

Luster Products Inc v Magic Style Sales CC
[1997] 1 All SA 327 (A)

Division: Appellate Division
Date: 29 November 1996
Case No: 232/95
Before: Corbett CJ, Nestadt, HArms, Schutz and Plewman JJA
Sourced by: JJF Hefer and I Potgieter
Parallel Citation: [1997 \(3\) SA 13](#) (A)

. [Editor's Summary](#) . [Cases Referred to](#) . [Judgment](#) .

Trade Mark - Trade Marks Act [62 of 1963](#) - [Sections 16\(1\)](#) and [33\(1\)](#) - Whether a mark is rendered confusing due to other persons using it in a manner contrary to the interests of the trade mark proprietor - In the absence of blameworthiness on the part of the proprietor, no case for expungement of an entry may be made.

Trade Mark - Trade Marks Act [62 of 1963](#) - [Section 44\(1\)](#) - A trade mark is deemed to be infringed if the unauthorised use of a mark resembling it is likely to deceive or cause confusion/injury/prejudice to the proprietor of the trade mark.

Editor's Summary

The Appellant, an American corporation which manufactured and distributed hair care products and cosmetics, was the proprietor of South African trade mark 84/6404 registered in part A of the register in respect of goods in class 3. In December 1990, the Appellant noticed that the Respondent (a South African close corporation in the same business as the Appellant) was marketing some of its products using a mark, "S-Curl" ("the mark"), thereon which it considered an infringement of its registered trade mark. The Respondent was formally requested to desist from using the mark. Pursuant to a refusal of such request, the Appellant, in 1992, applied for an interdict restraining the Respondent from infringing its trade mark. The Respondent sought the expungement of the Appellant's mark in terms of [sections 16\(1\)](#) and [33\(1\)](#) of the Trade Marks Act [62 of 1963](#) ("the Act"), alternatively, an order directing the entry of a disclaimer of "any right to the exclusive use of the term 'S-Curl' apart from the special representation as depicted in the mark". The Respondent contended that the mark denoted a particular hair style and that various manufacturers of hair products had used the term descriptively on their products. The court *a quo* refused the Respondent's main counter-application but ordered the entry of the disclaimer sought. The main application was dismissed. The Appellant appealed against the dismissal of the main application and the granting of the alternative counter-application. The Respondent cross-appealed against the refusal of the main counter-application.

Held - The Court considered the Respondent's counter-application. In terms of [section 16\(1\)](#) of the Act, the registration of any matter as a trade mark, which would be likely to deceive or cause confusion or would otherwise be disentitled to protection in a court of law, would be unlawful. [Section 33\(1\)](#), read with [section 42](#), provides that an aggrieved person may apply to the court for an order expunging or varying an entry wrongly made in the register which was likely to deceive or confuse. [Section 42](#) provides that the original registration of the trade mark in part A of the register will, after the expiration of seven years, be taken to be valid unless it was obtained by fraud, or the trade mark contravenes [section 16](#).

Page 328 of [1997] 1 All SA 327 (A)

The first question that the Court addressed related to whether or not, in the light of the decision in the case of *Adcock-Ingram Laboratories Ltd v SA Druggists Ltd and another* [1983 \(2\) SA 350](#) (T), the post-registration evidence could be relied upon. The court ruled that the decision in the *Adcock* case, that post-registration facts cannot be relied upon, was wrong and should be overruled.

The Court raised a second question: whether or not a mark was rendered confusing because other persons had used it in a manner which was contrary to the interests of the trade mark proprietor. The Court referred to the leading English authority on the matter, *GE Trade Mark* [1973] RPC 297, and pointed out the close parallels between our trade mark legislation and that of the 1938 English Trade Marks Act. In the *GE Trade Mark* case, Lord Diplock concluded that (i) the fact that the mark was entered in the register was *prima facie* evidence of the right of the registered proprietor to the exclusive use of the mark, (ii) if the mark was likely to cause confusion, it could be expunged from the register as an "entry made in the register without sufficient cause" and, (iii) the court had a discretion whether or not to expunge a mark. The Court also referred to the Australian case of *New South Wales Dairy Corporation v Murray Goulburn Co-operative Company Limited* 18 Intellectual Property Reports 385, and concluded that, in the absence of blameworthiness on the part of the proprietor, no case could be made out for expungement. [Section 16](#) clearly did not provide the Respondent with a cause of action entitling it to claim expungement of the mark. The cross-appeal was dismissed.

The Court also considered the appeal against the granting of the Respondent's alternative claim. The Court addressed the question of whether or not the provisions of [section 18\(b\)](#) of the Act was applicable. In terms of the said section, if a trade mark contains "matter common to the trade or otherwise of a non-distinctive character" the court may require the entry of a disclaimer as a condition of it remaining on the register. The Court found that the court *a quo* had erred in placing reliance on the view that [section 42](#) was not a bar to relief in terms of [section 18](#). The provisions of [section 42](#) were quite clear and the order of the court *a quo* was dismissed.

