



**Analysis of the Similarity of Goods and Services in  
South African Trade Mark Law**

**By**

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## Chapter 1 - Introduction to South African Trade Mark Law: General Principles, Origin and History

### 1.1 General Principles

The subject matter of trade mark law is signs and symbols that convey information concerning trade origin.<sup>1</sup> Trade marks are an important tool to assist consumers and businesses and serve as an indication of provenance in the marketplace. A trader uses a trade mark in relation to his goods or services to identify and distinguish them from the goods or services of others.<sup>2</sup>

South African trade mark law is governed by both the common law and statutory law. The common law rights exist both independently and in tandem with the statutory law, which has been developed to cater for modern conditions. The Trade Marks Act 194 of 1993 (hereinafter referred to as 'the TMA of 1993') provides for a system of registration of trade marks and their enforcement. The common law governs the use of unregistered trade marks and their enforcement through the general delictual principles of unlawful competition and more specifically the action of passing off.

Intellectual Property rights, and therefore trade mark rights, are regarded as immovable intangible property<sup>3</sup> that have a commercial value and are capable of being assigned, hypothecated and attached.<sup>4</sup> Unlike other forms of intellectual property that have a limited lifespan, trade marks are capable of lasting indefinitely provided that they retain their distinctive character, remain in use and are renewed periodically.

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<sup>1</sup> Webster & Page (2014) 1.1.

<sup>2</sup> Van Der Merwe (ed) (2011) 71.

<sup>3</sup> *Gallo Africa v Sting Music* 2010 ZASCA 96; *Fisher v Brooker and Others* (2009) UKHL 41; *Fairstar Heavy Transport N.V. v Adkins* (2013) EWCA Civ 886.

<sup>4</sup> Sections 29 and 41 of the TMA of 1993.



Trade Marks are territorial in nature and exist in each country solely according to that country's statutory scheme.<sup>5</sup> A South African trade mark registration is national in scope and the registered owner of a trade mark, subject to a finding of invalidity, is entitled to the exclusive use of that mark in association with the goods or services to which it is connected throughout the Republic of South Africa. In order for the owner of a registered trade mark to have exclusive use of the trade mark, there cannot be a likelihood of confusion with another mark anywhere in the country.<sup>6</sup> In recent times, there has been a move away from the strict territorial approach in favour of a more universal approach, in terms of which trade marks are viewed in the context of a global market. This shift is reflected in the provisions of the current Act dealing with the protection of well-known foreign trade marks.<sup>7</sup>

In the modern commercial world, trade marks generally fulfil four main functions. Trade marks generally indicate that all goods or services bearing it emanate from the same commercial source (the origin function); identify and distinguish the goods or services covered by the mark from similar goods or services (the distinguishing function); indicate that all goods or services in connection with which it is used are of the same or a similar quality (the guarantee function); and promote and sell the goods or services covered by the trade mark (the advertising function).<sup>8</sup>

In terms of the origin function, trade marks were traditionally regarded as indicating origin in the limited sense of identifying the manufacturer or physical source from which the goods or services emanated. This theory is known as the 'concrete origin' theory. With the increase in production and widespread distribution of goods, the relationship between the manufacturer and the

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<sup>5</sup> *Victoria's Secret Inc v Edgars Stores Ltd* 1994 (3) SA 739 (A); *AM Moolla Group Ltd v GAP Inc* [2005] ZASCA 72. See Beier "Territoriality of trademark law and international trade"; Abelman "Territoriality principles in trade mark law".

<sup>6</sup> *Masterpiece Inc. v Alavida Lifestyles Inc* 2011 SCC 27.

<sup>7</sup> Van Der Merwe (ed) (2011) 72. In this regard see the TMA of 1993 ss 10(6) and 35. See also *Protective Mining & Industrial Equipment Systems (Pty) Ltd (formerly Hampo Systems (Pty) Ltd) v Audiolens (Cape) (Pty) Ltd* 1987 (2) SA 961 (A).

<sup>8</sup> Van Der Merwe (ed) (2011) 82.

consumer became more remote until it was recognised that a trade mark no longer indicated the specific origin of the goods for which it was used. To keep up to date with commercial realities, the courts broadened the initial approach and now regard trade marks as indicating an unknown or anonymous commercial source. This theory is known as the ‘abstract origin’ theory and plays a dominant role in trade mark law and is favoured by our courts as the basis for trade mark protection.<sup>9</sup> Statutory recognition of the origin function can be found in the definition of ‘trade mark’ in the Trade Marks Act 62 of 1963. The current Act defines a ‘trade mark’ only in terms of the distinguishing function, and makes no reference to the origin function at all. This fact indicates a move away from the origin function as the sole basis for trade mark protection.<sup>10</sup> However, to the extent that the distinguishing function is consistent with the primary function of a trade mark as indicating commercial origin, the origin theory continues to play a major role in the protection of trade marks.<sup>11</sup>

The current Act defines a trade mark in terms of the distinguishing function. In terms of the distinguishing function a trade mark identifies and distinguishes the goods or services in connection with which it is used from similar goods or services. It provides a means by which consumers who are confronted with a range of competing products are able to identify a particular product and at the same time to distinguish it from similar products for which other trade marks are used.<sup>12</sup> The ability of a trade mark to identify and distinguish goods or services is fundamental to trade mark law.

The court in *Canon*<sup>13</sup> stated that for a trade mark to be able to fulfil its essential role in the system of undistorted competition, it must offer a guarantee that all

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<sup>9</sup> Van Der Merwe (ed) (2011) 83. See *Shalom Investments (Pty) Ltd v dan River Mills Incorporated* 1971 (1) SA 689 (A); *Plascon-Evans Paints Ltd v Van Riebeeck Paints (Pty)* 1984 (3) SA 623 (A); *Esquire Electronics Ltd v Executive Video* 1986 (2) SA 576 (A); *Berman Brothers (Pty) Ltd v Sodastream Ltd* 1986 (3) SA 209 (A); *Protective Mining supra n7*.

<sup>10</sup> *Abbott Laboratories v UAP Crop Care (Pty) Ltd* 1999 (3) SA 624 (C) 631.

<sup>11</sup> *South African Football Association v Stanton Woodrush (Pty) Ltd t/a Stan Smidt & Sons* 2003 (3) SA 313 (SCA) 322; *Beecham Group plc v Triomed (Pty) Ltd* 2003 (SA) 369 (SCA) 646; *Vredendal Koop Wynmakery* 2006 (4) SA 275 (SCA); *Verimark (Pty) Ltd v BMW AG* 2007 (6) SA 263 (SCA); *Commercial Auto Glass (Pty) Ltd v BMW AG* 2007 (6) SA 637 (SCA) 639.

<sup>12</sup> Van Der Merwe (ed) (2011) 83.

<sup>13</sup> *Canon Kabushiki Kaisha v Metro Goldwyn Meyer Inc* C-39/97.



the goods or services bearing it have originated under the control of a single undertaking which is responsible for their quality. Apart from the essential function as a badge of origin, other functions have been recognised over time. These functions include that of guaranteeing the quality of the goods or services in question, communication, investment or advertising.<sup>14</sup>

Statutory monopolies are the exception and not the rule and need to be justified.<sup>15</sup> Although a trade mark gives rise to exclusive rights as an indication of the source of the goods or services, it is only when relating to goods or services that they have life or value. A trader registers or acquires a trade mark primarily, not in order to prevent others from using it, but in order to use it himself (although exclusivity of use is of course a necessary corollary).<sup>16</sup> Registration of a trade mark gives the registrant the exclusive right to the use through the territory of the trade mark and a right of action to remedy any infringement of that right.<sup>17</sup>

The proprietor of a trade mark<sup>18</sup> who wishes to obtain statutory rights in the mark must apply for the registration in accordance with the provisions of the TMA of 1993.<sup>19</sup> Trade marks are classified into classes of goods or services in accordance with The International Classification of Goods and Services for the Purposes of the Registration of Marks.

The TMA of 1993 defines a 'trade mark' as a mark<sup>20</sup> used or proposed to be used by a person in relation to goods or services for the purpose of distinguishing the goods or services in relation to which the mark is used or proposed to be used from the same kind of goods or services connected in the

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<sup>14</sup> C-487/07 *L'Oreal SA v Bellure NV*.

<sup>15</sup> *Bergkelder Bpk v Vredendal Koop Wynmakery [2006] SCA 8 (RSA)*.

<sup>16</sup> *Case C-2/00 Holterhoff v Freiesleben [ECJ]*.

<sup>17</sup> *Kirkbi AG v Ritvik Holdings INC 2005 SCC 65*.

<sup>18</sup> The proprietor of a trade mark need not be its originator. An entity may claim to be the proprietor of a trade mark if they have appropriated (originate, acquire or adopt) a mark for use in relation to goods or services. In this regard see *Victoria's Secret* and *SAFA supra n5 & n11*.

<sup>19</sup> s16.

<sup>20</sup> s2: 'any sign capable of being represented graphically, including a device, name, signature, word, letter, numeral, shape, configuration, pattern, ornamentation, colour or container for goods or any combination of the aforementioned'.



course of trade with any other person. In order to be registrable, a trade mark shall be capable of distinguishing the goods or services of a person in respect of which it is registered or proposed to be registered from the goods or services of another person either generally or, where the trade mark is registered or proposed to be registered subject to limitations, in relation to use within those limitations.<sup>21</sup>

The TMA of 1993 details the grounds upon which a trade mark may be refused registration by the Registrar of Trade Marks upon examination, which also constitute the grounds upon which a third party may oppose the registration of a mark upon advertisement.<sup>22</sup> These grounds also form the grounds upon which a mark may be removed from the register (either wholly or in part).

