

Arjo Wiggins Ltd v Idem (Pty) Ltd and another
[2002] 2 All SA 147 (A)

Division: Supreme Court of Appeal
Date: 28 September 2001
Case No: 69/2000
Before: Nienaber, Harms, Cameron, Navsa JJA and Froneman AJA
Sourced by: PR Cronje
Summarised by: S.Pillay
Parallel Citation: [2002 \(1\) SA 591](#) (SCA)

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[1] *Intellectual property - Patents - Trade marks - Expungement application - Whether expungement described a commercially coherent category of goods within the existing specification - Trade mark proprietor proved relevant use of the mark within a subsection of a category - Application refused.*

[2] *Intellectual property - Trade marks - [Section 27](#) - Trade Marks Act [194 of 1993](#) - Use of the trade mark for promotional purposes - Whether this constituted bona fide use of the mark - Held that promotional use of the trade mark on goods which were not the object of trade, did not constitute bona fide use.*

Editor's Summary

The Appellant, a United Kingdom company, was the proprietor of a registered trade mark, "Idem", in respect of carbonless copying paper. This was referred to as the primary use of the mark. As a secondary use, the Appellant used the mark on products that were not sold, but used for promotional purposes, like address books and notepads. The Respondent held the same registered trade mark in respect of stamps, photographs, writing and drawing instruments. In 1997, the Appellant issued summons against the Respondent claiming an interdict and royalties for infringement of [section 34](#) of the Trade Marks Act [194 of 1993](#) ("the Act"). Arguing that the Appellant's use of the trade mark did not constitute *bona fide* use of the mark; the Respondent launched its own application for the expungement thereof in terms of [section 27](#) of the Act. The court *a quo* granted the Respondent's application, and the Appellant now appeals against the expungement order.

Held - The issue faced by the Court was whether the Appellant's secondary use of the "Idem" mark constituted "*bona fide* use" of the trade mark as envisaged by [section 27](#) of the Act. Further, if the answer to this issue was in the negative, then the Court had to decide to what extent, if any, was the Respondent entitled to remove the Appellant's registration of the trade mark. The Appellant argued that it had in fact made "*bona fide* use" of the trade mark as outlined in [section 27](#) of the Act, so as to entitle it to maintain its registration thereof.

Bona fide use in terms of [Section 27](#)

The Appellant submitted that although the secondary products were not sold, their distribution for promotional purposes constituted *bona fide* use in the commercial context and furthered their business interests in the country. The purpose of applying the Idem mark was to distinguish them from other similar products. The Respondent countered this argument by submitting that *bona fide* use had to be use in connection with the particular goods in respect of which the trade mark is registered, with the purpose of furthering those specific goods

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and not any other goods. The Court considered the Appellant's argument that distribution was effected with the purpose of promoting knowledge and recognition of the "Idem" trade mark. The use of this mark on the secondary products in effect promoted trade in the primary product, namely carbonless copying paper.

The Court maintained that "*bona fide* use" as contemplated by the Act meant that the proprietor had to use the trade mark on goods with the purpose of protecting or furthering trade in that specific type of goods, and not use of the mark for some ulterior object. Therefore, although the Appellant's use of the trade mark on the promotional goods was "commercial", in that it promoted goods that it did trade, it was not commercial use of the goods displayed, since those goods were not being traded. Further, the use of the trade mark as used by the Appellant was to differentiate its goods from other similar goods, and not for the purpose of trading in these goods. The Court held that there was no evidence of "true trading" in the goods bearing the trade mark, and the Appellant had failed to prove *bona fide* use. The expungement was granted.

Removal from the register

The Appellant decided to abandon a portion of its registration and to defend a specification relating to "paper and paper articles." The Respondents argued that registration of "paper and paper articles" was too wide and nebulous, to be enforced, and conceded that the registration should relate to only carbon paper. This led to a number of difficulties in interpretation and definition. The Court observed that wide words in trade mark specifications can cover a range of different types of articles.