The Court then considered the appeal based on the infringement of the Appellant's trade mark. In terms of [section 44\(1\)](#) of the Act, a trade mark was deemed to be infringed if the unauthorised use of a mark resembling it was likely to deceive or cause confusion or injury or prejudice to the proprietor of the trade mark. The Court held that the Respondent's application of its mark so nearly resembled the registered trade mark as to be likely to deceive or prejudice or cause confusion. The Respondent's use of the mark was clearly an infringement in terms of [section 44\(1\)](#). The Court upheld the appeal and the Respondent was interdicted from infringing the Appellant's registered trade mark.

Notes

For Trade Marks, see *LAWSA* (Vol 29)

For the Trade Marks Act [62 of 1963](#), see *Butterworths Statutes of South Africa* 1996 (Vol 1)

Cases referred to in judgment

("C" means confirmed; "F" means followed and "R" means reversed.)

Adcock-Ingram Laboratories Ltd v SA Druggists Ltd and another [1983 \(2\) SA 350](#) (T) - R

Page 329 of [1997] 1 All SA 327 (A)

Fédération Internationale de Football and others v Bartlett and others [1994 \(4\) SA 722](#) (T)

Ngqumba/Damons NO/Jooste en andere v Staatspresident en andere [1988 \(4\) SA 224](#) (A)

Plascon-Evans Paints Ltd v Van Riebeeck Paints (Pty) Ltd [1984 \(3\) SA 623](#) (A)

Standard Bank of South Africa Ltd v United Bank Ltd and another [1991 \(4\) SA 780](#) (T)

Australia

New South Wales Dairy Corporation v Murray Goulburn Co-operative Company Limited in 18 Intellectual Property Reports 385 - F

United Kingdom

GE Trade Mark [1973] RPC 297 - F

[View Parallel Citation](#)

Judgment

PLEWMAN JA

This appeal concerns a trade mark. The appellant, Luster Products Incorporated, a corporation registered according to the laws of the State of Illinois in the United States of America, is the proprietor of South African Trade Mark 84/6404 registered in Part A of the register in respect of goods in Class 3. The respondent is a South African close corporation, Magic Style Sales CC, which has its registered office in Sandton, Gauteng. Appellant manufactures and distributes hair care products and cosmetics for use mainly by black persons. There is a large

[View Parallel Citation](#)

market for these products in America. Since 1980, appellant has distributed its products in South Africa through representatives in this country, and has used its trade mark (which then was registered in America but not in South Africa) on such goods. In July 1984 the appellant's mark was registered locally.

The respondent carries on business in the same field as the appellant. It was incorporated in 1988. The dispute arose in December 1990. At that time the appellant became aware of the fact that respondent was marketing certain of its products using a mark thereon which appellant considered an infringement of its registered mark. It accordingly caused a letter of demand to be addressed to the respondent calling upon it to desist from using this mark. Correspondence passed between the parties. The details are not relevant. The upshot was a refusal by the respondent to comply with appellant's demands (though it did, it seems, slightly modify the mark it used on its goods; the details will be given later). As a result the appellant applied for an interdict restraining the respondent from infringing its mark. The notice of motion is dated 9 December 1992. The application was opposed. Respondent in addition launched a counter-application filed on 9 February 1993. An enthusiastic paper chase ensued. Initially relief was also sought on the ground of passing off. This has not been pressed on appeal. The papers rapidly became voluminous. The counter-application (in so far as is now relevant) was a double-barrelled attack. Respondent sought the expungement of appellant's mark under the provision of [section 16\(1\)](#) read with [section 33\(1\)](#) of the Trade Marks Act [62 of 1963](#). This Act applies to the proceedings by reason of the provisions of [section 3\(2\)](#) of Trade Marks Act [194 of 1993](#) (which came into operation on 1 May 1995). [Section 3\(2\)](#) provides that proceedings commenced under the 1963 Act are to be dealt with in accordance with that Act as if it had not been repealed. The respondent's second barrel was an application (made in the alternative) for an order directing the entry of a disclaimer, of "any right to the exclusive use of the term

Page 330 of [1997] 1 All SA 327 (A)

'S-CURL' apart from the special representation as depicted in the mark". The counter-application necessitated the joinder of the Registrar of Trade Marks. The Registrar has, however, taken no part in the litigation and abides the result. The matter was argued on the papers and without either party seeking a reference to evidence.

The Court *a quo* dealt first with the counter-application (and I propose to do likewise). It held against the respondent on expungement but ordered the entry of the disclaimer sought. It dismissed the main application. What is before this Court is an appeal by the appellant against the dismissal of the main application and against the grant of the alternative counter-application - that is the order directing the entry of the disclaimer. The respondent, for its part, cross appeals against the refusal of the (main) counter-application. Leave to appeal was granted by the Court *a quo* in both cases.

It is necessary, in order that the contentions and counter-contentions can be understood, that I describe the mark and its effect and explain the manner in which the respondent has marketed its goods.