Once registered, the rights afforded by the registration of a trade mark entitle the proprietor of the mark to prevent others from using the registered mark (or a confusingly similar mark) in relation to goods or services which are identical or **similar** to those covered by the registration. Thus the TMA of 1993 extends the rights afforded by registration not only to the goods covered in the specification of the registration but also to similar goods or services. These provisions form the basis of so called 'primary' and 'extended' trade mark infringement.<sup>23</sup> The TMA of 1993 also provides for protection against the so-called dilution of a trade mark, which occurs when a well-known trade mark is used in relation to any goods or services, provided that such use will be likely to take unfair advantage of or be detrimental to the distinctive character or repute of the registered mark.<sup>24</sup>

The purpose of this mini dissertation is to analyse at both a national and international level the current position with regard to the similarity of goods and

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<sup>21</sup> s9.

<sup>22</sup> s10.

<sup>23</sup> s34(1)(a) and 34(1)(b) respectively. Van Der Merwe (ed) (2011) 127.

<sup>24</sup> s34(1)(c) of the TMA of 1993. See in this regard *Laugh It Off Promotions CC v SAB International (Finance) BV t/a Sabmark International (Freedom of Expression Institute as Amicus Curiae)* 2006 (1) SA 144 (CC) and *Laugh It Off Promotions CC v South African Breweries International (Finance) BV t/a Sabmark International* 2005 (2) SA 46 (SCA).



services in terms of statutory trade mark law. This analysis will place special emphasis on the similarity of goods and services in the United Kingdom (hereinafter referred to simply as the 'UK') and in South Africa, both in terms of trade mark infringement and for purposes of the possible grounds upon which a mark may be refused, opposed or removed from the register.

For the sake of context, a brief exposition of the history and development of trade mark law must be set out.

## **1.2 Common Law Protection of Marks**

During the nineteenth century, courts of both common law and equity protected traders against damage to their goodwill caused by imitation of their distinctive marks by way of an action of passing off. The basis of the action was the protection of the reputation and goodwill that a trader had acquired in their trade mark. The courts were not protecting a right in or to the trade mark as such. To succeed with an action for passing off, a trader had to prove that his mark had acquired a reputation with the public and that it was therefore distinctive. The trader also had to prove that the imitation of their mark by a competitor was likely to cause confusion amongst the public and that the infringer's actions were likely to cause damage to the goodwill in the mark.

The common law relating to trade marks was inadequate for a number of reasons. Trade mark rights could only be acquired through adoption and public use. A trader had to prove their title to a mark in each and every action to restrain the unauthorised use of the mark. This was done by adducing evidence of their public use and the reputation acquired thereby which was both costly and time consuming. Furthermore, it was difficult for traders to determine whether or not they were encroaching on the rights of other traders by adopting





and using a particular mark. As a result, the introduction of a system for registration of trade marks was called for.<sup>25</sup>

In the past, South African trade mark legislation was based largely on the trade mark statutes of the UK which preceded it. Over the years however, substantial differences in the trade mark statutes of the two countries developed.<sup>26</sup>

### **1.3 History and Development of Statutory Trade Mark Law of the United Kingdom**

The inadequacies of the common law lead to the development of the Trade Marks Registration Act of 1875, which made provision for the registration of trade marks in respect of goods only. Such registration constituted *prima facie* proof of the proprietor's right to the exclusive use of that mark in relation to the goods in respect of which it was registered. Registration was made a condition precedent to infringement proceedings and these provisions disposed of the necessity for the registered proprietor to prove use and reputation of the mark in infringement proceedings. The Act of 1875 also established the machinery whereby traders could ascertain the existence and extent of the rights of others in registered marks.<sup>27</sup> The amendment Act of 1888 was repealed by the Trade Marks Act of 1905 which defined a trade mark for the first time and included in this definition not only marks already in use but also marks "proposed to be used" in relation to the goods in respect of which registration was sought. The possibility was therefore created to register a mark not already in use so that the proprietor of the trade mark could be assured of statutory protection of their marks before incurring the expense of commencing use.

Further amendments<sup>28</sup> to the legislation in the UK saw the division of the Register into Parts A and B in order to afford limited protection in part B to trade

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<sup>25</sup> *Van der Merwe (ed)* (2010) 73.

<sup>26</sup> Webster & Page (2014) 1.2.

<sup>27</sup> *Ibid.*

<sup>28</sup> The Trade Marks Act of 1919 (available at [http://www.ipmall.info/hosted\\_resources/ip\\_antique\\_library/Trademark/Kerly\\_1920.pdf](http://www.ipmall.info/hosted_resources/ip_antique_library/Trademark/Kerly_1920.pdf)).



marks which although not distinctive but were capable of distinguishing the goods and which had been in use for at least two years. This afforded interim protection for marks until they acquired sufficient distinctiveness through use to qualify for registration in Part A.

The Trade Marks Act of 1938 permitted assignment of the rights in a trade mark without goodwill and the creation of the possibility of licensing the use of registered marks by registered users. These innovations represented a substantial departure from the earlier approach that a trade mark indicated the origin of the goods to which it was applied in a single business entity. The Act also permitted a proprietor to obtain a wider range of protection for his mark by registering it defensively in respect of goods in relation to which he did not himself intend to use it.<sup>29</sup> The 1938 Act did not afford statutory protection for marks used in relation to services, however, in 1986 statutory provision was made for service marks.

### 1.3.1 Developments in the European Community

The European Economic Community (the EEC) was a regional organisation that aimed to bring about economic integration between its member states. It was created by the Treaty of Rome of 1957. Upon the formation of the European Union (EU) in 1993, the EEC was incorporated and renamed as the European Community (EC). In 2009 the EC's institutions were absorbed into the EU's wider framework and the community ceased to exist. The UK became a member of the European Economic Community, now simply referred to as the European Community (the EC) in 1971.

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<sup>29</sup> Webster & Page (2014) 10.11 fn 1 states: provision for “defensive” registration of trade marks was introduced, for the first time, in the United Kingdom with the enactment of the Trade Marks Act 1938 on the recommendation of the Goschen Departmental Committee which sought to provide statutory remedies for a situation such as that which arose in *Eastman Photographic Material Co Ltd v John Griffiths Cycle Corporation and Kodak Cycle Co Ltd (1898) 15 RPC 105*. In that case, based on passing off, it was established that the plaintiffs had a wide spread reputation in the word KODAK as a trade mark for cameras. Use by the defendants of the same trade mark for bicycles and use thereof in the company name “Kodak Cycles Co Ltd” was restrained by the court, the trades in cameras and bicycles being, on the findings of the court, connected.

A draft directive aimed at harmonizing the trade mark laws of the member states of the EC<sup>30</sup> and a Regulation creating a Community Trade Mark (CTM) were published in 1980. Following this publication, The First Council Directive came into force on 21 December 1988 to approximate the laws of the member states relating to trade marks. Its objective is to ensure that “the conditions for obtaining and continuing to hold a registered trade mark are, in general, identical in all Member States”.<sup>31</sup> The Directive requires the member states of the EC to harmonize their national laws with the provisions of the Directive.

A White Paper was issued in September 1990 in which the UK government acknowledged the need to update the law relating to trade marks in order to take account of the changes in trading practices and to give effect to the EC Directive. The United Kingdom also wished to give effect to the Madrid Protocol Relating to the International Registration of Marks of 27 June 1989. The end result was the enactment of the 1994 United Kingdom Trade Marks Act (the UK TMA of 1994) which came into force on 30 October 1994.

#### **1.4 History and Development of Statutory Trade Mark Law of South Africa**

The first statutory provisions created for trade marks were passed in the individual colonies and republics of South Africa following the enactment of the first UK trade mark legislation in 1875.<sup>32</sup> These enactments corresponded substantially with the United Kingdom Act of 1875.

The individual provincial enactments were repealed in 1916. The 1916 Act was amended by the Patents, Designs and Trade Marks Amendment Act 19 of 1947 so as to include provisions similar to those in the UK Act of 1938 making provision for registered users and permitting assignments without goodwill.

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<sup>30</sup> A copy of which may be viewed at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31989L0104:en:HTML>.

<sup>31</sup> The Directive's preamble.

<sup>32</sup> Webster and Page (2014) 1.3.



The provisions of the 1916 Act had many features which were deemed to be inadequate or unsatisfactory and in 1963 the new Trade Marks Act 62 of 1963 ('the TMA of 1963') was brought into effect. This Act created a division of the Register into Parts A and B and provision was made for defensive marks to be registered. In this regard, section 53(1) of the TMA of 1963 Act provided that, where the Registrar was of the opinion that, by reason of use or any other circumstances a trade mark registered in Part A would if used in relation to goods or services, other than the goods or services in respect of which it was registered, be likely to be taken as indicating a connection in the course of trade between the first mentioned goods or services and the proprietor of the registered trade mark, it could be registered defensively in respect of such first mentioned goods or services.<sup>33</sup>

The Trade Marks Amendment Act 46 of 1971 ('the TMA of 1971') came into operation on 1 January 1972 and made provision for *inter alia* the registration of trade marks in respect of services. The extension of rights to include the possibility of service marks necessitated the reformulation of *inter alia* the provisions imposing the prohibition on the registration of identical or similar trade marks<sup>34</sup> and changes in the definition of infringement of a registered trade mark.

The developments within the EC and the possibility of South Africa having to comply with new intellectual property provisions arising out of the Uruguay Round of the GATT occasioned a review of the 1963 Act. A draft bill was published for comment in August of 1991<sup>35</sup> and was finalized in December of 1992.

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<sup>33</sup> There is no similar provision in the current trade mark act and it is therefore no longer possible to obtain defensive registrations. The infringement provisions of the current Act are no longer limited to the specific goods or services covered by a registration and thus the need to retain defensive registrations has fallen away. In respect of defensive registrations see *Mars Incorporated v Cadbury (Swaziland) (Pty) Ltd. and Another (427/98) [2000] ZASCA 36*.

<sup>34</sup> s17(1) of the TMA of 1963.

<sup>35</sup> Government Gazette 13482 GN 808 dated 30 August 1991.



