

Olympic Equipment Policy

1. Implementation of the ‘WS Olympic Equipment Strategy’

- 1.1 In November 2018, Council approved the World Sailing Olympic Equipment Strategy on the recommendation of the Equipment Committee. The document included multiple proposals which seek to allow access to interested qualified parties for the manufacturing of Olympic Equipment. The document describes an indicative timeline for each event that would see the manufacturing of all Olympic Equipment available to any interested qualified party by 2022.
- 1.2 Noting that each Class has different requirements, and different underlying intellectual property right frameworks, the Olympic Classes Contract (OCC) for 2024 has been updated to include an Olympic Equipment Policy which requires Class Associations to select their manufacturers under Fair, Reasonable, and Non-Discriminatory (FRAND) terms. The policy states that:
 - (a) Any interested party who meets the necessary technical qualifications, regulatory requirements, and who has completed an appropriate tender process should have the ability to manufacture and sell Olympic equipment. This applies to the whole boat or parts of the boat.
 - (b) The Class Association and Copyright Holder must ensure that there are regular opportunities for any qualified interested party to become a ‘New Manufacturer’.
 - (c) Where necessary, the New Manufacturer must be granted a licence of any intellectual property rights required to manufacture or sell the equipment on FRAND terms. This applies whether World Sailing or another person or body is the owner of the appropriate intellectual property rights.
 - (d) The Class Association and Copyright Holder are responsible for co-ordinating the implementation of the policy within the Class.
 - (e) The Class Association and Copyright Holder must ensure that the period from when any New Manufacturers’ equipment may be used for racing in the relevant Olympic Class is sufficiently long to ensure necessary testing and integrity of such equipment having regard to the Olympic cycle.
 - (f) World Sailing will not recognise any New Manufacturer, including authorising its equipment for racing, unless it enters the required Commercial Undertakings and meets all technical and regulatory requirements required by World Sailing.
 - (g) World Sailing will monitor and validate compliance with the policy. In the event of non-compliance, World Sailing may exercise its remedies under the World Sailing Constitution and Regulations, Olympic Classes Contract and Commercial Undertakings
- 1.3 Under the OCC, the Olympic Classes have agreed that by a date to be specified by World Sailing (following consultation with them), their class rules must require that specified equipment items must be manufactured by a manufacturer approved by World Sailing in order to be authorised and legal for racing within the Class.
- 1.4 All Olympic Events for which the equipment has already been decided have signed an OCC for the 2024 Olympic Games. The contracts for the tenderers to the Windsurfer Events are currently being prepared and it is expected that they will be signed ahead of Council deciding the Equipment.

- 1.5 World Sailing is initiating discussions with each Class Association and Copyright Holder to identify the equipment items subject to the policy and determine the date by which each Class must inform of the selection of their manufacturers.

2. Background

- 2.1 The Strategy approved in November 2018 included multiple proposals which seek to allow access to interested qualified parties for the manufacturing of Olympic Equipment. The Strategy aimed to:
 - (a) Promote access to the market of manufacturing Olympic Equipment, aiming to create a wider choice for sailors, helping reduce prices and improving quality;
 - (b) Avoid structures which may create or strengthen dominant positions.
- 2.2 A number of issues arose which may not have been considered at the time the Strategy was approved:
 - (a) A wider choice for sailors and teams may increase the costs of campaigning (as teams feel compelled to trial all combinations of equipment).
 - (b) A wider choice for sailors could be achieved by ensuring the addition of a limited number of new manufacturers.
 - (c) A wider choice for sailors may not reflect a reduction in price and the costs involved in any new licensing process will eventually be reflected in the price of the equipment.
 - (d) Improvements in quality must be achieved and considered regardless of the market structure.
 - (e) New builders may need minimum production requirements (as otherwise they are more likely to be one-off producers of equipment which has integrity issue)
 - (f) Dominant positions may be avoided by either allowing access to any qualified builder or by ensuring that manufacturers of the equipment are periodically selected by open public tenders and that these select their suppliers in the same way.
 - (g) Any change that allows third parties to manufacture the equipment will require
 - (i) current manufacturers to produce clear sets of technical specifications, building manuals and detailed measurement protocols to our standards; and
 - (ii) an increase in World Sailing's technical and human resources.

3. Considerations

- 3.1 A number of technical considerations have arisen which impact implementation of the Strategy:
 - (a) The appropriate definition of equipment governed by the Strategy (i.e. it may refer to all items that compose a boat: hull, rig, appendages, sails, fittings)
 - (b) Sailing presents different models regarding its interaction with equipment: formula based classes, development classes, handicap/rating competition, box rules and one-designs. When a Class is granted World status, World Sailing adopts its model.
 - (c) The Olympic Events seek to place an emphasis on athlete skill rather than equipment development, and limit the impact of equipment on performance. All current Olympic Events use one-design models except the Registered Series Production schemes equipment which can be described as a combination of both Box Rules and One Design

Models: Manufacturers may register models with different specifications and measurements in accordance with the limitations of the Box Rules but then each registered model is considered a One Design.