[**View Parallel Citation**](#)

First the mark. This was (as already stated) granted on 18 July 1984. It is depicted in the certificate of registration in the following representation:



The registration is subject to the following disclaimer:

"Registration of this trade mark shall give no right to the exclusive use of the word 'CURL' and the alphabetical letter 'S' separately from each other and apart from the special representation as depicted in the mark."

Class 3 (in which the registration falls) covers goods in the following categories:

"Soaps, perfumery and essential oils; cosmetics; hair lotions, hair care products, shampoos, conditioners, creams, creme perm and styling lotions, hair pressing preparations, hair setting preparations, all the foregoing including those for professional use only."

Neither in counsels' written heads of argument nor in the judgment is there any discussion of the effect of the grant. In my view a clear understanding of this is of fundamental importance.

In terms of the 1963 Act ("the Act" for the purposes of this judgment) a "trade mark"

"... means a mark used or proposed to be used in relation to goods or services for the purpose of -

- (a) indicating a connection in the course of trade between the goods or services and some person having the right, either as proprietor or as a registered user, to use the mark, whether with or without any indication of the identity of that person; and
- (b) 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."

Page 331 of [1997] 1 All SA 327 (A)

A registered mark must also satisfy the requirements of [section 10](#) and [section 12](#) of the Act and it is accordingly also necessary to quote the relevant portions of [section 10](#) and [section 12](#). In terms of [section 10](#), in order to be registrable in part A of the register, a trade mark -

"... shall contain or consist of a distinctive mark".

In terms of [section 12\(1\)](#) "distinctive" means

"adapted, in relation to the goods ... in respect of which a trade mark is registered ... , to distinguish goods ... with which the proprietor of the trade mark is or may be connected in the course of trade of goods ... in the case of which no such connection subsists, either generally or, where the trade mark is registered ... subject to limitations, in relation to use within those limitations.

- (2) In determining whether a trade mark is distinctive as aforesaid regard may be had to the extent to which -
 - a) the trade mark is inherently adapted to distinguish; and
 - b) by reason of the use of the trade mark or of any other circumstance the trade mark is or has become adapted to distinguish."

The mark then is the mark as depicted - that is the large or bold stylised

[**View Parallel Citation**](#)

alphabetical letter 'S' in combination with the word 'curl' in capital letters. It is a "goods mark". The mark must also be accepted as meeting the requirements of [section 10](#) and [section 12](#) - in particular as distinguishing the goods upon which it is used from the goods of other persons and as indicating a connection in the course of trade with appellant. It conferred on appellant the right to restrain infringement of the mark under the provisions of [section 44\(1\)\(a\)](#) and [\(b\)](#) of the Act (to which I will presently refer more fully).

The manner in which the respondent marketed its goods - that is the use complained of - is illustrated in the

document I annex hereto. What is of course significant is the bold S, in each case, combined with the word curl.

It is convenient here to discuss also the use of the term S-curl by other persons - which is what respondent largely relied upon for its attack on the mark. The respondent's contention was that the term S-curl had come to denote a particular hair style and that various manufacturers of hair products intended for use by black persons had used the term descriptively on containers of their products and in advertisements. These are the propositions from which the learned judge's reasoning proceeded. The evidentiary foundation for both, as I shall presently show, is questionable but for reasons which I later give this is not of great importance. Du Plessis J in his judgment cites exhibits RW 17 to RW 20 as the evidential basis for his finding. In these exhibits what is significant is the depictions of the reverse face of the containers consisting, for the most part, of directions for the use of the contents.

Annexure RW 17 may be taken as an example. The directions for use commence with the words "DO NOT WASH THE HAIR - USE ON DRY UNWASHED HAIR. Apply SOF 'N EASY HAIR BALM to the hair line covering ears and neck. Apply 'S' CURL RELAXER CREAM starting at the back of the head ..." The directions continue in like vein referring also to "'S' CURL RELAXER CREAM, 'S' CURL NEUTRALIZING SHAMPOO, 'S' CURL DEEP CONDITIONER, 'S' CURL GEL AND 'S' CURL MOISTURISING."

Page 332 of [1997] 1 All SA 327 (A)

Du Plessis J did not refer in the judgment to the appellant's answering affidavit in which it is said of annexure RW 17 that it was a product of American Hair Products (Pty) Ltd and American Hair Care CC. Letters of demand had been sent in 1991 to both with the result that the product was removed from the market. Broadly similar answers were given in respect of the other exhibits referred to by Du Plessis J. His acceptance of the respondent's evidence in this respect no doubt flowed from his incorrect appreciation of the operation of the *Plascon-Evans* rule, a matter to which I presently refer. However little of this matters because there is other evidence of various concerns having used the term "S curl" in advertisements. A good deal of this evidence consists of photographs of billboards used by "informal hairdressers" on which various cuts or styling for hair are advertised. An example is exhibit RW 6 on which, in the left-hand corner photograph, nineteen cuts or styles (somewhat crudely written) are advertised. Those most relevant read BLOW R15, CUT R15, S CURL R45, PRINCIPAL RELAX R35.