The TMA of 1993 was assented to by the State President and published on 5 January 1994, having been passed by Parliament in December 1993.<sup>36</sup> The Act came into force on 1 May 1995.<sup>37</sup> The Act eliminated the distinction between Part A and B of the register and marks that were registered in Part B now enjoy the same status and protection as marks previously registered in Part A of the register. It is also no longer possible to register defensive trade marks and existing defensive trade marks are treated as ordinary trade marks. Protection for well-known foreign trade marks, which are also well known in South Africa, enjoy increased protection against local persons who adopted such marks after 31 August 1991.<sup>38</sup>

## 1.5 Trade Mark Law and the Constitution

The Constitution of the Republic of South Africa is the supreme law of the Republic and any law which is inconsistent with it is invalid. Chapter 2 of the Constitution contains the Bill of Rights, which entrenches certain fundamental rights and is applicable to all law including the law of trade marks. The Act must therefore be interpreted and applied in light of the Constitution in a way that does not unduly restrict the fundamental rights enshrined in the Bill of Rights.<sup>39</sup> While trade marks are regarded as property and are protected under the Constitution, they have no special status under the constitution, are not accorded any special form of protection and all protection afforded to trade marks must be constitutionally justifiable.<sup>40</sup>

In *Ex Parte Chairperson of the Constitutional Assembly: In re Certification of the Constitution of the Republic of South Africa*,<sup>41</sup> the Constitutional Court

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<sup>36</sup> Government Gazette 15400 dated 5 January 1994.

<sup>37</sup> Government Gazette 16370 Proc 40 of 1995 dated 21 April 1995.

<sup>38</sup> The date of publication of the draft bill.

<sup>39</sup> *Laugh It Off Promotions CC v SAB International (Finance) BV t/a Sabmark International (Freedom of Expression Institute as Amicus Curiae)* 2006 (1) SA 144 (CC) and *Laugh It Off Promotions CC v South African Breweries International (Finance) BV t/a Sabmark International* 2005 (2) SA 46 (SCA). *LTC Harms, Death of a Trade Mark Doctrine? Dilution of Anti Dilution Common law of Intellectual Property – Essays in Honour of Professor David Vaver.*

<sup>40</sup> Van Der Merwe (ed) (2011) 77.

<sup>41</sup> 1996 (4) SA 744 (CC) at 75.



decided on the validity of the South African Constitution. The court dealt with an objection that the Constitution did not adequately provide for the protection of intellectual property rights. The court held that special protection of intellectual property rights in a separate constitutional clause was not a universally accepted norm. The court further held that the concept of 'property' used in the generic property clause was wide enough to include intellectual property rights.

The rights enshrined in the Bill of Rights may be limited by a law of general application to the extent that it is reasonable and justifiable in an open and democratic society. As neither the fundamental rights nor trade mark rights are absolute, any interpretation of the Act requires a balancing of the trade mark owner's property rights and freedom of trade, occupation and profession against the fundamental rights of others.<sup>42</sup>

## 1.6 International Arrangements

As indicated above, trade mark rights are territorial in nature and are determined in each case by the national laws of the country in which they are granted. The growth of transnational trade in the latter half of the nineteenth century focused the attention on the obstacles to free trade created by the territorial limitation of trade mark rights. These obstacles gave rise to demands for a simpler system of obtaining effective trade mark protection beyond national boundaries. As a consequence, a number of international conventions and instruments were adopted. Some of these are aimed at facilitating the international registration of trade marks while others are aimed at harmonising trade mark laws and establishing minimum standards of protection.<sup>43</sup>

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<sup>42</sup> *Laugh It Off Supa n39.*

<sup>43</sup> Van Der Merwe (ed) (2011) 107.



The International Convention for the Protection of Industrial Property<sup>44</sup>, which covers all forms of intellectual property, was concluded in Paris in 1883 and revised several times since. The administration of the convention is entrusted to the World Intellectual Property Organisation (WIPO) in Geneva. The convention established a General Union for the protection of intellectual property and South Africa joined the convention in 1947.

The convention does not provide for any form of international trade mark application to secure registration in the member countries. The convention aims at harmonising the trade marks laws of the member countries. The Convention recognises the principles of territoriality<sup>45</sup> and that of equal treatment.<sup>46</sup> Furthermore, the convention provides for a right of priority of six months from the date on which the first application is filed in a member country.<sup>47</sup> In effect, a trader who has applied for registration of a trade mark in a member country is entitled to registration of that trade mark in other member countries in priority to other applicants, provided they file the later application in a convention country within six months of filing the original application.

South Africa is a signatory to the General Agreement on Tariffs and Trade (GATT) of which the Trade-Related Aspects of Intellectual Property Rights (TRIPs) is an integral part. The TRIPs agreement prescribes minimum standards of protection with which member countries must comply. The agreement requires countries to comply with the provisions of the Paris Convention and contains provisions relating to the protectable subject matter of trade marks. The right conferred by a trade mark registration is defined as the exclusive right to prevent the unauthorised use in the course of trade of an identical or similar mark for goods or services which are identical or similar to those for which the trade mark is registered when that use would result in a

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<sup>44</sup> An electronic copy of the Convention may be found at [http://www.wipo.int/treaties/en/text.jsp?file\\_id=288514](http://www.wipo.int/treaties/en/text.jsp?file_id=288514).

<sup>45</sup> Article 6(1).

<sup>46</sup> Article 2.

<sup>47</sup> Article 4.



likelihood of confusion.<sup>48</sup> Dean submits that South African trade mark law is generally consistent with the TRIPs requirements.<sup>49</sup>

## 1.7 The Classification of Goods and Services

Trade Marks are always used in connection with specific goods or services. When a trade mark is registered, they are registered only for the specific goods or services for which they will be used (as well as **similar** goods or services).

For the purposes of trade mark law, all goods and services have been classified internationally. The classification system has made it possible to file applications for the registration of trade marks in particular classes and to cover the specific goods or services for which the mark will be registered and used. This process has greatly facilitated the task of conducting searches of the trade marks register in order to ascertain which marks are registered for which goods or services.<sup>50</sup>

The International Classification of Goods and Services for the Purposes of the Registration of Marks was established by an agreement concluded at the Nice Diplomatic Conference on 15 June 1957. The system groups goods and services into 35 classes of goods and 11 classes of services. The system allows users seeking to trade mark a good or service to choose the appropriate class within which to do so. The system is recognised in numerous countries worldwide and has streamlined the process of applying for a trade mark. The classification system is managed and maintained by the World Intellectual Property Organisation (WIPO) based in Geneva.

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<sup>48</sup> Art 16.

<sup>49</sup> Van Der Merwe (ed) (2011) 107; Dean "Quo Vadis South African trade marks?" South African Mercantile Law Journal 1998.

<sup>50</sup> Dean & Dyer (2014) 82.





The countries party to the Nice Agreement constitute a Special Union within the framework of the Paris Union for the Protection of Industrial Property.<sup>51</sup> Each of the countries party to the Nice Agreement is obliged to apply the Nice Classification in connection with the registration of trade marks, either as the principal method of classification or as a subsidiary method of classification. The member countries must include in the official documents and publications relating to its registrations of marks the numbers of the classes of the Classification to which the goods or services for which the marks are registered belong.

Use of the Nice Classification is mandatory not only for the national registration of marks in countries party to the Nice Agreement, but also for the international registration of marks effected by the International Bureau of WIPO, the African Intellectual Property Organization (OAPI), the African Regional Intellectual Property Organization (ARIPO), the Benelux Organization for Intellectual Property (BOIP) and the European Union Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM).

The current version of the classification system is the 2015 version of the 10th edition which entered into force on 1 January 2015. The authentic texts of the Nice Classification (in English and in French) are published online by WIPO.

The classification of goods and services is dealt with in section 11 of the TMA of 1994 and Regulation 4 thereto. Section 11(1) states:

A trade mark shall be registered in respect of goods or services falling in a particular class or particular classes in accordance with the prescribed classification: provided that the rights arising from the registration of a trade mark shall be determined in accordance

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<sup>51</sup> A full list of the members of the Nice Union may be found at [http://www.wipo.int/treaties/en/ShowResults.jsp?search\\_what=B&bo\\_id=10](http://www.wipo.int/treaties/en/ShowResults.jsp?search_what=B&bo_id=10). South Africa is not a member of the Nice Union.



with the prescribed classification applicable at the date of registration thereof.

The Classification is provided in Schedule 3 to the Regulations to the TMA of 1993. The list of classes of Goods and Services in the Schedule comprises the so-called “class headings” of the 45 classes. These class heading are in reality summaries or indications of the goods or services falling within the relevant classes.<sup>52</sup> The scope of the goods or services covered by an application and registration is limited by the parameters of the class in which the marks is filed and registered. Goods or services which are included in the specification but which do not fall into the class in which the mark is registered are not covered by the registration, despite the fact that they may be listed in the specification.

The following chapter will focus on the law surrounding the similarity of goods and services in the United Kingdom. Thereafter the position in South Africa will be examined.

## **Chapter 2 - Similar Goods and Services in The United Kingdom**

### **2.1 *Registration of a Trade Mark***

The current trade mark legislation in the UK is the Trade Marks Act of 1994 (‘the UK TMA of 1994’), which implements the European Trade Marks Directive into national law. The approach in the United Kingdom is to treat common law protection and registration of a trade mark cumulatively. The common law remains a valuable alternative either when registration has not been obtained or the registered protection is circumscribed in some way.<sup>53</sup>

Where an applicant is interested only in the UK national market, the most appropriate form of protection is a UK national application. Through UK

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<sup>52</sup> The class headings are available at [http://www.cipc.co.za/files/7513/9400/8796/Class\\_headings\\_05062012.pdf](http://www.cipc.co.za/files/7513/9400/8796/Class_headings_05062012.pdf).

<sup>53</sup> Cornish, Llewellyn & Aplin (2010) 708.



participation in the Madrid Protocol, those with interest in foreign jurisdictions may use a UK application or registration as the basis of an international registration in Protocol countries. The third option for registered trade mark protection is the possibility of applying to OHIM in Alicante for a Community Trade Mark that has effect throughout all 28 member states of the European Union.

