Legal, Umbro General Counsel, Icomix Brand Group</td>
</tr>
<tr>
<td>Peter Baehr</td>
<td>General Counsel Europe / EMEA, Puma</td>
</tr>
<tr>
<td>Rory O’Hare</td>
<td>Senior Legal Counsel, New Balance</td>
</tr>
<tr>
<td>Romain Codron</td>
<td>Legal Advisor, Decathlon USA</td>
</tr>
<tr>
<td>Johannes Binner</td>
<td>Corporate Services - Marketing, Swalbe</td>
</tr>
</tbody>
</table>

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2.3. LEGAL COMMITTEE REPORT

LEGAL COMMITTEE
ACTIVITY REPORT 2017

WFSGI has worked hard and successfully for the past year to implement and develop its initiatives. Special emphasis was placed on the effective implementation of research projects, while maintaining a focus on developments in the legal field. Once again, the legal Committee members have shown excellence, dedication and commitment to the company with respect to their new initiatives and accomplishments.

The Annual Meeting, which was held on June 21, 2017 in Toronto, Ontario, Canada, provided an opportunity for all the stakeholders to share their experiences and ideas. The Committee was able to express their desire for more support and recommendations towards the development of legal activities.

A small meeting was held in the future the sharing of best practices. WFSGI’s leading trademark for the personal injury claims market towards the development of a new strategy for the market. The meeting was concluded with the provision of advice on the possible strategies for the development of legal activities.

This is the second edition of the Legal Committee report. The Committee was able to identify the key areas of focus for the future of WFSGI. The Committee was also able to identify the key areas for the future of WFSGI.

WFSGI’s leading trademark for the personal injury claims market towards the development of a new strategy for the market. The meeting was concluded with the provision of advice on the possible strategies for the development of legal activities.

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3. WFSGI LEGAL AREAS OF WORK
3. PILLARS/WORKING AREAS

# 3.1. Product Compliance
# 3.2. Intellectual Property
# 3.3. Business Ethics
# 3.4. Digitalization
# 3.5. Ad-hoc + trends
3.1.1 WFSGI LABELLING DATABASE

Serving the sporting goods and associated industries, get labelling requirements for both products and their packaging across the following categories:

- Apparel & textiles
- Personal protective equipment
- Footwear
- Sporting equipment
- Consumer electronics (wearables)
- Bikes (including e-bikes)

Benefits:
- Up-to-date labelling requirements at your fingertips
- Significant economies of scale with considerable time and cost savings
- Ability to search and report on requirements by country and product
- Free access to Subject Matter Experts
- Early warning signals of future regulatory changes with email alerts

Worried about out-of-date labelling manuals?
Losing sleep over potential stop-ships?

Get the most up-to-date actionable information on worldwide labelling requirements from the WFSGI Compliance Labelling Requirements (CLR) Database.
3.1.3 PRODUCT REVIEW - GOMINGA

TO IMPROVE SALES AND BRAND IMAGE, companies need to actively manage online reviews on platforms such as Amazon and Google

Customer feedback in terms of online reviews has become more and more important, star ratings guide us to the best products on Amazon or to the best location on Google maps, and review texts give us valuable information for our buying decision. While reviews originate in the online world, their impact has reached the offline world as well. Reviews and ratings at every touchpoint along the customer journey and have changed the consumer behavior fundamentally. Online marketplace such as Amazon is here to stay and plays an important role even within the sporting goods industry today. Retail industry specialist such as REI or ChainReactionCycles also see reviews to promote products on their e-commerce websites. That is why sporting goods brands need to embrace this development and start to manage online reviews. A rating strategy is needed and a solid implementation key.

Star ratings and review texts play a major role for algorithms and consumers alike. Most prominently on Amazon and Google, they influence which products or which store is shown in the search results list with details on subsequent pages on the relevant e-commerce platforms. Product reviews influence the decision-making process along the entire customer journey and most people use reviews when comparing products before making the final buying decision. Various studies around the globe underline this finding.