[View Parallel Citation](#)

This is typical of many such boards. The use of S curl in exhibit RW 6 seems to be as a description of a service and not goods. But there are other exhibits which would suggest that the term is being used descriptively or at least adjectivally in relation to certain products. Much of the evidence was in fact of no great relevance. Where the term is used as indicating a service to be provided this use can have no bearing on the fate of a goods mark. Some of the evidence furthermore related only to use which was permissible in terms of the (original) disclaimer. However, since Mr *Puckrin*, who appeared for the appellant, was, subject to an important qualification, prepared to accept that the term S-curl had been used in a descriptive sense on a significant scale it is unnecessary to elaborate on the exhibits or to analyse the precise usage demonstrated thereby. Mr *Puckrin's* qualification related to the time when such use was made of the term S-curl. The facts in this regard are not discussed in the judgment of the Court below. Mr *Puckrin's* qualification was that all this was to be read with the respondent's statement (in the affidavit of its principal deponent Willison) to the following effect, namely:

"It has been the respondent's contention that S-curl became generic towards approximately the end of 1989 or the beginning of 1990."

It is thus clear that the respondent's case is based on what may be called "post registration facts". What the consequence of this is I will discuss later.

While the matter can then be considered on the basis of Mr *Puckrin's* concession it is, I think necessary to refer to the Court below's approach. The learned judge, in considering the evidence, applied (as he put it) the guidelines laid down in *Plascon-Evans Paints Ltd v Van Riebeeck Paints (Pty) Ltd* [1984 \(3\) SA 623](#) (A) as explained in *Ngqumba/Damons NO/Jooste en andere v Staatspresident en andere* [1988 \(4\) SA 224](#) (A) at 259C-263C. In so doing however the learned judge accepted or assumed (as counsel also seem to have done) that he was dealing with a single comprehensive application. He thus accepted the dictum of Corbett JA at 634-635 in the *Plascon-Evans* case, as operating against the appellant and that it was the respondent's version (subject to the recognised qualifications) which has to be accepted. In this he erred. The present proceedings consist of separate applications, having a certain overlap and being argued at a combined hearing, but separate and independent applications nonetheless. The proper approach in these circumstances is that while the respondent's version must be looked to in so far as the main application is concerned, the reverse is

Page 333 of [1997] 1 All SA 327 (A)

the case with the counter-application. For reasons which follow this too plays no great part in the resolution of the dispute.

With that preamble I turn to the counter-application.

[Section 16\(1\)](#) provides:

"It shall not be lawful to register as a trade mark or part of a trade mark any matter the use of which would be likely to deceive or cause confusion ... or would otherwise be disentitled to protection in a court of law."

[Section 33\(1\)](#) provides:

"Any person aggrieved by the non-insertion in or omission from the register of

any entry or by any entry made in the register without sufficient cause or by any entry wrongly remaining on the register or by any error or defect in any entry in the register, may apply to the court . . . for the desired relief and thereupon the court ... may make such order for making, expunging or varying the entry ..."

It will be seen that [section 33\(1\)](#) is in very wide terms. In the present case however it must be read with [section 42](#) which provides:

"In all legal proceedings relating to a trade mark registered in part A of the register (including applications under section *thirty-three*), the original registration of the trade mark in part A of the register shall, after the expiration of seven years from the date of that registration, be taken to be valid in all respects, unless -

- (a) that registration was obtained by fraud; or
- (b) the trade mark offends against the provisions of either section *sixteen* or section *forty one*."

[Section 42](#) applies in all proceedings and, in consequence, only the exceptions therein provided, namely fraud (which was not contended for) or [section 41](#) (which had been expressly abandoned) or [section 16](#), could be raised. What then arises is whether respondent made out a case on the basis of an objection framed in terms of [section 16](#) of a likelihood of deception or confusion. Mr *Bowman's* contention on behalf of the respondent (as I understood it) was that because the term S-curl had acquired a descriptive connotation, albeit some time after the original registration, the continued registration of the mark and its use as such would be likely to cause deception or confusion.

On the facts of this case it is somewhat difficult to appreciate why the acts of others which would cause confusion in relation to their products should render the mark confusing. This aspect need not be pursued. The first question is whether in the light of the decision in *Adcock-Ingram Laboratories Ltd v SA Druggists Ltd and another* [1983 \(2\) SA 350](#) (T) the post registration evidence can be relied upon. (See the judgment of Nicholas J at 354G and H and 355A.) The authorities I discuss presently hold that equivalent sections in the English and Australian Acts have a secondary application after the initial registration and that these sections refer not only to the act of making an entry on the register but also to permitting the continuance of the entry on the register. The same applies in my view to [section 16\(1\)](#). I can see no justification for the total exclusion of evidence merely because it relates to subsequent events. Such a reading would, so it seems to me, write a limitation into [section 33\(1\)](#) which is contrary to the entire tenor of the section. To the extent to which it was held in the *Adcock-Ingram* case that post registration facts cannot be relied upon the decision is in my view wrong and must be overruled. Of course, there are then other difficulties,