The Court further found that the Act conferred upon it a discretion to refuse expungement, such discretion to be

exercised only in exceptional circumstances. Once a trade mark proprietor proved relevant use within a subsection of a category, removal of the mark will not be granted unless evident that the expungement described a commercially coherent category of goods within the existing specification.

The appeal was therefore upheld.

Notes

For Trade marks see *LAWSA Reissue* (Vol 29, paras 1 - 306).

Cases referred to in judgment

("C" means confirmed; "D" means distinguished; "F" means followed and "R" means reversed. **HN** refers to corresponding headnote number.)

South Africa

Distillers Corporation (SA) Ltd v SA Breweries Ltd and another [1976 \(3\) SA 514](#) (A)

Gulf Oil Corporation v Rembrandt Fabrikante en Handelaars (Edms) Bpk [1963 \(2\) SA 10](#) (T) - **F**

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McDonald's Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd and another [\[1996\] 4 All SA 1](#) ([1997 \(1\) SA 1](#)) (A)

Oude Meester Groep Bpk and another v SA Breweries Ltd [1973 \(4\) SA 145](#) (W)

Rembrandt Fabrikante en Handelaars (Edms) Bpk v Gulf Oil Corporation [1963 \(3\) SA 341](#) (A)

United Kingdom

Electrolux Ltd v Electrix Ltd and another (1954) 71 RPC 23 (CA)

Imperial Group Ltd v Philip Morris Ltd [1982] FSR 72 (CA)

Kodiak Trade Mark [1990] FSR 49 (ChD)

Mercury Communications Ltd v Mercury Interactive (UK) Ltd [1995] FSR 850 (ChD)

Minerva Trade Mark [2000] FSR 734 (ChD)

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Judgment

CAMERON JA:

- [1] The appellant, a United Kingdom company ("Arjo"), is the proprietor in South Africa of the registered trade mark "Idem". Its registration, granted in 1972, is in respect of "paper, paper articles, cardboard, cardboard articles and paper stationery". Arjo trades in South Africa through an associated company registered locally as a foreign corporation, Carbonless Papers Ltd ("CPL"), which is its exclusive distributor. The first respondent ("the respondent"), a company incorporated locally in 1970, held for some twenty years until its expiry in 1993 the registered trade mark "Idem" in respect of "stamps, stamp pads, drawing boards, compasses, drawing squares, photographs, writing and drawing instruments for students, plastic products, paint brushes, printing letters, pens, pencils and other writing instruments". After the respondent's registration lapsed, Arjo in 1997 issued summons, claiming an interdict, royalties and associated relief for infringement in terms of [section 34](#) of the Trade Marks Act [194 of 1993](#) ("the Act")¹ of the Idem mark through its use on paper, cardboard, carbon paper and envelopes. The respondent rejoined with an application for a stay of those proceedings, and then launched its own

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foray, an expungement application in

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terms of [section 27](#) of the Act.² (The Registrar of Trade Marks, who abides the outcome, was the second respondent.) It was common cause that the respondent is an "interested person" as contemplated in [section 27](#), and that it has legal standing to challenge Arjo's registration. Before Hartzenberg J in the court below the respondent failed to secure a stay of Arjo's action, but succeeded in obtaining the main relief it sought: the deletion from the register of trade marks of Arjo's Idem mark in respect of all goods other than "carbonless paper, namely specialised paper whose purpose it is to perform the same function as carbon paper because of its special characteristics". There is no appeal against Hartzenberg J's refusal of a stay; but with his leave Arjo appeals against the expungement order.

- [2] The facts are uncomplicated. Arjo's South African sales of "Idem" paper products have so far been confined to

sheets and rolls of carbonless copying paper (as the name of its local distributor indeed suggests). The product consists of high quality paper chemically treated on its underside so that writing on its face can be carried through to a second sheet below. Arjo's deponents say that sales of this product occur "essentially" to the printing industry. Printers then use Idem carbonless duplication paper to produce printed matter for their customers. This use of the mark Arjo calls its "primary" use. But it also describes a "secondary" use - address books, plain paper notepads, carbonless duplication notepads, lightly adhesive stickers (such as lawyers often use), desk note blocks, pens and pencils, on all of which the Idem mark is placed. These secondary products are not sold. They are distributed to CPL's customers

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and potential customers

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(presumably also printers) for promotional purposes. Arjo admits that the annual quantum "has not been extensive".