Any natural person or legal entity who has a *bona fide* intention to use a mark for the goods or services specified in the application may apply to the United Kingdom Intellectual Property Office<sup>54</sup> to register it. Prior use of a mark is not a requirement. An application must contain, *inter alia*, a statement of the goods or services in accordance with the Nice Classification system to be included in the registration. A filing date will be given to the application, which is a vital factor in determining priority and the applicant's claims as against competing applications and uses.<sup>55</sup> Amendments to a specification are only allowed to clarify or narrow the specification.<sup>56</sup> Classification does not directly affect the validity or the scope of protection of mark. It does not, for instance, settle what goods or services shall not be treated as 'similar'.<sup>57</sup> Broad specifications are now generally acceptable however, in construing the registration, it is the core meaning that should be used.<sup>58</sup>

The Registry will examine the application in the light of the absolute grounds of objection. If the Registry finds the mark to be not registrable on absolute grounds, it must inform the applicant and allow representations and amendments if permitted. As of October 2007 the Registry has continued to examine on relative grounds and to report them to the applicant, but no longer raises relative grounds as objections to registration.<sup>59</sup> If the application meets

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<sup>54</sup> <https://www.gov.uk/topic/intellectual-property/trade-marks>.

<sup>55</sup> s33 of the UK TMA of 1994.

<sup>56</sup> s39(2) of the UK TMA of 1994 for the limited ability to amend applications.

<sup>57</sup> Cornish, Llewellyn & Aplin (2010) 716. However, the fact that a registration is limited to a type of goods "within class X" may restrict the range of goods outside class X which can be regarded as "similar": see Jacob J. in *British Sugar v Robertson* [1996] R.P.C 281.

<sup>58</sup> *Ibid* at 716.

<sup>59</sup> This is also the case in the CTM office.



the conditions for registration the Registry has no discretion in the matter. Publication of the application follows in the Trade Marks Journal. Any person may then within two months of publication in the Trade Marks Journal launch a formal opposition.<sup>60</sup> An opposition must allege in detail at least one of the substantive absolute or relative grounds of objection. Once an application has succeeded in overcoming whatever objections have been raised, it will be registered as of the filing date of the application.<sup>61</sup> The registration is valid for 10 years and falls to be renewed at 10-yearly intervals as long as the mark does not become liable to revocation or invalidation. Registration of a trade mark creates a *prima facie* case of validity.<sup>62</sup>

Only a “trade mark” may be registered and anything which is not a trade mark must be refused registration, or if necessary, removed from the register.<sup>63</sup> The UK TMA of 1994 defines a trade mark as:

“any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings. A trade mark may, in particular, consist of words (including personal names), designs, letters, numerals or the shape of goods or their packaging.”<sup>64</sup>

## **2.2 Relative Grounds of Refusal of a Trade Mark**

The grounds upon which an application to register a “trade mark” may be refused may be divided into two main categories. Firstly, the absolute grounds of refusal that relate to the inherent objections to distinctiveness and certain public interest objections. Secondly, the relative grounds which arise because another proprietor has an earlier conflicting right.

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<sup>60</sup> s38(2) of the UK TMA of 1994.

<sup>61</sup> *Ibid* at s40(3).

<sup>62</sup> *Ibid* at s72.

<sup>63</sup> *Ibid* at s3(1)(a) and s47(1) respectively.

<sup>64</sup> *Ibid* at s1(1). For commentary on the requirements of ‘capacity to distinguish’, ‘graphic representation’ and ‘undertaking’ see Cornish, Llewellyn and Aplin at 724 – 728.



The absolute grounds are by their nature not open to waiver by another person, but the relative grounds are. The conflicts in question are between the mark applied for and both earlier “trade marks” and “earlier rights”.

Section 5 of the UK Trade Marks Act of 1994 provides insofar as the relative grounds for refusal are concerned that:

(1) A trade mark shall not be registered if it is identical with an earlier trade mark and the goods or services for which the trade mark is applied for are identical with the goods or services for which the earlier trade mark is protected.

(2) A trade mark shall not be registered if because—

(a) it is identical with an earlier trade mark and is to be registered for **goods or services similar** to those for which the earlier trade mark is protected, or

(b) it is similar to an earlier trade mark and is to be registered for **goods or services** identical with or **similar** to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.



Section 6 of the UK TMA of 1994 provides that an “earlier trade mark” includes a UK trade mark or CTM with an earlier registration date (after taking any priority into account), a CTM with seniority derived from an earlier UK mark and earlier “well-known” marks within the meaning of art.6*bis* of the Paris Convention. Earlier right covers the entitlement to protect an unregistered right or other sign used in the course of trade (in particular by passing off proceedings) and other entitlements to object, in particular by virtue of the law of copyright, design right or registered designs.<sup>65</sup>

The relative grounds of objection relating to earlier trade marks divide into three types (only type 1 and 2 are covered):<sup>66</sup>

With type 1 both the marks and goods or services are identical. No likelihood of confusion need be shown.<sup>67</sup> Because type 1 gives such embracing protection, its scope is limited and a question for the eye of the judge.<sup>68</sup> Difficulties inevitably arise over what is considered identical. In *LTJ Diffusion v Sadas*<sup>69</sup> the Court of Justice stated that the criterion of identity must be interpreted strictly whilst bearing in mind the imperfect recollection of the average consumer.

In type 2 the goods or services are only similar and not identical; or the marks are only similar (for identical or similar goods or services), it must be shown that

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<sup>65</sup> Cornish, Llewellyn & Aplin (2010) 753. s5(4) of the UK TMA of 1994.

<sup>66</sup> There is an equivalent division relating to infringement and authorities in one may be used in the other.

<sup>67</sup> Webster & Page (2014) 6.10.2. For further commentary on these provisions see *Kerly's Law of Trade Marks and Trade Names* (15th Edition: Sweet & Maxwell) Chapter 9. See also *British Sugar plc v James Robertson & Sons Ltd* [1996] RPC 281; *ZIPPO Trade Mark* [1999] RPC 173; *POLACLIP Trade Mark* [1999] RPC 288; *BALMORAL Trade Mark* [1999] RPC 297; *NATURELLE Trade Mark* [1999] RPC 326; *ENER-CAP Trade Mark* [1999] RPC 362; *Sabel BV v Puma AG, Rudolph Dassler Sport* 1998 [RPC] 199 [ECJ]; *Canon KK v Metro-Goldwin-Mayer Inc* 1999 [RPC] 117; Rachel Montagnon “Strong” Marks Make More Goods “Similar” [1998] E.I.P.R. issue 11 401; *Sihra's Trade Mark Application* [2003] RPC 44 (ChD) 789.

<sup>68</sup> Cornish, Llewellyn & Aplin (2010) 754 together with fn 319: Per Pumfrey J, in *AAH Pharmaceuticals v VantageMax* [2003] E.T.M.R 205 at para 43, finding (probably wrongly) the defendant's signs “VantageRewrds” and “VantagePoints” identical to the registered mark “Vantage”, at para.44; cf. *Compass Publishing v Compass Logistics* [2004] R.P.C 809, where it was held that “Compass” and “Compass Logistics” were not identical.

<sup>69</sup> [2003] F.S.R. 608 ECJ. See also *Reed Executive* [2004] R.P.C 767.



“there exist a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark”.<sup>70</sup>

Section 5(2)(b) of the 1994 United Kingdom Act is similar to section 10(2)(b) of the infringement provisions of the Act. Jacob J, in dealing with section 10(2) of the 1994 UK TMA of 1994 the case of *British Sugar Plc v James Robertson & Sons Ltd*,<sup>71</sup> listed the factors to be taken into account when assessing the similarity of goods and services. He said the following:

The sub-section does not merely ask ‘will there be confusion?’: it asks ‘is there similarity of goods?’, if so, ‘is there a likelihood of confusion?’ The point is important. For if one elides the two questions then a ‘strong’ mark would get protection for a greater range of goods than a ‘weak’ mark. For instance, ‘Kodak’ for socks or bicycles might well cause confusion, yet these goods are plainly dissimilar from films or cameras. I think the question of similarity of goods is wholly independent of the particular mark the subject of registration or the defendant’s sign<sup>72</sup>.

Having noted that the wider the scope of the concept, the wider the absolute scope of protection of a mark may be, Jacob J went on to state:<sup>73</sup>

In effect a registration covers the goods of the specification plus similar goods. No one may use the registered mark or a similar mark for any of those goods unless he has some other defence. This suggests caution. Otherwise, however narrow a specification, the actual protection will be wide. In particular this would be so in the important sort of case where a mark owner only got registration on the basis of actual distinctiveness for a narrow class of goods. It

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<sup>70</sup> s5(2) above. The ECJ has accepted that “association” is one form of “confusion”, not an independent concept *Sabel v Puma* [1998] R.P.C. 199.

<sup>71</sup> [1996] RPC 281 at 296–297.

<sup>72</sup> Applied in *Baywatch Production Co. Inc v The Home Video Channel* [1997] FSR 22 (ChD) 28. See *NAD Electronics Inc v NAD Computer Systems Ltd* [1997] FSR 380 (ChD) 394.

<sup>73</sup> [1996] RPC 281 at 295–296.



would surely be wrong that he should then in practice get protection for a wide range of goods. If a man wants wide protection he can always ask for it and will get it only if his claim is justified. The old rule that you could not infringe if your goods were even just outside a specification was too rigid. It meant that a registration of a mark for ‘3-holed razor blades imported from Venezuela’ could not be infringed by use of the mark on a 2-holed razor blade so imported. But I do not think that the introduction of infringement for similar goods has vastly widened the scope of potential protection.

Jacob J further considered “goods of the same description” that appeared s12(1) of the 1938 United Kingdom Act and stated:<sup>74</sup>

I think the sort of considerations the court must have in mind are similar to those arising under the old Act in relation to *goods of the same description*. I do not say this because I believe there is any intention to take over that conception directly. There plainly is not. But the purpose of the conception in the old Act was to prevent marks from conflicting not only for their respective actual goods but for a **penumbra** also. And the purpose of *similar goods* in the Directive and Act is to provide protection and separation for a similar sort of **penumbra**. Thus I think the following factors must be relevant in considering whether there is or is not similarity:

- (a) The respective **uses** of the respective goods or services;
- (b) The respective **users** of the respective goods or services;
- (c) The **physical nature** of the goods or acts of service;
- (d) The **respective trade channels** through which the goods or services reach the market;

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<sup>74</sup> *Ibid* 296–297.