Page 334 of [1997] 1 All SA 327 (A)

which must now be considered. What the debate really raises is the question whether a mark is rendered confusing because other persons have, perhaps assiduously, used it in a manner which is contrary to the interests of the trade mark proprietor. This is a problem which has been directly addressed in other jurisdictions but which has not been dealt with in our courts. The leading authority on the question has, for many years, been the decision of the

House of Lords in the *GE Trade Mark* case [1973] RPC 297. The matter is dealt with in the speech of Lord Diplock. The case concerned a mark consisting of the letters GE in script enclosed in a circle (referred to as the Rondel mark) registered in 1907. There was nothing wrong with the original registration. The question was whether the mark (which was not, for the purposes of [section 32\(1\)](#) of the 1938 English Trade Marks Act, an "entry made in the register, without sufficient cause") had, as a result of events which occurred after 1907, become an entry "wrongly remaining on the register", within the meaning of that section, in 1967 when proceedings to expunge it from the register had been commenced. The similarity between the English section and our [section 33\(1\)](#) and of the factual situation is apparent. Lord Diplock proceeded from the point of view that the section clearly contemplated that an entry, which was lawful at the time it was originally made, may, as a result of subsequent events, become one which "wrongly remains" on the register. He then examined other sections of the English Act which are closely paralleled in our legislation, namely [section 11](#) and [section 13](#). [Section 11](#) is in all material respects our [section 16](#) and [section 13](#), similarly, our [section 42](#).

The two questions which arose were first as to the time to which the prohibition expressed in the words "It shall not be lawful to register ..." relates and the second, whether a limitation upon the prohibition of the registration of a potentially deceptive or confusing trade mark is imposed by the requirement that its use "would ... be disentitled to protection in a court of justice". He held that the words of the proviso in [section 13](#) (that is words which are the equivalent of the exceptions in our [section 42](#)) were of assistance in answering the first question as to the construction of [section 11](#) but threw no light on the second. Neither question, it was said, could be answered by linguistic analysis alone. I would quote the following from 324 from Lord Diplock's speech:

"The first depends upon whether, in the context of [section 11](#), the verb 'to register' refers only to the act of making an entry on the register or whether it refers also to the retention of an entry on the register after it has been made. As a matter of ordinary usage of the English language either is a permissible meaning.

With regard to the second question, as a matter of syntax the dominant phrase in the relevant description of the disqualified matter is: - matter 'the use of which would be disentitled to protection in a court of justice'. The words 'by reason of its being likely to deceive or cause confusion or otherwise' constitute a subordinate clause of which the syntactic function is to restrict the amplitude of the disqualified matter. This it does by reference to the reasons for the disqualified matter's being

disentitled to protection in a court of justice. But the inclusion in the subordinate clause of the words 'or otherwise', if they are to be given a literal interpretation, has the consequence that the clause is wide enough to embrace *any* reason for the matter being disentitled to protection in a court of justice, and the clause thus becomes devoid of any restrictive effect and therefore performs no function at all. Furthermore, the use of the subjunctive mood in the dominant phrase gives rise to ambiguity as

Page 335 of [1997] 1 All SA 327 (A)

to the time to which the test of disentanglement to protect relates. Is the critical time at which the use of the mark would be disentitled to protection before it is entered on the register or after it

[View Parallel Citation](#)

has been entered on the register? Finally, whichever is the time to which the test relates, what meaning is to be ascribed to the words 'disentitled to protection in a court of justice'?

My Lords, the meaning of particular sections in the Act of 1938 can, in my view, only be ascertained by applying a purposive construction to the Act as a whole, and construing the actual words used in particular sections (unless it is linguistically impossible), so as to achieve and not so as to thwart the underlying policy to which the Act was intended to give effect."

Lord Diplock then proceeded to a review of the legislative history of the English trade mark legislation (which I do not quote but which I would adopt). Given the close parallel between our trade mark legislation and that of England and recognising the degree to which our legislation has followed English trade mark legislation this history is, in a direct sense, also the history of the South African legislation. In so far as the remarks made (at 326) in the speech (which I also do not quote) concerning the rights of the proprietor of a trade mark and the allowance made for those who can show honest concurrent use are concerned, these are considerations which apply with equal force to the South African legislation.