- [3] From these facts stem the disputants' conflicting contentions, which relate to two questions. Does Arjo's "secondary" use of the Idem mark constitute "bona fide use" of the trade mark within the meaning of [section 27](#) of the Act? If it does, there has been relevant use of the trade mark within the specification granted not only on carbonless copying paper but also on at least paper in its general sense and on paper articles. From this it would follow that the respondent was not entitled to the ambit of the relief it obtained in the court below. Even if the answer is "No", the second question remains: to what extent, if any, is the respondent on the evidence before us entitled to removal of Arjo's registration?
- [4] On the papers and in the court below Arjo's principal argument resisting expungement was that it had in fact made "bona fide use" as contemplated in [section 27](#) of the trade mark such as to entitle it to maintain its registration in respect of all goods within the specification. It also asserted that it would not be just, and contrary to practice in South Africa and most other countries, for the specification to be limited to the "extremely narrow range of goods" the respondent claimed in its notice of motion. The parties' submissions in the court below focused on the first question, regarding which Hartzenberg J held that bona fide use required trade in the goods concerned. This finding was the focus of the parties' written argument on appeal. But when the appeal was called Mr *Puckrin* for Arjo, indicated two adjustments to its position. Arjo abandoned its specification in respect of "cardboard, cardboard articles and paper stationery", and sought to defend a registration only in respect of "paper and paper articles". Second, Arjo's argument now concentrated its attack on the confined ambit of registration Hartzenberg J granted in the court below, seeking to substitute the (reduced) specification it had conceded.

Bona fide use in terms of [section 27](#)

- [5] Arjo's counsel, while not advancing further argument for the contention that its secondary use of the mark constituted bona fide use for statutory purposes, did not abandon that position, which must therefore be considered. Arjo's submission was that although the secondary products were not sold, their distribution for promotional purposes constituted bona fide use in a commercial context of the mark in furtherance of Arjo's business in South Africa. The purpose of applying the Idem mark to the secondary goods was to distinguish them from other similar goods, and the mark served that purpose. Relevant use for statutory purposes included use on goods subsidiary to those in which Arjo mainly dealt, and included use for the promotion of goods. The respondent, by contrast, submitted that bona fide use had to be use in connection with the particular goods in respect of which the trade mark is registered, for the purpose of furthering trade in those goods, and not for any other purpose.

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- [6] The most authoritative treatment in our trade mark law of the concept of bona fide use is that by Trollip J in *Gulf Oil Corporation v Rembrandt Fabrikante en Handelaars (Edms) Bpk*³ where "bona fide user" by a registered

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trade mark proprietor in resisting rectification of the register under [section 136](#) of the Trade Marks Act [9 of 1916](#) ("the 1916 Act") was at issue. This Court confirmed the judgment of Trollip J⁴ but Steyn CJ expressly withheld endorsement of the comprehensive exposition of the concept at first instance.⁵ Trollip J's treatment was, however, resurrected and approved in *McDonald's Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd and another*⁶ where EM Grosskopf JA, although dealing with the avowedly "somewhat different" context of [section 36](#) of the present Act,⁷ nevertheless considered Trollip J's reasoning to be "entirely applicable".⁸