- (e) In the case of self-serve consumer items, **where in practice they are respectively found or likely to be found** in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are **competitive**. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

This is rather an elaboration on the old judicial test for *goods of the same description* (see per Romer J in *Jellinek's Application* (1946) 63 RPC 59 at p 70, approved by the House of Lords in *DAIQUIRI RUM Trade Mark* [1969] RPC 600 at page 620)...I do not see any reason in principle why, in some cases, goods should not be similar to services (a service of repair might well be similar to the goods repaired).

Webster and Page submit<sup>75</sup> that:

The learned judge did not intend to lay out an exhaustive list of factors. The approach in the case of *British Sugar* has been followed in other infringement cases in the United Kingdom and is equally applicable in relation to the registration of competing marks. A consideration of these cases has led the learned authors of *Kerly's: Law of Trade Marks and Trade Names*<sup>76</sup> to state the following:

The prohibition requires there to be at least some similarity between the goods or services of the subject of

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<sup>75</sup> Webster & Page (2014) 6.10.2.

<sup>76</sup> 15th Edition: Sweet & Maxwell, par 9–071.



the earlier mark and those of the subject of the application. Furthermore, it must follow that the issue of whether or not particular goods or services bear some similarity must be answered independently of the marks in issue. This is a matter which must be considered from the perspective of the average consumer but will necessarily depend upon objective criteria.

It must however be noted that the likelihood of confusion must still be assessed globally and there is an interdependence of the relevant factors. Accordingly, and provided the goods or services bear some similarity, a lesser degree of similarity between the goods or services may be offset by a greater similarity between the marks, and *vice versa*.

The European Court of Justice considered how the similarity of goods or services are to be assessed in the case of *Canon Kabushiki Kaisha v Metro Goldwyn-Meyer*.<sup>77</sup> The Court considered two approaches to similarity. In the first approach, it was argued that on a proper construction of Article 4(1)(b) of the Trade Mark Directive<sup>78</sup> the distinctive character of the earlier trade mark, and in particular its reputation, must be taken into account when determining whether the similarity between the goods or services covered by the two marks was sufficient to give rise to the likelihood of confusion. In terms of the second approach, the similarity between goods and services must be assessed objectively and independently, and no account should be taken of the distinctive character of the earlier mark or in particular its reputation.<sup>79</sup>

The Court<sup>80</sup> stated:

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<sup>77</sup> [1999] RPC 117 (ECJ), [1999] FSR 332 (ECJ).

<sup>78</sup> Directive 2008/95/EC of October 22nd, 2008. Article 4.2 defines “earlier trade marks” as being trade marks having a date of application for registration which is earlier than the date of application for registration of the trade mark (applied for), taking into account certain specified priorities.

<sup>79</sup> Webster & Page (2014) 6.10.3.

<sup>80</sup> At paragraphs 22 – 23.



It is, however, important to stress that, for the purposes of applying Article 4(1)(b), even where a mark is identical to another with a highly distinctive character, it is still necessary to adduce evidence of similarity between the goods or services covered. In contrast to Article 4(4)(a) which expressly refers to the situation in which the goods or services are not similar, Article 4(1)(b) provides that the likelihood of confusion presupposes that the goods or services covered are identical or similar.

In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account.

In the light of the foregoing, the answer to be given to the first part of the question must be that, on a proper construction of Article 4(1)(b) of the Directive, the distinctive character of the earlier trade mark, and in particular its reputation, must be taken into account when determining whether the similarity between the goods or services covered by the two trade marks is sufficient to give rise to the likelihood of confusion.

Recent decisions on these provisions include the 2013 decision in the *Smart Wines*<sup>81</sup> case. The proprietor of SMART WARE for wine opposed a CTM application for SMART VINEYARDS for wine grapes. OHIM refused the SMART VINEYARDS application based on the cumulative similarity between the marks and the goods.

In the 2012 decision of *Mustafa Yilmaz v OHIM*<sup>82</sup> it was held that the trade mark MATADOR could co-exist for beer and tequila based drinks. The court appears to have followed the same formulaic approach that was adopted in

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<sup>81</sup> Smart Wines GmbH and QuantisLabs KFT (2013) Opposition No B2015876.

<sup>82</sup> (Case T-584/10).



the *Zonquasdrift*<sup>83</sup> case. It was found that although the products may be in the same general product category and they may be consumed in the same establishments, they look different, they taste different, the ingredients are different, they are made differently, the one quenches thirst whereas the other doesn't, they don't complement one another, they don't act as substitutes for one another and they aren't sold on the same shelves in supermarkets.

### **2.3 Trade Mark Infringement**

The typical trade mark infringer uses another's registered mark, or some confusingly similar sign, as a trade mark to indicate the source of the goods or services. If this conduct is not prevented the proprietor of the mark may suffer loss and consumers will not be able to trust the marks they see and possibilities of product differentiation will disintegrate. Preventing such harm is the prime object in defining trade mark infringement.<sup>84</sup>

There is a direct correlation between the relative grounds of objection and the scope of infringement. It is not a mirror image, since at the application stage prior unregistered rights must also be taken into account. The infringement provisions for the most part parallel the relative grounds of opposition and invalidity. Much of the case law is transferable from the one sphere to the other.<sup>85</sup> Reference may be made as appropriate to cases in relation to the registration process.

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<sup>83</sup> See below.

<sup>84</sup> Cornish, Llewellyn & Aplin (2010) 776. TM Directive Rec 10 states that "the function of the protection afforded by the registered trade mark is in particular to guarantee the trade mark as an indication of origin".

<sup>85</sup> *Ibid* at 777.



Section 10 of the UK TMA of 1994 deals with infringement of a registered trade mark. The section introduces the concept of infringement for similar goods or services to the law of the United Kingdom.<sup>86</sup> The UK TMA of 1994 defines three types of infringement.

The section states:

(1) A person infringes a registered trade mark if he uses in the course of trade a **sign which is identical** with the trade mark in relation to goods or services **which are identical** with those for which it is registered.

(2) A person infringes a registered trade mark if he uses in the course of trade a sign where because —

(a) the **sign is identical** with the trade mark and is used in relation to **goods or services similar** to those for which the trade mark is registered<sup>87</sup>, or

(b) the **sign is similar** to the trade mark and is used in relation to **goods or services identical with or similar** to those for which the trade mark is registered,<sup>88</sup>

there exists a **likelihood of confusion** on the part of the public, which includes the likelihood of association with the trade mark.

Section 10(1) provides that type 1 infringement is use in the course of trade of a sign identical to the trade mark in suit for identical goods or services to those within the specification. It is not necessary to show any likelihood of confusion. It is the most straightforward infringement scenario although there can easily be questions as to whether the marks are identical<sup>89</sup> and whether the goods or

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<sup>86</sup> Webster & Page (2014) 12.5.2.

<sup>87</sup> This is equivalent to s 34(1)(b) of the TMA of 1993.

<sup>88</sup> This is equivalent to s 34(1)(a) and (b) of the TMA of 1993.

<sup>89</sup> See *Reed Executive v Reed Business Information* [2004] R.P.C. 767.



services for which the defendant is using the mark fall within those specified in the registration.<sup>90</sup>

Type 2 infringement only requires similarity rather than identity between the goods or services, and/or similarity between the defendant's sign and the plaintiff's mark, then the plaintiff must prove that there exists a likelihood of confusion on the part of the public, which includes likelihood of association with the trade mark. The provision extends beyond the goods and services for which the trade mark is registered to those which are "similar" provided also that the public are likely to be confused.<sup>91</sup>

In assessing whether or not goods or services are similar, the six *British Sugar* factors need to be considered. In applying these criteria the court in the *British Sugar* case found that spreads for bread were not similar goods to dessert sauces and syrups (such as ice cream toppings) covered by the plaintiff's registration. This restrictive interpretation can now be seen to be incorrect and an assessment of similarity must be made by taking into account both the goods or services in question and a global appreciation of the registered mark.<sup>92</sup>

Webster and Page question the approach of the court that the similarity of goods is wholly independent of the particular mark. They submit that:<sup>93</sup>

the decision is not correct on the wording of the British Act as section 10(2) requires the court to determine whether there is a likelihood of confusion arising from the combined effect of the similarity between the marks and similarity between the goods or services in question and that the degree of similarity in each respect may well affect the question of whether their combined effect is to produce a likelihood of confusion or deception. Nothing turns on whether an independent

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<sup>90</sup> In *British Sugar* Jacob J. refused to find a spread to be dessert sauce or syrup" merely because it was occasionally used as such.

<sup>91</sup> Implementing art 5(1) of the TM Directive.

<sup>92</sup> Cornish, Llewellyn & Aplin (2010) 784.

<sup>93</sup> Webster & Page (2014) 12.23.



or combined test is adopted where the marks are identical as was the situation in the *Treat* case (where Jacob J had found that the Defendant's trade mark ROBERTSON'S TOFFEE TREAT was identical to the registered trade mark TREAT).

## Chapter 3 – Similar Goods and Services in South Africa

### 3.1 Registration of a Trade Mark

Registration of a trade mark carries with it a number of advantages. Registration serves as *prima facie* proof that the person in whose name the mark is registered is its proprietor.<sup>94</sup> Actual use of a trade mark is not a requirement for registration, provided that the applicant has a *bona fide* intention of using the mark. Registration provides the proprietor with a statutory infringement action under section 34 and proof of a reputation in the mark is not required.

South Africa follows the examination system of trade mark registration<sup>95</sup>. In terms of this system, provision is made for the substantive examination of each application in order to determine whether it complies with both the prescribed formal requirements and the substantive requirements for registration. Provision is also made whereby a trade mark applied for may be opposed by third parties.

