

NATIONAL BRANDS LTD v BLUE LION
MANUFACTURING (PTY) LTD

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SUPREME COURT OF APPEAL

HEFER ACJ, HARMS JA, ZULMAN JA, MPATI JA and NUGENT AJA

2001 March 5, 16

Case No 229/99

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Trade mark—Infringement—Infringement under s 34(1)(a) of Trade Marks Act 194 of 1993—Infringement by use of mark so nearly resembling trade mark as to be likely to deceive and confuse—Word mark, and particularly one using ordinary language, not merely combination of abstract symbols but usually recognisable as whole, and for what it conveys—Where sense of one word mark differs markedly from that of another, and in particular where registered trade mark well known, scope for deception or confusion reduced, though these are always matters of degree.

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Trade mark—Infringement—Proof of—Where packaging of respective products reproduced in Court papers, likelihood, or otherwise, of deception or confusion to be attributable to resemblance (or otherwise) of marks themselves and not to extraneous matter.

D

Trade mark—Infringement—Infringement under s 34(1)(c) of Trade Marks Act 194 of 1993—Infringement by use of mark similar or identical to trade mark notwithstanding absence of likelihood of confusion or deception—Section 34(1)(c) protects proprietor of registered trade mark only against use of mark which is ‘identical or similar’ to registered trade mark—Word ‘similar’ as used in section having its ordinary meaning, which is ‘marked resemblance or likeness’ and ‘marked’ in turn meaning ‘easy to recognise’.

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The appellant was the biscuit manufacturer and holder of the registered trade mark of Romany Creams. The respondent had commenced manufacturing a similar biscuit under the name of Romantic Dreams. The appellant objected thereto. Although the respondent offered to change the name of its biscuits to Kwality Romantic Dreams, the appellant approached a Provincial Division for a restraining order. It was unsuccessful. In an appeal,

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Held, that, where the packaging of the respective products had been reproduced in the Court papers, the likelihood, or otherwise, of deception or confusion had to be attributable to the resemblance (or otherwise) of the marks themselves and not to extraneous matter. (Paragraph [7] at 567E–F.)

Held, further, that the marks were not likely to deceive or confuse by their sound. Whilst the first word of each mark had three syllables, they were pronounced quite differently, even allowing for imperfect usage. (Paragraph [9] at 567I–IJ.)

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Held, further, that a word mark, and particularly one that made use of ordinary language, was not merely a combination of abstract symbols but was usually recognisable as a whole, and for what it conveyed. Where the sense of one word mark differed markedly from that of another (as in the present case) and, in particular, where the registered trade mark was well known, the scope for deception or confusion was reduced, though these were always matters of degree. (Paragraph [10] at 568C/D–E/F.)

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Held, further, that the visual distinctions in the words which were in issue in the present case, bearing in mind that each conjured up a different picture,

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A were such that there was not likely to be deception or confusion as contemplated in s 34(1)(a) of the Trade Marks Act 194 of 1993. (Paragraph [10] at 568E/F-F/G.)

Held, further, that s 34(1)(c) protected the proprietor of a registered trade mark only against the use of a mark which was 'identical or similar' to the registered trade mark. The word 'similar' as it was used in the section had its ordinary meaning, which was 'a marked resemblance or likeness' and 'marked' in turn meant 'easy to recognise'. Romantic Dreams was not an easily recognisable likeness of Romany Creams for the same reasons that it did not fall foul of s 34(1)(a). (Paragraph [12] at 568H-J.)

The decision in the Transvaal Provincial Division in *National Brands Ltd v Blue Lion Manufacturing (Pty) Ltd* confirmed.