- [7] The issue in *Rembrandt (supra)* was whether the registered proprietor of a trade mark had shown bona fide use of its mark in relation to lubricating oils. It did not in the ordinary course of its business manufacture or produce such oils and proved only comparatively negligible sales of the substance after becoming aware of a competitor's application for registration of its mark for lubricating oils and an impending application for rectification. Trollip J inferred that the trade mark proprietor had no intention of conducting trade in the product "in a commercial sense" and that it did not sell or advertise the oils under its mark "with the object or intention of protecting, facilitating or furthering any trade in those goods".⁹ Since use merely to protect a trade mark from expungement "without the proprietor's having any intention of trading in the goods in respect of which it

was registered" did not constitute bona fide use for statutory purposes, rectification was granted.¹⁰ On appeal this Court confirmed the finding regarding absence of intent to trade under the mark "as a commercial enterprise", and affirmed that use "for an ulterior purpose, unassociated with a genuine intention of pursuing the object for which the Act allows the registration of a trade mark and protects its use, cannot pass as bona fide user".¹¹

- [8] The present matter differs from *Rembrandt (supra)* in several respects. First, there is no evidence (and the respondent does not suggest) that Arjo

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started distributing the promotional materials to thwart an impending expungement application. Second, I think the assertion by Arjo's deponents that the distribution of the secondary products, albeit not extensive, was "on a commercial scale", must be accepted. Although Arjo gives no indication of its business turnover or the number of its customers (making it difficult to gauge precisely the import or impact of promotional distribution), the evidence indicates that some 4 000 promotional items were distributed annually. On any scale this cannot be discounted; it certainly

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dwarfs the proprietor's puny output in *Rembrandt (supra)*. More important, lastly, Arjo's distribution of these products was in a more specific sense also "commercial", in that it was conducted with a view to promoting knowledge, recognition and acceptance of the Idem mark and more especially that mark in relation to Arjo's primary commercial product, namely carbonless copying paper. It seems to me therefore that use of the mark on the secondary products promoted or was intended to promote trade in the primary product (though it would not seem that the use in question was for statutory purposes "in relation to" the traded goods).¹²

- [9] Despite these differences, both the rationale of *Rembrandt (supra)* and its outcome seem to me to indicate that the use of the trade mark on the promotional products did not constitute *bona fide* use as contemplated by the statute. The basis of the decision in *Rembrandt (supra)* was that to constitute *bona fide* use the proprietor had to use the trade mark upon goods with the object or intention of protecting, facilitating or furthering trade in those goods. It is true that there the inquiry into bona fides concerned the proprietor's authenticity of purpose in orchestrating a tiny handful of sales with the objective of protecting its mark from expungement on the ground of non-use. Here the proprietor had no such objective, but only the commercially authentic aim of promoting sales of its traded goods. But the core of Trollip J's reasoning, as approved by this Court, was not that *bona fide* use is negated by the ulterior purpose of thwarting a competitor's registration (a conclusion incompatible with *Electrolux Ltd v Electrix Ltd and another*,¹³ upon which both Trollip J and Steyn CJ relied), but that, whatever the proprietor's actual motive, inauthenticity of statutory purpose is established by absence of commercial trade in the article on which the mark is used.

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- [10] It is in this context that Trollip J's formulation of the general purpose of the statutory system of trade mark protection, expressly adopted in *McDonald's case (supra)*, must be understood:

"Now the system of registering trade marks is designed to protect, facilitate and further the trading in the particular goods in respect of which the trade mark is registered. The very name, 'trade mark', connotes that, and the definition thereof in [sec. 96](#) of the Act confirms it. I would therefore say that 'bona fide user' in [section 136](#) means a user by the proprietor of his registered trade mark in connection with the particular goods in respect of which it is registered with the object or intention primarily of protecting, facilitating, and furthering his trading in such goods, and not for some other, ulterior object."¹⁴