Lord Diplock's conclusion, in relation to the situation which obtained under the 1938 English Act, is summarised in the speech (at 334) as follows:

- "(1) The fact that the mark is entered upon the register is *prima facie* evidence of the validity of the original registration and of the right of the registered proprietor to the exclusive use of the mark, subject however to the rights of concurrent user by any registered proprietor of an identical mark or one nearly resembling it.
- (2) If the mark was likely to cause confusion at the time when it was first registered it may be expunged from the register as 'entry made in the register without sufficient cause' unless the proprietor of the mark at that time would have been entitled to have it entered on the register by reason of his honest concurrent use of the mark as a trade mark before the original registration of the mark.
- (3) If the likelihood of causing confusion did not exist at the time when the mark was first registered, but was the result of events occurring between that date and the date of application to expunge it, the mark may not be expunged from the register as an entry wrongly remaining on the register, unless the likelihood of causing deception resulted from some blameworthy act of the registered proprietor of the mark or of a predecessor in title of his as registered proprietor.
- (4) Where a mark is liable to be expunged under (2) or (3) the Court has a discretion whether or not to expunge it and as to any conditions or limitations to be imposed in the event of its being permitted to remain on the register."

An equally persuasive judgment is to be found in the Australian case of *New South Wales Dairy Corporation v Murray Goulburn Co-operative Company Limited* in 18 Intellectual Property Reports 385. It will suffice to quote from the judgment of Mason CJ at 400. For the purposes of this quotation it should be noted that [section 28](#) of the Australian Act is for all practical purposes the same as our [section 16](#) - the separate requirements of our section have been enacted as the subparagraphs (a), (b), (c) and (d). Mason CJ said:

Page 336 of [1997] 1 All SA 327 (A)

"As I have already noted, in 'GE' Trade Mark Lord Diplock (with the

[View Parallel Citation](#)

concurrence of Lord Simon of Glaisdale and Lord Kilbrandon) concluded that a lawfully registered trade mark is only liable to be expunged under [s 11](#) of the Trade Marks Act 1938 (UK) by reason of supervening likelihood of deception or confusion if that likelihood is the result of some blameworthy conduct on the part of the registered proprietor. In reaching that conclusion his Lordship regarded the counterpart of our s28(a) as being governed by the equivalent of our [s 28\(d\)](#) so that an applicant seeking removal of a mark on the ground that it infringed [s 28\(a\)](#) would be required to show not only likelihood of deception or confusion but also that the mark was disentitled to protection in a court of justice. That interpretation of [s 11](#) depended very largely on the legislative history of the statutory provisions as outlined by Lord Diplock in his speech, a legislative history which has its counterpart in Australia. But the interpretation also depended on the presence of the provisions permitting identical or similar marks to remain in the register. The presence of those provisions is inconsistent with the existence of a statutory intention that likelihood of deception or confusion *ipso facto* leads to disentanglement to protection in a court of justice or to liability to expungement. To my mind, those provisions, particularly [ss 34](#) and [58\(3\)](#), justify an implication that [s 28\(a\)](#) looks to supervening likelihood of deception or confusion only if that likelihood is the result of blameworthy conduct on the part of the registered proprietor. Moreover, as Bowen CJ pointed out in *Riv-Oland Marble* (at FCR 573-574), echoing the words of Windeyer J in *Re Bali Brassiere Co Inc's Registered Trade Mark and Berlei Ltd's Application* (1968) 118 CLR 128 at 133 (at first instance - reversed on appeal (1973) 129 CLR 353; 1 ALR 443), it is legitimate to lean against the literal construction of [s 28\(a\)](#) on the ground that it would not protect the registered proprietor from 'the assiduous efforts of a misappropriating user'. That consideration, taken in conjunction with the presence of the provisions permitting identical or similar marks to be entered and to remain in the register, supports the adoption of the

interpretation of [s 28\(a\)](#) favoured by the Full Court of the Federal Court in *Riv-Oland Marble* and in this case. But I should say that it may not be necessary to read [s 28\(a\)](#) as though it were governed by [s 28\(d\)](#). So to read [s 28\(a\)](#) is a difficult exercise as a matter of construction. It may be sufficient to say that in the context of the entire statutory scheme a trade mark is only liable to be expunged under [s 28\(a\)](#) if the use of it becomes likely to deceive or cause confusion and that likelihood is due to the fault or blameworthy conduct of the registered proprietor. However, for the purpose of this appeal, I am content to accept that the fault or blameworthy conduct must be such as to disentitle the mark to protection in a court of justice.

This conclusion is sufficient to dispose of the appellant's main argument. Before passing from it, I should point out that the argument excites some unresolved questions. On a literal construction of [s 28\(a\)](#) what happens in the case of two marks the use of each of which gives rise to the likelihood of deception or confusion? If one only is to be removed, how is the choice to be made? Is it to be made against that mark which is the later registration? Or are the two marks liable to be expunged?