C **Annotations:**

Reported cases

Bata Ltd v Face Fashions CC and Another 2001 (1) SA 844 (SCA): dictum at 852D applied

Plascon-Evans Paints Ltd v Van Riebeeck Paints (Pty) Ltd 1984 (3) SA 623

D (A): dictum at 640G-641E applied

Reckitt & Colman SA (Pty) Ltd v S C Johnson & Son SA (Pty) Ltd 1993 (2) SA 307 (A): dictum at 316B-E approved

Tri-ang Pedigree (South Africa) (Pty) Ltd v Prima Toys (Pty) Ltd 1985 (1) SA 448 (A): dictum at 468G-H applied.

Statutes

E The Trade Marks Act 194 of 1993, s 34(1)(a) and (c): see *Juta's Statutes of South Africa 2000* vol 2 at 2-240.

Appeal from a decision in the Transvaal Provincial Division (Kruger AJ). The facts appear from the judgment of Nugent AJA.

F *L G Bowman SC* (with *Owen Salmon*) for the appellant.

C E Puckrin SC (with *R Michau*) for the respondent.

In addition to the authorities cited in the judgment of the Court, counsel referred to the following:

Adidas Sportschuhfabriken Adi Dassler KG v Harry Walt & Co (Pty) Ltd 1976 (1) SA 530 (T) at 533D, 533H-535, 536B

G *Asics Corporation v Nan Fang International Manufacturing and Trading Enterprises (Pty) Ltd* (TPD case No 1908/96, 29 October 1997)

Bayer Trade Mark (1947) 64 RPC 125 at 128

Baywatch Production Co Inc v The Home Corporation [1997] FSR 22

(Ch) at 30

H *Cambridge Plan AG and Another v Moore and Others* 1987 (4) SA 821

(D) at 827B-F, 847H-848B

Cavalla Ltd v International Tobacco Co of SA Ltd 1953 (1) SA 461 (T)

at 468G-H, 470D-E

Danco Clothing (Pty) Ltd v Nu-Care Marketing Sales and Promotions (Pty) Ltd and Another 1991 (4) SA 850 (A) at 861F-G

Darwin Ltd's Application (1946) 63 RPC 1

De Cordova v Vick Chemical Co (1951) 68 RPC 103 at 106

'*De Gevel*' Trade Mark Application March 1970 *SA Patent Journal* at 233

Demuth Trade Mark (1948) 65 RPC at 346

J *Enoch's Application* (1947) RPC 119

- Glenton & Mitchell v French Tea & Coffee Works Ltd* 1927 WLD 272 A
Harnischfeger Corporation and Another v Appleton and Another 1993 (4)
SA 479 (W) at 490B–D
- Hollywood Curl (Pty) Ltd and Another v Twins Products (Pty) Ltd* (1)
1989 (1) SA 236 (A) at 251D–E, 253C–F
- International Power Marketing (Pty) Ltd v Searles Industrials (Pty) Ltd* B
1983 (4) SA 163 (T) at 166H–167B
- John Craig (Pty) Ltd v Dupa Clothing Industries (Pty) Ltd* 1977 (3) SA
144 (T) at 150H, 151G–154F, 155D–H
- Juta & Co Ltd and Others v De Koker and Others* 1994 (3) SA 499 (T)
at 503A–I
- Juvena Produits de Beauté SA v BLP Import and Export* 1980 (3) SA 210 C
(T) at 217H–218H
- Laboratoire Lachartre SA v Armour-Dial Inc* 1976 (2) SA 744 (T) at
746B–H
- Lennon Ltd v Sachs* 1932 TPD 177 at 186
- Lever Bros Port Sunlight Ltd v Sunnywhite Products Ltd* (1946) 66 RPC D
84 at 89 lines 45–50
- Luster Products Inc v Magic Style Sales CC* 1997 (3) SA 13 (A) at 28B–E
- Mcdonald's Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd and
Another; Mcdonald's Corporation v Dax Prop CC and Another; Mc-
donald's Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd and
Dax Prop CC* 1997 (1) SA 1 (A) at 19F *et seq* E
- Minister of the Interior v Machadodorp Investments (Pty) Ltd and Another*
1957 (2) SA 395 (A) at 404
- Oude Meester Groep Bpk and Another v SA Breweries Ltd; SA Breweries
Ltd and Another v Distillers Corporation (SA) Ltd and Another* 1973 F
(4) SA 145 (W) at 160H, 161C–162D
- Parfums Givenchy SA v Designer Alternative Ltd* [1994] RPC 243 (CA)
at 249 lines 34–40
- Pioneer Hybrid Corn Co Ltd v Hiline Chicks (Pty) Ltd* [1979] RPC 410
at 423
- PPI Makelaars and Another v Professional Provident Society of South
Africa* 1998 (1) SA 595 (SCA) at 605A–D G
- Registrar of Trade Marks v American Cigarette Co* 1966 (2) SA 563 (A)
at 576D–E
- Safari Surf Shop CC v Heavy Water and Others* [1996] 4 B All SA 316
(D) H
- Smithkline Beecham Consumer Brands (Pty) Ltd (formerly known as
Beecham South Africa (Pty) Ltd) v Unilever plc* 1995 (2) SA 903 (A)
at 910A–G
- Standard Bank of South Africa Ltd v United Bank Ltd and Another* 1991
(4) SA 780 (T) at 788B–802B I
- Hoffmann and Zeffertt *The South African Law of Evidence* 4th ed at 415
Van Heerden and Neethling *Unlawful Competition* (Butterworths,
1995) at 213
- Webster and Page *South African Law of Trade Marks* 4th ed at paras
2.9, 6.6.6, 7.3, 7.5, 7.12, 7.16, 12.7, 12.8.4, 12.25, 12.27. J