To be registrable, as a trade mark, a mark must fall within the definition of a trade mark<sup>96</sup>, comply with the requirements for registration<sup>97</sup> and fall outside the restrictions on registration.<sup>98</sup> A mark is considered capable of distinguishing if at the date of application for registration it is inherently capable of so distinguishing or is capable of distinguishing by reason of prior use thereof.<sup>99</sup> A

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<sup>94</sup> s49 of the TMA of 1994.

<sup>95</sup> In contrast with the deposit system.

<sup>96</sup> S 2(1).

<sup>97</sup> S 9.

<sup>98</sup> S 10.

<sup>99</sup> S 9(2).



mark is inherently capable of distinguishing if it has some inherent property or characteristic which by itself renders it capable of distinguishing the goods or services of one person from those of others.<sup>100</sup> A mark is capable of distinguishing through prior use if it has become recognised in the marketplace, through use, as a mark capable of distinguishing the goods or services of one person from those of others.<sup>101</sup> Mere use of a mark does not automatically render it capable of distinguishing.<sup>102</sup> Whether a mark is capable of distinguishing as a trade mark (as an indication of origin) is a question of fact that is determined in the light of all the relevant circumstances including the context in which the mark will be used.<sup>103</sup> A consideration that is taken into account is whether other traders are likely in the ordinary course of business to wish to use the same or a similar mark for descriptive purposes.<sup>104</sup> Registered trade marks that become generic are subject to removal from the register.<sup>105</sup>

Although a trade mark may possess the positive attributes required to render it registrable under section 9, it must not possess any of the negative attributes which would make it unregistrable in terms of section 10.<sup>106</sup> This section sets out the inherent and relative grounds upon which the registration of a trade mark may be refused or opposed. This discussion will focus on the grounds that relate to a conflict with the prior rights of others.<sup>107</sup>

### **3.2 Relative Grounds of Refusal of a Trade Mark**

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<sup>100</sup> *Triomed (Pty) Ltd v Beecham Group 2001 (2) SA 522 (T); Die Bergkelder Bpk v Vredendal Koop Wynmakery 2006 (4) SA 275 (SCA).*

<sup>101</sup> Van Der Merwe (ed) (2011) 87.

<sup>102</sup> *Pleasure Foods (Pty) td v TNI Foods t/a Mega Burger 2000 (4) SA 181 (T). Beecham Group plc v Triomed (Pty) Ltd 2003 (3) SA 639 (SCA); Die Bergkelder Bpk v Vredendal Koop Wynmakery 2006 (4) SA 275 (SCA).*

<sup>103</sup> *Beecham Group plc v Triomed (Pty) Ltd 2003 (3) SA 639 (SCA); Die Bergkelder Bpk v Vredendal Koop Wynmakery 2006 (4) SA 275 (SCA); Lubbe NO v Millenium Style (Pty) Ltd [2007] 4 All SA 692 (SCA); On-line Lottery Services (Pty) Ltd v National Lotteries Board (536/08) [2009] ZASCA 86.*

<sup>104</sup> *Distillers Corporation (SA) Ltd v Stellenbosch Farmers Winery Ltd 1979 (1) SA 532 (T) 536.*

<sup>105</sup> S 10(2).

<sup>106</sup> Webster & Page (2014) 6.1.

<sup>107</sup> Subsections 10(12) and (14) are similar to subsections 16(1) and 17(1) of the 1963 Act and while there is no exact counterpart to subsections 10(15) and (16), they replace section 17(3) of the 1963 Act. Guidance in interpreting these sections will be sought from the wealth of case law on the similar provisions of the 1963 Act.





Section 10(14) of the Act provides that a mark shall not be registered which is identical to a registered trade mark belonging to a different proprietor or so similar thereto that the use thereof in relation to goods or services in respect of which it is sought to be registered and which are the same as or similar to the goods or services in respect of which such trade mark is registered, would be likely to deceive or cause confusion. The onus is on the applicant for registration to show that there is no reasonable possibility of deception or confusion.<sup>108</sup>

The SCA in the *Orange*<sup>109</sup> case stated that:

“In opposition proceedings the question that falls to be decided is not how the parties use or intend to use their marks, but how they would be entitled to use them if both were to be registered – that is, how they might notionally be used”.

Prior to the amendment of the 1963 Act by the TMA of 1971 the equivalent section related only to applications for registration in respect of the same goods or description of goods as those in respect of which the prior mark was registered.<sup>110</sup> In terms of the 1963 Act, first it was determined if the goods in respect of which the later mark was sought to be registered were the same or of the same description as those in respect of which the prior trade mark was registered. If this answer was in the affirmative only then was the enquiry directed to whether the marks so nearly resembled one another as to be likely to deceive or cause confusion when used notionally.<sup>111</sup>

The inclusion in the TMA of 1971 of the words “the same as or similar to” in relation to the relevant goods or services introduced a further test to be applied. Are the goods or services the same or similar.<sup>112</sup> A prior registration could constitute a bar to a subsequent application covering goods or services different

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<sup>108</sup> The Upjohn Co v Merck 1987 3 SA 21 (T) 224.

<sup>109</sup> *Orange Brand Services v Account Works Software* (970/12) [2013] ZASCA (158).

<sup>110</sup> Webster and Page (2014) 6.10.1.

<sup>111</sup> *Ibid* at 6.12.

<sup>112</sup> *Ibid*.



from those covered by the prior registration. A goods mark could now constitute a bar to registration of a service mark and *vice versa*.

The test in terms of the amended Act required a determination of whether the trade marks so resemble each other that their use in relation to the goods or services concerned will be likely to deceive or cause confusion. Regard was had to both the degree of resemblance of the marks and the nature of the respective goods or services involved.

Webster and Page submitted<sup>113</sup> that, in determining the probability of the goods or services being thought to have a common source, regard will be had, in so far as they are applicable, to the criteria laid down by the courts in *Jellinek's Appn* for determining whether goods are of the same description or not:

- (a) the nature and composition of the goods (or the nature of the services);
- (b) the respective uses of the goods (or functions of the services); and
- (c) the trade channels through which the goods are bought and sold (or the services offered).

Where the services are performed upon or in relation to or even by means of a particular type of goods, this is, it is submitted, a factor which will render more likely deception or confusion between marks used in respect of such goods and such services.

While the nature and composition of the goods or services will play an important role for the purposes of section 10(14) Webster and Page submit<sup>114</sup> that the other criteria of the *Jellinek* test (which were elaborated on in the *British Sugar* case) should play an equally important role.

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<sup>113</sup> 3<sup>rd</sup> Edition of Webster and Page South African Law of Trade Marks.

<sup>114</sup> Webster and Page (2014) 6.12.



The 1991 the SCA held in *Danco Clothing*<sup>115</sup> that the registration for the trade mark FRENCH CONNECTION for clothing (class 25) could prevent the registration of the same trade mark for cosmetics (class 3). While the goods were found to be divergent in nature, in considering the notional use of the mark and the goods, the link was established by the fact that they are sold in close proximity to each other and through the same trade channels. Consumers in retail outlets of this nature would associate a trade mark on cosmetics with an identical trade mark on clothing (brand extension).<sup>116</sup>

The full court decision of the North Gauteng High Court in the *Foshini*<sup>117</sup> case deals with the co-existence of the DUE SOUTH trade mark in relation to various goods and services (in various classes). The court recognised a threshold test of similarity between the respective goods and services. The court accepted that only once the threshold test had been satisfied, would the court then make a global assessment of the trade marks on the one hand and the similarity of the goods or services on the other in order to determine the likelihood of confusion. The court held that competition law and policy requires trade marks to be interpreted strictly and that there will seldom be a similarity between goods and services that fall into different classes of the Nice Classification System. The court adopted an approach that suggests that the classification system is critical, in other words that goods will not be similar if they fall into different classes.

Webster and Page submit:<sup>118</sup>

the Court was incorrect in its approach to the threshold test. Its approach is not consistent with the United Kingdom and European jurisprudence. Whether there is likely to be deception or confusion

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<sup>115</sup> In *Danco Clothing (Pty) Ltd v Nu-care Marketing Sales and Promotions (Pty) Ltd*.

<sup>116</sup> Webster & Page (2014) 12.23.

<sup>117</sup> (A1/11) [2013] ZAGPPHC 8 (18/1/2013), 2013 BIP 275 (GNP).

<sup>118</sup> Webster and Page (2014) 6.12.



is a matter that is determined by the degree of similarity between the respective marks on the one hand and the degree of similarity between the respective goods or services on the other. If a too high level of similarity is required between the respective goods or services, then one might well find that there is a likelihood of deception or confusion in considering the degree of similarity between the respective marks on the one hand and the degree of similarity between the goods or services on the other, but because of the threshold test, the mark applied for may proceed to registration.

The Court in *Foschini* accepted the submission that the “starting point for an assessment of similarity must be with reference to the trade mark Classification System. The fact that goods and services are in different classes would indicate at least *prima facie* that the goods and services are not similar”.

Webster and Page submit that this proposition is not correct. Section 10(14) does not provide for an assessment of similarity with reference to the Nice Classification System which is periodically changed and would not serve as an appropriate benchmark to determine similarity. Goods or services in different classes may be considered similar (classes 29 and 30) and goods within the same class may be found not to be similar (class 9).<sup>119</sup>

The *Danco Clothing* decision was followed in the 2015 North Gauteng High Court case of *Chantelle*.<sup>120</sup> In this case the trade marks in use was the identical word mark CHANTELE, and the question was whether ladies wear (class 25) was so similar to cosmetics (class 3). Judge Prinsloo emphasised notional use and stated that the appellants goods can be sold in any fashion outlet where cosmetics and fragrances are located and sold in close proximity to clothing. The court considered the *British Sugar* criteria and found that while the goods were divergent in nature, they were found in the same trade channels. Prinsloo

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<sup>119</sup> Webster and Page (2014) 6.12.

<sup>120</sup> *Chantelle v Designer Group (Pty) Ltd* (A743/2013) [2015] ZAGPPHC 222.