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- [11] Though Trollip J attached some significance to the word "user" in contrast to "use" in the 1916 Act,¹⁵ both the Trade Marks Act [62 of 1963](#) ("the 1963 Act") and the present Act refer simply to "*bona fide* use", and I conclude, as in the *McDonald's case (supra)*, that the reasoning of Trollip J is entirely applicable. Since absence of intention to trade commercially in the particular goods in respect of which the trade mark is registered renders use of the mark statutorily inauthentic, it must follow that use of a trade mark on goods other than with the object of promoting trade in those goods cannot constitute *bona fide* use for statutory purposes, even if that use promotes trade in other goods. Although Arjo's use of the trade mark on the promotional goods was "commercial" in that it promoted goods in which it did trade, it was not commercial use in relation to the goods on which it was displayed, since those goods were not being traded. And while the use of the trade mark on those goods was use in order to distinguish them from others' similar goods, that use was not for the purpose of trading in those goods, but in other goods within the specification. As it has been expressed elsewhere, regarding all items within the specification other than carbonless copying paper, Arjo proved no "course of trading embarked on as an end in itself".¹⁶
- [12] This conclusion accords with the decision in *Kodiak Trade Mark*,¹⁷ upon which counsel for the respondent relied. There, as in *Rembrandt (supra)*, there was no evidence of "true trading" in the goods bearing the trade mark, and though the goods had (as in the present case) an intrinsic function, they were a promotional vehicle for the trade mark proprietor's main trade in other goods. It was held that no *bona fide* use under the United Kingdom Trade Marks Act of 1938 had been established and expungement in respect of the goods in question was granted.

Removal from the register

- [13] The question now is the practical implications for the ambit of Arjo's registration, and hence for the outcome of the appeal, of the conclusion that Arjo made *bona fide* use of its trade mark in relation only

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to carbonless copying paper. The matter seems to have been conducted in the court below on the basis that if Arjo failed to establish bona fide use in relation to goods other than carbonless copying paper it followed that its registration should be restricted to the traded goods. However, Arjo's affidavits clearly signalled a separate challenge to the narrow ambit of the specification the respondent sought in its notice of motion, and its counsel was entitled to press this issue on appeal.

- [14] As indicated earlier, at the hearing counsel for Arjo abandoned portion of its registration and sought to defend a specification embracing only "paper and paper articles". Counsel for the respondent, on the other hand, maintained that paper was not a homogeneous concept and that a registration for "paper and paper articles" was too wide and nebulous. She therefore urged that Arjo's registration be cut down further. But she had difficulty

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not only in defining precisely the ambit of the registration she supported, but in articulating the principle that underlay it. She emphasised that Arjo's traded product is supplied "essentially" to the printing industry. This led to the suggestion that Arjo's registration should be confined to "carbonless paper and paper used in the printing industry". The manifest imprecision in this definition was not the end of counsel's difficulties, for she conceded that carbon paper was so similar in its practical applications to carbonless copying paper that use of the trade mark upon it would lie untenably close to Arjo's entitlement. She therefore conceded that the registration should embrace also carbon paper.

- [15] This concession has obvious significance, since it entails that Arjo is entitled to protection within the category "paper" stretching beyond the ambit of its proved trading use of the mark. The concession was properly made, but once made, it opened a host of further intractable problems of definition and delimitation. And counsel's difficulties were in due course compounded when in written argument submitted after the hearing she expanded the conceded ambit of the specification even further. She now suggested that the registration should comprise "paper and paper articles, including carbonless copy paper, copy paper and carbon paper, but otherwise excluding paper stationery". Apart from itself being open to the charge of nebulousness, this formulation adds "copy paper" to the suggested specification. This, like carbon paper, lies beyond Arjo's proven trade, and similarly entails a larger entitlement than Arjo obtained in the court below.
- [16] The enumeration of these complexities implies no criticism of counsel's contribution to what was an illuminating debate. They arise from the subject-matter of the appeal itself. At source the difficulties spring from the incontestable fact that Arjo proved statutorily relevant use of its trade mark on "paper" - admittedly a sub-set of paper, but paper nonetheless, since in the description of the traded goods "carbonless" and "copying" are merely attributes qualifying a commodity, and that commodity is expressly protected by the registration sought to be expunged. It is therefore not surprising that an attempt to draw lines within the commodity occasions both conceptual and operational difficulties. If

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"paper" is a nebulous concept, to whom is it so? Again, what is "the printing industry", and what sorts of paper are distributed within it? If a distinction is to be drawn between carbonless copying paper and other sorts of paper, or between paper supplied to the printing industry and paper not so supplied, why not between punched paper and unpunched paper; between lined and unlined paper; between white and coloured paper; or indeed between red and non-red paper?