A *Cur adv vult.*

Postea (March 16).

Nugent AJA:

B [1] This appeal concerns biscuits or, more precisely, the trade marks under which they are sold. For many years the appellant has manufactured a distinctive chocolate biscuit that is sold under its registered trade mark 'Romany Creams', which is deemed to be registered in terms of the Trade Marks Act 194 of 1993 in class 30 in respect of biscuits. During 1996 the respondent commenced manufacturing chocolate biscuits bearing a striking resemblance to those of the appellant and selling them under the mark 'Romantic Dreams'.

D [2] The appellant objected, alleging that the rights in its trade mark were being infringed. The respondent offered (without any admission) to alter its mark to 'Kwality Romantic Dreams', but that was not sufficient to placate the appellant and it applied in the Transvaal Provincial Division for an order restraining the respondent from using the mark 'Romantic Dreams' in relation to biscuits. The matter came before Kruger AJ, who dismissed the application but granted leave to appeal to this Court.

E [3] There are two matters of a procedural nature that need to be dealt with before turning to the merits of the appeal. In its answer to the appellant's claim the respondent said that it had decided to alter its mark to 'Kwality Romantic Dreams' and it undertook not to use the mark 'Romantic Dreams' once its stock of packaging material had been exhausted. That prompted the appellant to apply to amend its notice of motion so as to include 'Kwality Romantic Dreams' within the terms of the restraint. The application was opposed. During the hearing of the matter the learned Judge directed that the matter should be argued in relation to both marks, after which he would consider whether to grant the amendment. Once having found that neither of the marks infringed the appellant's rights in its trade mark, he considered that the amendment was academic and he made no ruling on it. The result is that the application to amend has been renewed before us. That issue can most conveniently be dealt with by adopting the same approach as in the Court below. The appellant has also applied to place further evidence before us relating to whether the undertaking was adhered to, but because the undertaking has now been withdrawn I need say no more about that application, other than that counsel agreed that the appellant is entitled to the costs of that application.

I [4] I turn then to the principal issue, which is whether the respondent's use of the marks 'Romantic Dreams' and 'Kwality Romantic Dreams' infringes the appellant's rights in its trademark 'Romany Creams'. The enquiry can be narrowed a little further for, in my view, the respondent's mark is not distinguished any further by the addition of the word 'Kwality'.