J mentioned that a number of popular brands have followed similar brand extension.

Webster and Page submit<sup>121</sup> that the approaches towards similarity found in the *British Sugar* and *Canon* cases are helpful guidelines in the global assessment of similarity of goods and services on the one hand and the similarity of marks on the other.

The wording of section 10(15) is almost identical to that of section 10(14) the principal difference being that it applies where the cited trade mark is an earlier application rather than an earlier registered trade mark.

### **3.3 Trade Mark Infringement**

Trade mark infringement is governed by the provisions of section 34 of the TMA of 1994. The section creates three different and distinct forms of trade mark infringement. The first involves unauthorised use of the registered trade mark (or a mark so nearly resembling it) in relation to goods or services in respect of which it is registered. The second is similar to the first but applies to goods or services which are so similar to those registered i.e. it is not restricted to the exact goods or services covered by the registered mark. As such, it introduced a form of infringement previously unknown in this country. The third form of infringement introduced the concept of dilution and applies notwithstanding the absence of confusion or deception, which was a radical departure from the concept of infringement hitherto known in this country.<sup>122</sup>

Harms ADP stated in *Commercial Auto Glass (Pty) Ltd v BMW AG*<sup>123</sup> that:

The object of trade mark law as reflected in s34(1)(a) and (b) is to prevent commercial “speech” that is misleading. Trade mark use that

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<sup>121</sup> Webster & Page (2014) 6.23.1.

<sup>122</sup> Webster & Page (2014) 12.5.1.

<sup>123</sup> [2007] 4 All SA 1338 (SCA).



is not misleading (in the sense of suggesting provenance by the trade mark owner) is protected, not only constitutionally but in terms of ordinary trade mark principles.

A registered trade mark is a prerequisite for trade mark infringement proceedings and nothing in the Act shall affect the rights of any person at common law to bring any action against any other person.

### **3.4 Section 34(1)(a) Infringement**

Section 34(1)(a) is a combination of the infringement provision of section 44(1)(a) and (b) of the repealed TMA's and authorities on those sections remain valid of the purpose of interpreting and applying section 34(1)(a).<sup>124</sup> Section 44(1)(b) involved unauthorised use otherwise than as a trade mark, expressly excluding use as a trade mark.<sup>125</sup> In terms of section 34(1)(a) The Plaintiff must establish that the defendant's use is "trade mark use". In *Verimark (Pty) Ltd v BMW AG*<sup>126</sup> the SCA decided that in line with developments in Europe and the United Kingdom, the defendant's use must have been trade mark use meaning that:

"There can only be primary trade mark infringement if it is established that consumers are likely to interpret the mark, as it is used by the third party, as designating or tending to designate the undertaking from which the third party's goods originate."

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<sup>124</sup> Webster & Page (2014) 12.6

<sup>125</sup> *Ibid.*

<sup>126</sup> 2007 6 SA 263 (SCA), [2007] FSR 33 803 (SCA); see also *BMW AG v Grandmark International (Pty) Ltd* (722/12) [2013] ZASCA 115. The Supreme Court of Appeal, in the *Bergelder Case* 2006 4 SA 275 (SCA) made references to Kerly's *Law of Trade Marks and Trade Names* (14<sup>th</sup> Edition 2005) in which the United Kingdom cases subsequent to the *British Sugar* case are analysed and the following conclusion is made: "The exposition of the law by the Court of Justice in *Anheuser-Busch* and by the House of Lords in *Johnstone* must be taken to be definitive. In order to establish infringement under s.10(1)-(3) a claimant must therefore prove that the defendant is using the sign in issue in a trade mark sense.



In an infringement action the onus rests upon the plaintiff to prove, on a balance of probabilities, that the mark used by the defendant so nearly resembles the plaintiff's trade mark as to be likely to deceive or cause confusion.<sup>127</sup> Use by the Defendant of a trade mark that is identical to the registered trade mark will be considered use that is likely to deceive or cause confusion and separate proof thereof is not required. The enquiry as to whether or not the defendant's mark is identical to the registered mark is an important one.<sup>128</sup> In the *Century City*<sup>129</sup> case the SCA, following the European Court of Justice, found that the criterion of identity must be interpreted strictly and found that the marks CENTURY CITY and CENTURY CITY APARTMENTS were not identical. The criterion of identity of the sign and the trade mark must be interpreted strictly. This is, however, subject to the proviso that minute and wholly insignificant differences are not taken into account.<sup>130</sup> When marks are found to be highly similar, the likelihood that the court will find that the marks are likely to cause confusion is great. It was found in *Century City* that although the marks were not identical, they were confusingly similar.<sup>131</sup>

The test for confusing similarity is an objective one.<sup>132</sup> The meaning of "to be likely to deceive or cause confusion" and the manner in which the enquiry into this questions is conducted was set out by the Appellate Division in *Plascon-Evans Ltd v Van Riebeeck Paints (Pty) Ltd*.<sup>133</sup> Although the test applied to section 44(1)(a) infringement proceedings in terms of the repealed Act, it has been adopted and accepted for purposes of section 34(1)(a) infringement

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<sup>127</sup> Webster & Page (2014) 12.8.1.

<sup>128</sup> *Ibid.*

<sup>129</sup> *Century City Apartments Property Services CC and another v Century City Property Owners' Association* 2010 (3) SA 1 (SCA).

<sup>130</sup> (*L.T.J. Diffusion SA v Sadas Vertbaudet SA* [2003] ETMR 83 (European Trade Marks Reports) par 50); (*Reed Executive PLC v Reed Business Information Ltd* [2004] EWCA Civ 159; [2004] RPC 40 par 29).

<sup>131</sup> Webster & Page (2014) 12.8.1A.

<sup>132</sup> *Puma AG Rudolf Dassler Sport v Global Warming (Pty) Ltd* 2010 (2) SA 600 (SCA).

<sup>133</sup> 1984 3 SA 623 (A) 640; *Tri-ang Pedigree (SA) (Pty) Ltd v Prima Toys (Pty) Ltd* 1985 1 SA 448 (A); *International Power Marketing (Pty) Ltd v Searles Industrials (Pty) Ltd* 1983 4 SA 163 (T).



proceedings.<sup>134</sup> In *Bata v Face Fashions CC*<sup>135</sup> the court confirmed that it is appropriate to apply these principles and referred to the concept of a global appreciation.<sup>136</sup> The court stated:

A similar approach was adopted by the European Court of Justice in *Sabel BV v Puma AG, Rudolf Dassler Sport* [1998] RPC 199. At 224 it was said that the likelihood of confusion must ‘be appreciated globally’ and that the global appreciation of the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components.

In the *Century City*<sup>137</sup> case the SCA referred to *Compass Publishing BV v Compass Logistics Ltd*<sup>138</sup> quoting Laddie J as follows:

The likelihood of confusion must be appreciated globally, taking account of all relevant factors. It must be judged through the eyes of the average consumer of the goods or services in question. That customer must be taken to be reasonably well informed and reasonably circumspect and observant, but he may have to rely upon an imperfect picture or recollection of the marks. The court should factor in the recognition that the average consumer normally perceives a mark as a whole and does not analyse its various details. The visual, aural, and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the

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<sup>134</sup> *PPI Makelaars v Professional Provident Society* 1998 1 SA 595 (SCA); *Kraft Foods, Inc v All Joy Foods (Pty) Ltd* (unreported judgment TPD 9 April 1999 case 26539/98); *National Brands Limited v Blue Lion Manufacturing (Pty) Ltd* 2001 3 SA 563 (SCA) 567D; *Adidas AG v Woolworths (Pty) Ltd* unreported judgment CPD 26 November 1998 case 16943/97; *Triomed (Pty) Ltd v Beecham Group plc* [2001] 2 All SA 126 (T) 145-146; 2001 2 SA 522(T) 546B–J; *Bata Ltd v Face Fashions CC* 2001 1 SA 844 (SCA); *Adidas AG and Another v Pepkor Retail Limited (187/12)* [2013] ZASCA 3.

<sup>135</sup> 2001 1 SA 844 (SCA).

<sup>136</sup> See also *Cowbell AG v ICS Holdings Ltd* 2001 3 SA 941 (SCA); *Adidas AG and Another v Pepkor Retail Limited (187/12)* [2013] ZASCA 3.

<sup>137</sup> 2010 (3) SA 1 (SCA).

<sup>138</sup> 2004 EWHC 520 (Ch).





marks bearing in mind their distinctive and dominant components. Furthermore, if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion.

In terms of section 34 the comparison is limited to the plaintiff's registered trade mark and the trade mark used by the defendant.<sup>139</sup> Neither party can rely on matter extraneous to the mark itself in order to negate the likelihood of deception or confusion.<sup>140</sup>

The use that is required in terms of section 34(1)(a) is use in relation to goods or services in respect of which the trade mark is registered. Before the implementation of section 34(1)(b) it was a well-established principle that infringement rights are strictly limited to the precise goods (or services) in respect of which the trade mark is registered.<sup>141</sup>

Section 34(1)(a) requires that the defendant's use must have been "in the course of trade". This requirement was present in section 44(1)(b) infringement in the repealed act where the use was otherwise than as a trade mark. This requirement was not expressly included in subsection (1)(a) and it was implicit in the requirement of the subsection that the use should be use as a trade mark.<sup>142</sup> The court in *Beecham Group PLC*<sup>143</sup> interpreted the meaning of the phrase and stated:

In my opinion, this phrase must be understood as having reference to a trade in goods falling into the classes for which the trade mark is registered or to goods which are so closely associated therewith that the use by the alleged infringer of the trade mark, in a manner

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<sup>139</sup> Webster & Page (2014) 12.8.5.