- [17] In *Minerva Trade Mark*,¹⁸ Jacob J observed that wide words in trade mark specifications can cover "what are commercially quite different sorts of articles". In that case, the specification included "printed matter", which he held as a pure matter of language could cover anything on which there is printing. The applicant for expungement was a publisher of literary titles. The specification was held not to apply to printed matter of a literary character, and was consequently revoked in so far as it was registered for

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printed matter other than stationery. The question Jacob J asked was whether there had been non-use "in respect of a significant subset of a wide general description", and one of the criteria he applied was whether "it would be commercially nonsense to maintain the registration for all goods [covered] by the wide words". To similar effect is *Mercury Communications Ltd v Mercury Interactive (UK) Ltd*,¹⁹ where Laddie J postulated that a specification should be cut down where it covers goods which are "quite unrelated" to a proprietor's "real trading interests".

- [18] The *Minerva* decision (*supra*) is particularly instructive, since the difference between printed stationery (in which the trade mark proprietor dealt) and literary texts (in which the objector traded) is surely so evident as to invoke no contention. What is more, the attenuation of the specification (to exclude literary texts) was not only evident but precise in its nature and ambit. The conceptual, operational and functional differences between the category protected for the proprietor's use and that excluded from it were manifest. It is significant that Jacob

J, in disapproving a previous decision that doubted the feasibility of limiting a specification for non-use of a subset, expressed agreement with an example that decision posited, that a specification for "domestic containers" would not be cut down to "red tea caddies". The question was whether the articles were "commercially quite different", and the implication was that it would indeed be "commercially nonsense" to cut down the specification for "domestic containers" to such a subset. Similar in import is the example Arjo's counsel gave, of a specification for "wine" where use of the trade mark in relation to only red wine is proved. Counsel for the respondent conceded, rightly, that it would not make commercial sense to cut down the specification to red wine only. The concession must of course be qualified to the extent that it might be shown that red wine (or

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any other specific type of "wine") is commercially so distinctive that limiting a specification to that product would not constitute "commercial nonsense".

- [19] These considerations illuminate the present case. Arjo was challenged in the founding papers to defend its registered specification. It responded by alleging but failing to prove bona fide use of a wide range of articles within the specification; and by proving use of its trade mark upon a subset of a category expressly protected in the specification, namely paper. So confronted, I do not believe that Arjo was required to do more.

There is nothing to indicate that the subset at issue, namely carbonless copying paper, is commercially quite different from other sorts of paper, nor is there anything to suggest that commercially it would be nonsensical to maintain registration of the Idem mark, although used only on carbonless copying paper, for paper in general. This approach is in my view supported by *Kerly's Law of Trade Marks and Trade Names*²⁰ where the first step in considering whether an over-broad specification should be revoked for non-use is described thus:

"If the Court or Registry decides that there has been genuine use but only on a particular item or in relation to a particular service, the first question is whether the specification extends unduly beyond the item or service? If so, the inquiry

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is this: how would the notional reasonable man describe that item? Naturally, the answer depends on all the circumstances, but the answer provides the wording appropriate for that item in the specification of goods."

This test, the authors suggest, should avoid what they call the "red tea caddy" problem. It will also, it seems to me, avoid the "carbonless copying paper" problem, for without further information regarding trade practice or industrial use, I venture to suggest that the notional reasonable person would describe that item as "paper".