- (d) One-design models with no IP rights holders result in multiple manufacturers. Control of the equipment is achieved by having as part of the class rules a clear set of technical specifications and measurements to adhere too. These are the so called “measurement controlled” classes and already allow access for any interested and qualified builder to manufacture its equipment. Currently measurement controlled classes may require builders to be licensed but this may be for only certain parts of the boat (e.g. the hulls but not the masts or sails).
- (e) One-design models with IP rights holders have limited manufacturers and access to manufacturing the equipment is controlled by the right holders. Because the technical specifications and measurements that builders must adhere to are not public (because they are the intellectual property of those who created them) they are the so called “manufacturer controlled” classes. These are the cases where changes would be required to allow any qualified builder to manufacture its equipment.

3.2 The above factors must be balanced against the unique position World Sailing has as the world governing body and must only impose restrictions which are legitimate, objectively justified and proportionate (i.e. they are the minimum interference necessary to achieve their aim). In particular, World Sailing must only impose restrictions which are linked to its role as a ‘regulator’ and which have a clear regulatory/sporting/integrity justification.

4. Examples for Class Associations

4.1 Subject to the objective of the Strategy, there are different models that would allow, in World Sailing’s view, Classes to implement access to manufacturing one design equipment at different levels. Some of these may include:

- (a) Example 1: Have all technical specifications, construction manuals and measurement procedures made public. Either adopt a system where manufacturers are licensed and issue certificates, or a system where all requirements are added to the Class Rules and controls are carried out at events. This would:
 - (i) allow anyone to build any part of equipment;
 - (ii) require a clear defined set of technical specifications, and measurements to be added to Class Rules;
 - (iii) require increased controls at events;
 - (iv) a change to the nature and philosophy of classes; and
 - (v) possibly result in more expensive equipment.
- (b) Example 2: To license any qualified manufacturers to produce certain items of equipment and sell to the public. Only licensed builders would have access to certain parts of the construction manuals, technical specifications and measurements to adhere to and would adopt the “manufacturer controlled” method to ensure compliance of the items of equipment that they are licensed to manufacture. This would:
 - (i) require manufacturers to produce clear sets of technical specifications to WS standards, clear sets of construction manuals to our standards for licensed

manufacturers to follow and clear measurement procedures to our standards for licensed manufacturers to adopt;

- (ii) require manufacturers to produce and sell any required master tooling;
 - (iii) mean the number of licensed builders would be subject to the level of technical restrictions in tooling, materials, construction methods, etc. They may need to be minimum production requirements (as otherwise they are more likely to be one-off producers of equipment which has integrity issue);
 - (iv) require World Sailing or third parties to review technical compliance;
 - (v) potentially result in more expensive equipment; and
 - (vi) potentially result in some licensed builders producing only for certain teams.
- (c) Example 3: To have the right holders license any qualified manufacturers to produce certain items of equipment into their supply chain. This would:
- (i) mean right holders could potentially impose minimum production numbers and control price as part of their own requirements; and
 - (ii) require manufacturers to produce and sell any required master tooling and produce clear sets of technical specifications, construction manuals for licensed manufacturers to follow and clear measurement procedures for licensed manufacturers to adopt.
- (d) Example 4: To have the right holders select all their builders periodically through a public tender process. The tender process would technically allow any manufacturer to access the market if they met the criteria set out in the tender process and if selected by the Class Association.

- 4.2 As defined in the OCC, under the Policy, the Class Association and Copyright Holder are responsible for co-ordinating the implementation of the Policy within the Class and the model used may be different to the suggested here. The above does not seek to set out the pros and cons of each option and they are only possibilities suggested for Class Associations to consider.

Olympic Equipment Policy to be inserted into Olympic Class Agreements.

- 1.1 Any interested party who meets the necessary technical qualifications, regulatory requirements, and who has completed an appropriate tender process has the right to manufacture and sell Olympic equipment ("a New Manufacturer"). This applies to the whole boat or parts of the boat (e.g. in the supply chain).
- 1.2 It is requirement that a New Manufacturer must enter into the Commercial Undertakings with World Sailing.
- 1.3 The Class Association and Copyright Holder will ensure that there are regular opportunities for any qualified interested party to become a New Manufacturer.
- 1.4 Where necessary, the New Manufacturer must be granted a licence of any intellectual property rights required to manufacture or sell the equipment on fair, reasonable and non-discriminatory terms (known as 'FRAND'). This applies whether World Sailing or another person or body is the owner of the appropriate intellectual property rights.
- 1.5 The Class Association and Copyright Holder will ensure that the period from when any New Manufacturers' equipment may be used for racing in the relevant Olympic Class is sufficiently long to ensure necessary testing and integrity of such equipment having regard to the Olympic cycle.
- 1.6 World Sailing will not recognise any New Manufacturer, including authorising its equipment for racing, unless it enters the required Commercial Undertakings and meets all technical and regulatory requirements required by World Sailing.
- 1.7 The Class Association and Copyright Holder are responsible for co-ordinating the implementation of this Policy within the Class, and is encouraged to consult with World Sailing from time to time and whenever deemed appropriate or necessary.
- 1.8 World Sailing will provide relevant information and assistance to the Class Association in its functions.
- 1.9 World Sailing will monitor and validate compliance with this Policy. In the event of noncompliance, World Sailing may exercise its remedies under the World Sailing Constitution and Regulations, Olympic Classes Contract and Commercial Undertakings.
- 1.10 This policy may be amended from time to time with the approval of World Sailing and the Class Association.