The same way as negative reviews can influence or outrage us, favorable booking behavior will lead to consumer purchases in a particular store when using Google Maps. Northwestern University’s I-Hispanic research center found that:
- Displaying reviews on iPamce Sea conversion by 20%.
- Reviews impact more for higher-priced items...
- And for higher-consideration items.
- 5 stars are “good to be below.”

Google Maps or influence the buying decision when browsing on Amazon. There is no online or offline anymore. Reviews are not an online only attribute any longer but have a significant impact on any brand.

Online review need to be included in your reputation management. The need for companies to have a deeper strategy and professional management for review & rating is not only due to the impact on brand image as well as online and offline sales. As part of their reputation management, companies need to look at what customers say about their stores and products in terms of reviews and responses to them. What most companies already do on social media channels like Facebook must also be done on e-commerce channels like Amazon. One might say that the e-commerce platforms aren’t more important because of the increase of POS-loyalty.

Market research and customer care at the digital era
Companies need to look at how sales, the analysis of ratings and reviews and the customer care by responding to feedback.

Online reviews not only help consumers to make well-informed buying decisions but also give companies direct access to customer feedback. This is still fairly new and should be positively embraced by brands. By analyzing both the quantitative data of ratings and the qualitative data of reviews (readable insights can be gathered. What do consumers really think about your product? What’s in it for them? Did they have questions regarding the functionality and use of the product? Do regarding the materials or the fabric? These kinds of information can be found within the texts of online reviews and questions. Similarly, store reviews, give insights into store cleanliness, stock availability or staff friendliness etc.

Especially in the sports retail industry, product reviews can make or break it. In an early warning system to identify quality issues, especially product defects, is material problems. For sports equipment brands, such a user feedback can bring to light safety issues that pose risk to users. For sports fashion, reviews can highlight basic materials, sizing, any trend needs to interact about customer behavior, especially in the online world. And companies need to react fast as they often impact sales.

Further, online reviews allow companies to interact directly with end customers. Similar to social media channels such as Facebook, online reviews on Google or a consumer website such as Amazon can be used as another customer care channel. By responding to online reviews and engaging in questions, brands show that they value the customer feedback. Online reputation management is extremely important and should not be limited to brand employees but include the digital world as well.

#1. Product Compliance

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3.1.2 WFSGI PRODUCT SAFETY WG

WFSGI PRODUCT SAFETY

Feeling Alone
With Your Product Safety Issues?

Join Your Peers
From The Sporting Goods Industry

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WFSGI
PRODUCT SAFETY

Feeling Alone
With Your Product Safety Issues?

Join Your Peers
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WHO IS CONCERNED?

Sporting goods/product categories
- Apparel & textile
- Footwear
- Wearables
- Personal Protective Equipment
- Sporting equipment
- Bicycles

EVERYONE
WHAT ARE THE RISKS FOR MY BUSINESS?

Highly CRITICAL

- Bad reputation due to poor recalls
- Highly delivery delays
- High administrative efforts
- High recall costs

LOST TIME
LOST MONEY
BAD REPUTATION
PRODUCT SAFETY

Extreme COMPLEXITY

WHAT ARE THE MAIN ISSUES RAISED BY WFSGI MEMBERS?

#1 Avalanche of PS regulations

#2 Some suppliers do not necessarily undertake appropriate corrective actions which can cause damage to the brand owners

#3 Multi-brands’ Liability

- E.g. Scoot bicycle = more than 1500 assembled pieces & more than 20 branded components’ manufacturers
- E.g. Ski – Ski Boots – Ski bindings = different brands

#4 Distribution in multiple countries = recalls in ≠ jurisdictions
Concrete ACTIONS

#1 Improving Awareness & Application of PS Regulations
- Best practices on product recalls & product safety through position papers for manufacturers & dealers
- Database of technical independent experts for different categories & lawyers specialized in recalls in various jurisdictions
- Trainings via webinars

#2 Lobbying on Emerging Legislation
Industry position papers/comments to governments such as CN, JP, KO, US

#3 Keeping Track on Product Compliance Topics
Monitoring & alert mechanism
THE SUB WORKING GROUP
Part of the WFSGI Legal Committee

OUR NEW HIGH PROFILE CHAIRMAN

SCOTT KING
SRAM - Co-founder
PRODUCT SAFETY

THE WORKING GROUP – WHO IS ALREADY IN?