- [20] On the facts in this case, there is no conceptual, operational or functional basis for the further attenuation of the proprietor's registration within the category in which the proprietor proved statutorily relevant use, namely paper. This is not to decide that under [section 27](#) of the Act the respondent bore an overall onus to convince the court to exercise a discretion in its favour. This Court held that the comparable wording of the 1963 Act conferred a general or residual discretion to refuse expungement, which was to be exercised only in exceptional circumstances.²¹ Difficult questions may arise about the discretion the equivalent wording of [section 27\(1\)](#) appears to confer. On the approach in this judgment those questions do not arise. Nor does the question whether (as has been suggested)²² the extended protection afforded a trade mark proprietor by the provisions of [section 34\(1\)\(b\)](#) in regard to unauthorised use of a mark on goods so similar to the proprietor's as to create "the

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likelihood of deception or confusion", is relevant to the exercise of the discretion in [section 27](#). Those questions are not reached, since even accepting that an applicant for expungement is *prima facie* entitled to removal of the mark from the register once non-use of a category of goods is shown (as this Court decided under the 1963 statute)²³ and that the Court's residual discretion would deny one so entitled a remedy only in exceptional circumstances, the anterior question is: in regard to what expungible category of goods has non-use been shown? That question is primary, and it must be answered before the Court can determine the ambit of the expungement the applicant seeks.

- [21] Unless, therefore, it is evident to the Court (or the applicant lays a foundation suggesting) that the expungement sought describes a commercially coherent category of goods within the existing specification, the relief the applicant seeks cannot be granted if the proprietor has proved relevant use within the category. That is the position in the present case, where, in sum, the proprietor proved relevant use of its trade mark within a protected category and there is nothing to show that sustaining its registration in respect of that category would not make commercial sense.
- [22] This conclusion represents substantial success for Arjo, which is accordingly entitled to its costs on appeal. In the court below, however, as indicated earlier, the matter was contested substantially on the bona fide use issue, in regard to which the holding at first instance has been affirmed. I would therefore not change the costs order in that court.

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- [23] The following order is made:

(1) The appeal succeeds with costs, including the costs of two counsel.

(2) Paragraph 1 of the order of the court below is substituted with:

"(a)The trade mark registration no 72/0463 Idem in class 16 in the name of Arjo Wiggins Ltd is rectified in terms of [section 27](#) of the Act by the deletion of all goods and the specification covered by the registration other than paper and paper articles.

(b) The first respondent is to pay the costs".

(Nienaber, Harms, Navsa JJA and Froneman AJA concurred in the judgment of Cameron JA.)

For the appellant:

C Puckrin SC and J Cullabine SC instructed by *Spoor and Fisher*, Pretoria

Correspondents for the appellants:

Israel and Sackstein, Bloemfontein

For the respondent:

RM Robinson instructed by *DM Kisch Incorporated*, Pretoria

Correspondents for the respondents:

Rossouws, Bloemfontein

Footnotes

1 [Section 34\(1\)](#) provides:

(1) The rights acquired by registration of a trade mark shall be infringed by -

- (a) the unauthorized use in the course of trade in relation to goods or services in respect of which the trade mark is registered, of an identical mark or of a mark so nearly resembling it as to be likely to deceive or cause confusion;
- (b) the unauthorized use of a mark which is identical or similar to the trade mark registered, in the course of trade in relation to goods or services which are so similar to the goods or services in respect of which the trade mark is registered, that in such use there exists the likelihood of deception or confusion;
- (c) the unauthorized use in the course of trade in relation to any goods or services of a mark which is identical or similar to a trade mark registered, if such trade mark is well known in the Republic and the use of the said mark would be likely to take unfair advantage of, or be detrimental to, the distinctive character or the repute of the registered trade mark, notwithstanding the absence of confusion or deception: Provided that the provisions of this paragraph shall not apply to a trade mark referred to in [section 70\(2\)](#).