J [5] The rights acquired by the registration of a trade mark are infringed by the commission of one or other of the acts referred to in s 34(1) of the

Act (subject to the exclusions referred to in s 34(2) which are not A
relevant for present purposes). The appellant relies in this case upon the
provisions of paras (a) and (c). The former subsection, which combines
and repeats the material provisions of s 44(1)(a) and (b) of the repealed
Trade Marks Act 62 of 1963, embodies the traditional form of infringement, B
which is concerned with the use of a mark in relation to goods or
services in respect of which the trade mark is registered. The dispute in
the present case (insofar as it relates to that subsection) is confined to
whether the respondent's marks so nearly resemble the registered trade
mark as to be likely to deceive or cause confusion.

[6] That requires a comparison of the marks, in the circumstances in C
which they can be expected to be encountered, to determine whether
they so nearly resemble one another that a substantial number of persons
will probably be deceived into believing that the respondent's goods
originate from or are connected with the proprietor of the trade mark, or
at least be confused as to whether that is so (*Plascon-Evans Paints Ltd v*
Van Riebeeck Paints (Pty) Ltd 1984 (3) SA 623 (A) at 640G-I). The D
approach to be adopted in making that comparison, as it was expressed
by Corbett JA in that case at 641A-E, is well-known and does not need
to be repeated.

[7] It is important to bear in mind, particularly in a case like the present E
one, in which the packaging of the respective products has been
reproduced in the papers, that the likelihood (or otherwise) of deception
or confusion must be attributable to the resemblance (or otherwise) of
the marks themselves and not to extraneous matter (*Tri-ang Pedigree*
(South Africa) (Pty) Ltd v Prima Toys (Pty) Ltd 1985 (1) SA 448 (A) at
468G-H). Similarities in the goods themselves or in the form in which F
they are presented might form the basis for an action for passing-off, but
that is not what is before us, and for present purposes they must be
disregarded.

[8] The goods that are now in issue can be expected to be encountered G
in a variety of outlets, by a variety of customers. They will be found on
supermarket shelves, sometimes side by side, where they will often be
selected with little more than a glance; they will be found in grocery
stores, general trading stores and corner cafes, where they might be
selected not by the appearance of the marks but rather by their sound.
These are not marks, in other words, that are restricted to a discriminating H
market. Nevertheless, as pointed out in *Plascon-Evans* at 641B,
the notional customer with whom we are concerned must be conceived
of as having average intelligence, proper eyesight and buying with
ordinary caution.

[9] In my view, the marks are not likely to deceive or confuse by their I
sound. While the first word of each mark has three syllables, they are
pronounced quite differently, even allowing for imperfect usage. The
emphasis in the appellant's mark is on the first syllable and the last
syllable is rather indistinct. The respondent's mark, on the other hand,
emphasises the second syllable, and the articulation of the third syllable J

A is readily heard. When one adds the distinction in the first letter of the second word in each case, albeit that it is not marked, the two phrases sound quite different. As for the sense of the two phrases, in my view they bear no resemblance at all. It was upon their visual appearance, however, that counsel for the appellant placed the greatest store, pointing out that the first and last five letters of both marks are identical. When those letters are highlighted, as they were in the heads of argument, the resemblance might seem impressive, but it must be borne in mind that the appellant is not likely in fair and normal use to highlight those letters at the expense of the remainder, and nor is there any suggestion that the respondent has used or will use its mark in that way. On the contrary, they are likely to be seen in the form in which the words are ordinarily written, and should be visually compared in that form.