WFSGI MEMBERS

YOU?

asics

DECA...
PRODUCT SAFETY

WFSGI MEMBERS

NEW MEMBERS

adidas

SHRED.

ZOOGGS

CANYON

INTERSPORT

arena
THE WORKING GROUP’S FIRST FOCUS

BUILDING A PS CONTACTS DATABASE

- Database of trusted technical independent experts for ≠ categories & lawyers specialized in recalls in ≠ jurisdictions

SHARING OF EXPERTISE – KNOWLEDGE
RAPIDITY – EFFICIENCY
GAIN TIME & SAVE MONEY
HOW CAN MY COMPANY JOIN THE WFSGI PRODUCT SAFETY WG?

Please contact Charlotte Giudicelli by email cgiudicelli@wfsgi.org or phone +41 31 939 60 61

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3.2. INTELLECTUAL PROPERTY

Fight Offline
Physical stores
Physical locations

WFSGI IP contacts database
Trusted worldwide investigators + cooperation for enforcement operations (video 1:38)

WFSGI Group Action on the Ground to fight counterfeits
Share cost enforcement + Strong signal to authorities & stakeholders

Authentication Project – Security Solutions
Track-and-Trace technologies to protect your products

Customs Authorities
Partnership with the WCO (IPM tool) to fight against counterfeiting

Convey Srl.
Combat online brand abuses

Fight Online
Internet

# 3.2. Intellectual Property

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WFSGI IP CONTACTS DATABASE VIDEO

The WFSGI IP. Contacts Database - Do not remain ALONE to fight counterfeiting: collaborate with and rely on your peers!

Any difficulties finding reliable and trusted IP experts and/or investigators to advise and/or support you when counterfeits of your products are found on the market? Why not take part in the WFSGI Legal Committee’s IP Contacts Database Initiative? More information on the video slideshow below or with Charlotte Giudicelli (cgiudicelli@wfsgi.org).

HOW DOES IT WORK CONCRETELY?

The WFSGI IP Contacts database includes 2 levels of information with different criteria to join:

1. List of IP Internal Experts within the WFSGI
   Accessible to in-house legal counsel/specialists among the WFSGI members’ companies & on simple request
   GENERAL ACCESS TO THE DATA – NO RESTRICTION

2. List of recommended Investigators
   Accessible by WFSGI members who are willing to share information with their peers & wish to contribute to the filling of the database
   SECURED ACCESS BASED ON THE RECIPROCITY CRITERIA
   WILLINGNESS TO COOPERATE/SHARE KNOWLEDGE – WIN-WIN COOPERATION

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3.3. BUSINESS ETHICS

ABC Position Paper: 100% finalized
Provides information to help WFSGI members counter-act bribery & corruption.

Outlines **benefits & challenges of maintaining high standards** & gives an explanation on how we intend to support WFSGI members regardless of size in responding to the increasing **challenges both in the sport world & in the legislative environment**.

Next steps: **ABC Trainings**, discussion on various formats (webinars, conferences)

**Adoption on a voluntary basis**
3.4. DIGITALIZATION

- **Geo-Blocking**: new rules by end 2018
- **European Commission Report** on eCommerce & Selective Distribution: published in May 2017
- Judgment of European Court of Justice on **Coty Case**: published in December 2017
- **General Data Protection Regulation**: new rules in May 2018
- **Review of ePrivacy legislation**: new rules by end 2018
3.5. AD HOC + TRENDS

- Geopolitics (e.g. Brexit, China/US trade War)
- Privacy issues
- Legal Tech/AI: evolution of the legal profession
- Legal Forum:
  - Guest speakers
  - Ad hoc issues (e.g. Selective distribution, MAP)
THANK YOU FOR YOUR ATTENTION!

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