2 [Section 27](#), which is titled "Removal from register on ground of non-use", reads in part:

- (1) Subject to the provisions of [section 70\(2\)](#), a registered trade mark may, on application to the court, or, at the option of the applicant and subject to the provisions of [section 59](#) and in the prescribed manner, to the registrar by any interested person, be removed from the register in respect of any of the goods or services in respect of which it is registered, on the ground either -
 - (a) that the trade mark was registered without any bona fide intention on the part of the applicant for registration that it should be used in relation to those goods or services by him or any person permitted to use the trade mark as contemplated by [section 38](#), and that there has in fact been no bona fide use of the trade mark in relation to those goods or services by any proprietor thereof or any person so permitted for the time being up to the date three months before the date of the application;
 - (b) that up to the date three months before the date of the application, a continuous period of five years or longer has elapsed from the date of issue of the certificate of registration during which the trade mark was registered and during which there was no bona fide use thereof in relation to those goods or services by any proprietor thereof or any person permitted to use the trade mark as contemplated in [section 38](#) during the period concerned; or
 - (c) subject to such notice as the court or the registrar, as the case may be, shall direct, and subject to the provisions of the regulations, that, in the case of a trade mark registered in the name of a body corporate, or in the name of a natural person, such body corporate was dissolved, or such natural person died, not less than two years prior to the date of the application and that no application for registration of an assignment of such trade mark has been made in terms of [section 40](#).

(Act [38 of 1997](#) amended [section 27\(1\)](#) in a manner not material to the proceedings.)

3 [1963 \(2\) SA 10](#) (T).

4 *Rembrandt Fabrikante en Handelaars (Edms) Bpk v Gulf Oil Corporation* [1963 \(3\) SA 341](#) (A).

5 [1963 \(3\) SA](#) at 351 E-F.

6 [1997 \(1\) SA 1](#) (A) at 29-30 (EM Grosskopf JA). Also reported at [\[1996\] 4 All SA 1](#) (A) - Ed.

7 [Section 36](#) protects as against the proprietor of a registered trade mark, or a trade mark entitled to protection under the Paris convention of 1883 as a well-known trade mark, the vested rights of certain persons who have made "continuous and bona fide use" of the trade mark from certain dates.

8 [1997 \(1\) SA 1](#) (A) at 30D.

9 [1963 \(2\) SA 10](#) (T) at 27G-H.

10 [1963 \(2\) SA 10](#) (T) at 25E-F.

11 [1963 \(3\) SA 341](#) (A) at 351C-F.

12 [Section 1](#) of the Act defines "trade mark" so far as presently relevant as a mark used or proposed to be used "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 course of trade with any other person". [Section 27](#) likewise contemplates bona fide use "in relation to" goods and services. In terms of [section 2\(3\)\(a\)](#), references in the Act to the use of a mark "in relation to goods" are to be construed as references to its use "upon, or in physical or other relation to" the goods. For an exposition see Webster & Page *South African Law of Trade Marks* 4ed by CE Webster and GE Morley (1997) para 4.3 at 4-4.

13 (1954) 71 RPC 23 (CA), regarding which see *Oude Meester Groep Bpk and another v SA Breweries Ltd* [1973 \(4\) SA 145](#)
14 (W) at 151B-D, referred to with approval in the *McDonald's* decision [1997 \(1\) SA 1](#) at 30B-C.
15 [1963 \(2\) SA 10](#) (T) at 24D-E.
16 1963 (2) SA at 23F-G ("user" entails continued use, exercise or enjoyment of a right). Nothing in the present matter
17 turns on the aspect of continuity.
18 *Imperial Group Ltd v Philip Morris Ltd* [1982] FSR 72 (CA) at 84 (Shaw LJ).
19 [1990] FSR 49 (ChD).
20 [2000] FSR 734 (ChD) at 738.
21 [1995] FSR 850 (ChD) at 864 (application for summary judgment).
22 13 ed (2001) by D Kitchin and others, para 9-72(1), at 288.
23 *McDonald's Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd and another* [1997 \(1\) SA 1](#) (A) at 31H-32C.
Webster & Page South African Law of Trade Marks 4ed by CE Webster and GE Morley (1997) para 13.32 at 13-36.
Distillers Corporation (SA) Ltd v SA Breweries Ltd and another [1976 \(3\) SA 514](#) (A) at 542-3.