These questions, in the context of the interpretation of [s 28\(a\)](#) which I favour, are relevant to the appellant's final submission that the Full Court of the Federal Court misdirected itself in holding that there was an absence of blameworthy conduct on the part of the registered proprietors of the MOO

Page 337 of [1997] 1 All SA 327 (A)

mark. One aspect of the appellant's submission on this point is that, by reason of non-use, the respondent's mark has lost its distinctiveness. True it is that there is an element of overlapping in the concept of loss of distinctiveness and the likelihood of deception or confusion. As Kitto J pointed out in *Bayer Pharma Pty Ltd v Farbenfabriken Bayer Aktiengesellschaft* (1965) 120 CLR 285 at 303, 'the questions of distinctiveness and absence of a likelihood of deception tend to run into one another'. However, the Full Court of the Federal Court was correct in concluding that loss of distinctiveness as such does not fall within [s 28](#)

[View Parallel Citation](#)

so that the fact that the MOO trade mark had ceased to be distinctive of the goods of the registered proprietor did not provide a ground for rectification of the register under [s 22](#). On the other hand, if a mark's loss of distinctiveness leads to the use of the mark becoming deceptive or a cause of confusion due to the blameworthy conduct of the registered proprietor, then the mark falls within [s 28\(a\)](#) and is liable to expungement."

I do not think an independent analysis of the South African Act and its predecessors is called for.

The situation described in the *GE* case and the *New South Wales Dairy* case obtains under our legislation and I am disposed, by parity of reasoning, to draw the same conclusion, namely that in the absence of blameworthiness on the part of the proprietor no case can be made out for expungement in the circumstances under consideration. In my view Lord Diplock's conclusion may be adopted by this Court. If it were otherwise, the Act, by a self-defeating procedure, would (in circumstances such as the present) nullify, in the hands of a wholly blameless proprietor, the very protection which it seeks to offer.

In so far as the question of what would constitute blameworthiness is concerned I would only say that where no attempt has been made to show blameworthiness in any respect prudence suggests that no attempt be made to define the precise limits of the concept. I therefore express no view on what conduct will be held to be blameworthy.

On the facts of the case then [section 16](#) does not provide the respondent with a cause of action entitling it to claim expungement of the mark. That leaves the question of the alternative claim, the one that [was] allowed by Du Plessis J to which I have already referred. [Section 18\(b\)](#) provides that if a trade mark contains "matter common to the trade or otherwise of a non-distinctive character" the Court may require, as a condition of it remaining on the register, the entry of a disclaimer.

It is, with respect to the learned judge, difficult to discern precisely what the suggested disclaimer means or, given a proper understanding of the scope of the registered mark, what the purpose thereof would be. There are however other difficulties to be considered. Mr *Puckrin* demonstrated from the papers that, despite the fact that his predecessor in the case apparently allowed the application for this disclaimer to be argued, no such issue was raised in the notice of counter-application. The notice bears him out in this regard. Furthermore no notice of amendment of the counter-application was ever moved. In addition, it seems clear, that in the appellant's answering affidavits the matter was dealt with on a basis that directed attention only to the expungement application under [section 16](#) read with [section 33\(1\)](#) and the abandoned application under [section 41\(1\)](#). Mr *Puckrin's* objection would provide adequate grounds for holding that the order made was incompetent. However since that matter was argued in the Court below and seemingly without objection a preferable course would seem

Page 338 of [1997] 1 All SA 327 (A)

to be to enquire whether, in any event, the order should have been granted. On the facts of this case this is a simple question of law. Given the applicability of [section 42](#), can a case be made out under [section 18\(b\)](#)? In the Court below reliance was placed on the decision in *Fédération Internationale de Football and others v Bartlett and others* [1994 \(4\) SA 722](#) (T) where Joffe J held (at 743A) that [section 42](#) was

[View Parallel Citation](#)

not a bar to relief in terms of [section 18](#).

The learned judge seems to have relied for this view on an extract from Lord Diplock's speech in the *GE* case. (The quotation at 742I-J seems to relate to reasoning which underlies the third conclusion quoted by me above.) It is, with great respect to the learned judge, difficult to understand how the quote assists. The terms of [section 42](#) are clear. Save in the three exceptions already discussed a mark in part A is, after seven years, to be taken as valid in all respects. That must mean that it cannot be cut down or, in effect, amended by the entry of any (further) disclaimer. It would indeed be surprising if a section permitting, as an exception, an objection in terms of [section 41](#) which lays down a concept which is extremely rigid in its form, would, without express mention, nevertheless allow an objection with the much less stringent test under [section 18](#) to be invoked. I am of the view that Joffe J was wrong and to that extent his judgment is overruled. This of course also disposes of the respondent's case on [section 18\(b\)](#) and the order made in terms thereof in the Court below cannot stand.

What then remains is the main appeal - that is the question of infringement. It is appropriate then to quote the relevant provisions of [section 44](#).

"44.(1) Subject to the provisions of subsections (2) and (3) of this section and of [section 45](#) and [46](#), the rights acquired by registration of a trade mark shall be deemed to be infringed by -

- (a) unauthorized use as a trade mark in relation to goods ... , in respect of which the trade mark is registered, of a mark so nearly resembling it as to be likely to deceive or cause confusion; or
- (b) unauthorized use in the course of trade, otherwise than as a trade mark, of a mark so nearly resembling it as to be likely to deceive or cause confusion, if such use is in relation to or in connection with goods ... for which the trade mark is registered and is likely to cause injury or prejudice to the proprietor of the trade mark."