[10] A word mark, and particularly one that makes use of ordinary language, is not merely a combination of abstract symbols (at least to the literate observer) but is usually recognisable as a whole, and for what it conveys (as to the impact of a word mark upon those who are not literate, I respectfully associate myself with the observations of Harms JA in *Reckitt and Colman SA (Pty) Ltd v S C Johnson & Son SA (Pty) Ltd* 1993 (2) SA 307 (A) at 316B–E). In that respect, in my view, its visual appearance cannot be separated altogether from its sense. Where the sense of one word mark differs markedly from that of another (as in this case), and in particular where the registered trade mark is well known, it seems to me that the scope for deception or confusion is reduced, though these are always matters of degree. In my view, the visual distinctions in the words that are in issue in this case, bearing in mind too that each immediately conjures up a different picture, are such that there is not likely to be deception or confusion as contemplated by s 34(1)(a).

[11] Section 34(1)(c) introduces a new form of trade mark protection into our law, which aims to protect the commercial value that attaches to the reputation of a trade mark, rather than its capacity to distinguish the goods or services of the proprietor from those of others (Webster and Page *South African Law of Trade Marks* 4th ed at para 12.24). That being so, the nature of the goods or services in relation to which the offending mark is used is immaterial, and it is also immaterial that the offending mark does not confuse or deceive.

[12] Nevertheless, the section protects the proprietor of a registered trade mark only against the use of a mark that is ‘identical or similar’ to the registered trade mark. The word ‘similar’ as it is used in the section has its ordinary meaning, which is ‘a marked resemblance or likeness’ (*Bata Ltd v Face Fashions CC and Another* 2001 (1) SA 844 (SCA) at 852D) and ‘marked’ in turn means ‘easy to recognise’ (*The Oxford English Dictionary*). If there is any scope at all for a mark to fall outside the ambit of s 34(1)(a), but nevertheless to fall within the ambit of s 34(1)(c), in my view this is not such a case. I do not think that ‘Romantic Dreams’ is an easily recognisable likeness of ‘Romany Creams’ for the same reasons that I gave when dealing with s 34(1)(a).

[13] The appeal is accordingly dismissed with costs, which shall include the costs occasioned by the employment of two counsel. The costs of the application to lead further evidence are to be paid by the respondent. A

Hefer ACJ, Harms JA, Zulman JA and Mpati JA concurred.

Appellant's Attorneys: *MacRobert, De Villiers, Lunnon & Tindall Inc*, Pretoria; *Claude Reid Inc*, Bloemfontein. Respondent's Attorneys: *Berkow, Feinberg & Suliman*, Pretoria; *Israel & Sackstein Inc*, Bloemfontein. B

CAPE EXPLOSIVE WORKS LTD AND
ANOTHER v DENEL (PTY) LTD AND OTHERS C

SUPREME COURT OF APPEAL D

VIVIER JA, OLIVIER JA, ZULMAN JA, STREICHER JA and MTHIYANE AJA E

2001 February 22; March 19

Case No 60/99

Ownership—Immovable property—Passing of—Where property transferred subject to conditions—Causa for transfer subject to conditions to be sought in intention with which transfer given and received—Where transferor passing transfer subject to conditions and transferee failing to claim rectification of title deeds thereafter, both transferor and transferee prima facie intending transfer to be subject to conditions. F

Land—Rights in—Registrability of—Requirements—Intention of person creating real right must be to bind present owner and successors in title, and condition or right to be such that its registration resulting in subtraction from dominium of land against which it is registered. G

Land—Rights in—Registrability of—Land transferred subject to restriction on transferee's and its successors in title's use thereof (condition 1) and, when transferee or successor in title no longer requiring land for specified use, transferor to be informed thereof and entitled to 'first right to repurchase' (condition 2)—Whether condition 2 registrable—Condition 2 not containing offer to enter into contract and thus not purporting to be option—Giving of notice when land no longer required for restricted use as much a right as an obligation since, once land no longer required for restricted use, land useless to owner unless transferor repurchasing it or terminating use restriction—Conditions 1 and 2 inseparable from each other—Conditions 1 and 2 stated specifically to be binding on transferee and successors in title and constituting subtraction from dominium of land—Rights embodied in conditions 1 and 2, read together, thus constituting real right registrable in terms of Deeds Registries Act 47 of 1937. H I J