<sup>140</sup> S Wieder *The 'Added Matter' Fallacy in Trade Mark Law: Tiger Food Brands Intellectual Property Holdings Co Ltd v Sunnyfield Packaging Co (Pty) Ltd* 383 SALJ Vol 123 (Part 3) 2006. Webster & Page (2014) 12.8.5. In the *Sunniwite* case (*Lever Brothers Port Sunlight Ltd v Sunniwite Products Ltd* (1949) 66 RPC 84)

<sup>141</sup> Webster & Page South (2014) 12.9. In *Jay v Ladler* (1889) 6 RPC 136 where an infringement action was based on a trade mark registered in respect of "sealskin mantles and sealskin coats" it was held that the infringement rights were strictly limited to those specific goods.

<sup>142</sup> *Ibid* at 12.10.

<sup>143</sup> *Beecham Group PLC v Southern Transvaal Pharmaceutical Pricing Bureau (Pty) Ltd* 1993 1 SA 546 (A).



otherwise than as a trade mark, will enable the alleged infringer to prey upon or take advantage of the reputation and goodwill of the proprietor of the mark.

Webster and Page submit<sup>144</sup> that the aforementioned interpretation would be equally applicable in enquiries under section 34(1)(a) and (b) of the 1993 Act.

The use of the trade mark must be unauthorized by the registered proprietor of the trade mark. Where the authorization or denial thereof is expressed, no difficulties arise.<sup>145</sup>

### **3.5 Section 34(1)(b) Infringement**

Section 34(1)(b) infringement is similar to 34(1)(a) in many respects although it covers use in relation to similar goods and services.<sup>146</sup> Under the previous legislation infringement was only possible in respect of use on the identical goods. The remaining requirements of section 34(1)(b) are the same as the requirements in 34(1)(a). In *Commercial Autoglass (Pty) Ltd v BMW AG*<sup>147</sup> the Supreme Court of Appeal observed that it is not possible to infringe under sections 34(1)(a) and 34(1)(b) at the same time.

Section 34(1)(b) of the Trade Marks Act replaced and substituted the system of defensive registrations provided for in Section 53 of the TMA of 1963. It has been said that the purpose of trade mark legislation is essentially to codify the common law and the introduction of section 34(1)(b) is in keeping with the common law which has established that a common field of activity is not a prerequisite for success in passing-off proceedings.<sup>148</sup> In passing-off

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<sup>144</sup> Webster & Page (2014) 12.10.

<sup>145</sup> *Supra* at 12.11.

<sup>146</sup> Webster & Page (2014) 12.23. The USA has had this form of infringement for many years and it is included in a number of European national trade mark statutes. It is also a requirement of TRIPS art 16(1).

<sup>147</sup> *Ibid*; 2007 6 SA 637 (SCA).

<sup>148</sup> The *Capital Estate's* case.



proceedings where a common field of activity is not present, the following factors have been considered to be relevant factors:

- (a) the degree of similarity in the respective fields of activity;
- (b) the degree of diversification in these fields; and
- (c) the extent to which the public is aware of diversification or the possibility thereof.<sup>149</sup>

Regarding use of the registered trade mark or of a mark similar to it, section 34(1)(b) of the Act refers to a mark “similar to” while s34(1)(a) refers to a mark “so nearly resembling”. Webster and Page submit that the words are synonymous and nothing turns on the different words used.<sup>150</sup>

The section requires that the goods or services to be so similar that a likelihood of deception or confusion exists in the use of the allegedly infringing mark. Whether or not the goods or services are “so similar” is an additional enquiry to the comparison of the trade marks. Webster and Page submit<sup>151</sup> that:

the expression “so similar” makes no sense standing on its own since the qualification “so” requires some criterion to be postulated in order to complete it. The criterion is that the goods or services must be so similar to those in respect of which the mark is registered that in such use there exists the likelihood of deception or confusion.

In the *New Media Publishing* case<sup>152</sup> the court had to determine whether the use of the trade mark “EATING OUT” in relation to an electronic restaurant guide infringed the applicant’s registered trade mark “EAT OUT GUIDE” in class 16 in respect of, *inter alia*, magazines. The court stated:

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<sup>149</sup> Webster & Page (2014) 15.

<sup>150</sup> *Supra* at 12.22.

<sup>151</sup> Webster & Page (2014) at 12.23.

<sup>152</sup> *New Media Publishing (Pty) Ltd v Eating Out Web Services CC and Another* 2005 5 SA 388 (C).



There is, it seems to me, an interdependence between the two legs of the inquiry: the less the similarity between the respective goods or services of the parties, the greater will be the degree of resemblance required between their respective marks before it can be said that there is a likelihood of deception or confusion in the use of the allegedly offending mark, and *vice versa*. Of course, if the respective goods or services of the parties are so dissimilar to each other that there is no likelihood of deception or confusion, the use by the respondent even of a mark which is identical to the applicant's registered mark will not constitute an infringement; also, if the two marks are sufficiently dissimilar to each other no amount of similarity between the respective goods or services of the parties will suffice to bring about an infringement. I respectfully agree with the learned authors of Webster and Page where they say, with reference to sec. 34(1)(b) of the Act:

On a proper interpretation of the South African section the degree of resemblance between the marks and the degree of resemblance between the goods or services must be such that their combined effect will be to produce a likelihood of deception or confusion when that mark is used on those goods or services.

In *Mettenheimer and Another v Zonquasdrif Vineyards CC and Others*<sup>153</sup> the first appellant was the registered proprietor of the trade mark ZONQUASDRIFT in respect of alcoholic beverages, except beer (the trade mark therefor covered wine but not wine grapes), while the first respondent used the trade mark ZONQUASDRIF VINEYARDS in respect of wine grapes. The SCA noted that the section contemplates two elements, namely, use of a mark identical or similar to the plaintiff's trade mark in relation to goods which are so similar to

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<sup>153</sup> 2014 2 SA 204 (SCA).



those in a class for which it had been registered, that it gives rise to a likelihood of deception or confusion.<sup>154</sup>

The SCA agreed with the sentiments expressed by Thring J in the *New Media Publishing* case and found that in comparing the two marks they were virtually identical. Dealing with the similarity of goods the court stated:

Can it be said that, having regard to the sameness of the two marks, the similarity between the goods in respect of which the appellants' mark is registered (wine) and the goods in which respondent trades (wine grapes) is such that confusion or deception is the probable result? The deception and confusion we are talking about, of course, must relate to the origin of the respective goods. So, is it likely that the notional purchaser may be confused to think that these goods have the same origin?

Considerations that could assist in determining this likelihood of confusion have been proposed in decided cases. Prominent amongst these are the judgments of the Chancery Division in *British Sugar Plc v James Robertson & Sons Ltd* and of this court, albeit in a context different from section 34(1)(b) in *Danco Clothing (Pty) Ltd v Nu-Care Marketing Sales and Promotions (Pty) Ltd*.<sup>155</sup> It is clear that the list of proposed considerations was never intended to be exhaustive. Yet they serve to stimulate and guide the required process of reasoning in the enquiry as to the likelihood of confusion.

On application of these considerations to wine grapes and wine, first impressions are that the likelihood of confusion is slight

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<sup>154</sup> Webster & Page (2014) 12.21.

<sup>155</sup> 1991 4 SA 850 (A).



indeed. The nature of the two products is entirely different. The one is a fruit – albeit inedible – and the other is an alcoholic beverage. As are their uses, their users and the trade channels through which they are marketed. Since wine grapes are not suitable for consumption as a fruit, they are not sold to the public and they are therefore not to be found in any retail outlets. Wine, on the other hand, is marketed, advertised and sold directly to the public in supermarkets, liquor stores and other retail outlets. The prospects of ZONQUASDRIFT wine and ZONQUASDRIF grapes ever being marketed or sold in close proximity can therefore safely be excluded as non-existent.

The appellants had argued that, despite the distinct difference between the two products based on the afore-mentioned criteria, there nevertheless exists a likelihood of confusion as wine grapes constitute a raw material from which wine is made and the two products are accordingly associated with one another.

Owen Dean believes the court ought to have held that the goods were similar has commented <sup>156</sup> that the *British Sugar* criteria are wholly unsuited to determining whether one product which is the discernible principal ingredient and the source of the character of another product is similar to that of another product. He states:

It is submitted that where one product is a beneficiation of another and has the other as its most prominent component, there is a strong likelihood that the use of virtually the identical trade marks on the respective products will be likely to cause confusion. Put simply, a person who is aware of the existence of ZONQUASDRIFT wine and comes across ZONQUASDRIF wine grapes is likely to think that the two commodities come from the same source or have

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<sup>156</sup> Owen Dean Supreme Court of Appeal Losing Its Shape Posted on Jan 29, 2015  
<http://blogs.sun.ac.za/iplaw/2015/01/29/supreme-court-of-appeal-losing-its-shape/>.



a trade link. The *British Sugar* criteria can play no role in this thought process and cannot have any application as the circumstances of the respective comparisons are vastly divergent and different considerations arise. The *British Sugar* criteria are not universal in their application and are inapposite for the finished product/component situation.

#### **Chapter 4 Conclusion**

The introduction into the Trade Marks Act (1993) of protection against use of a confusingly similar mark in relation to “similar” goods or services came in the wake of the repeal of the 1963 Act, which had allowed brand owners to file trade mark applications defensively. The classic form of trade mark infringement has been considerably widened. Extending trade mark protection to similar goods and services makes practical sense. A trade mark serves as an indication of origin of goods or services. If one encounters a confusingly similar mark used in respect of similar goods or services to those for which a mark is registered, it stands to reason that one would wonder whether they have a common source (confusion in the trade mark sense).

In cases where the goods are the same, all you need to do is consider the marks, and whether or not they are confusingly similar visually, phonetically or conceptually. When the goods are not the same, it is also necessary to show that the goods or services are similar so that consumer confusion is likely.

South African case law on the issue of similarity of goods and services has been heavily influenced by the corresponding UK and EU decisions on the matter. While these cases have sought to lay out general guidelines in conducting the assessment, the outcomes both in the EU and in South Africa in determining similarity of goods and services have been inconsistent. The approach in the *Zonquasdrift* case seems to indicate that the courts will apply



the *British Sugar* criteria rigidly and that the scope of protection for similar goods and services is accordingly narrow.

Word Count: 14 992





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