I have illustrated the manner in which the respondent has applied its mark to its goods above. What can be seen is that in all three examples the letter S is not a simple upper-case letter but a large or bold S and in a stylised form. It is followed by the word 'curl' in two instances in capital letters and in the other only with a capital C. That this use in all three cases is use of a mark so nearly resembling the registered mark as to be likely to deceive or cause confusion seems to me to be incontestable. Respondent uses the same combination of the letter S and the word curl in the same relationship as to position and size as one finds in the registered mark. Mr *Bowman*'s only argument (subject to a defence based on [section 46\(b\)](#)) was that this was not use as a mark. As I understood him this submission rested on the statement that in all cases the containers also bore the words Magic Style. This, he said, was a trade mark and it followed that S-curl was not being used as a trade mark. I find this difficult to follow. I know of no principle that says that the use of one mark on a product excludes the possibility that any other mark thereon can be a trade mark. The simple fact is that the respondent's S curl mark is being used upon the goods and in relation to the goods in respect of which the trade mark is registered. That would seem to me

Page 339 of [1997] 1 All SA 327 (A)

to bring the

[View Parallel Citation](#)

respondent's use wholly within the terms of [section 44\(1\)\(a\)](#), it also being common cause that it was unauthorised use. But again this is indeed not a critical finding. If the respondent's use of its mark is not "use as a mark" it unquestionably must be "use in the course of trade otherwise than as a mark" and therefore an infringement in terms of [section 44\(1\)\(b\)](#). In this case too it is common cause that the use was not authorised. It is also clear that it is used in relation to or in connection with goods for which the mark is registered. In this case Mr *Bowman* argued that appellant had not shown that the respondent's use was likely to cause injury or prejudice to the appellant (a requirement for the application of [section 44\(1\)\(b\)](#)). The issue is addressed in the founding papers but (as Mr *Bowman* contends) what is said amounts to little more than an assertion that this consequence will follow. Given that what is being sought is an interdict it is very hard to know what more the appellant could do but to establish the nature of the infringing use and to contend that it is likely in the nature of things that prejudice will arise. The present case differs from other forms of use "otherwise than as a mark", say a comparative use. It is to my mind use which must inevitably result in injury or prejudice either by loss of sales or even, simply, by the dilution of the registered mark. In my view therefore the likelihood of injury or prejudice was established.

Mr *Bowman* also argued that the container depicted on the right-hand side in the annexure hereto [omitted] had been replaced in 1992 by the container on the left-hand side. I cannot see that this has any bearing on the matter. All that that would show is that respondent was at that time infringing while the later products show that it still is doing so. What appellant seeks is an interdict in general terms. The consequence is, subject only to [section 46\(b\)](#) infringement, has been proved.

[Section 46\(b\)](#) provides:

"46. No registration of a trade mark shall interfere with -

- (a) ...
- (b) the use by any person of any *bona fide* description of the character or quality of his goods ..."

If I am correct in holding that respondent's use of its mark was use "as a trade mark" this defence cannot avail the respondent's. A registered mark is by definition something which distinguishes the goods of the proprietor, connected with him in the course of trade, from goods with which no such connection in the course of trade exists. Use as a trade mark is therefore not readily seen as descriptive use. *Standard Bank of South Africa Ltd v United Bank Ltd and another* [1991 \(4\) SA 780](#) (T) at 808G. This would underline that the respondent is not using its mark as a description of the character or quality of his goods. To say that S curl spray describes the spray as having a particular quality or character (as opposed to use) is, I think, fallacious. But quite apart from this, once the

respondent imitates the representation or depiction of the mark, it cannot be heard to say that its use is *bona fide*. The evidence established that other substantial companies had not found it necessary to use the mark and this leads to the conclusion that the respondent's use was a device to take advantage of appellant's goodwill. That, in my view, disposes of the argument based on [section 46](#).

[View Parallel Citation](#)

In the result the main appeal must be upheld both in relation to infringement and in relation to the order directing a disclaimer. So too the cross-appeal must be dismissed.

The order which I make is:

1) The appeal is upheld and the cross-appeal dismissed.

Page 340 of [1997] 1 All SA 327 (A)

2) The Court *a quo*'s order is set aside and there is substituted therefor the following:

- "a) The respondent is interdicted from infringing applicant's registered trade mark 84/6404.
- b) The respondent's counter-application for expungement of the mark and for the entry of a disclaimer in relation thereto is dismissed.
- c) The respondent is ordered to pay the costs of the application and counter-application including the costs of two counsel."

3) The respondent is ordered to pay the costs of the appeal including the costs of two counsel.

(Corbett CJ, Nestadt, Harms and Schutz JJA concurred in the judgment of Plewman JA.)

For the appellant:

CE Puckrin SC and *O Salmon* instructed by *John & Kernick*, Pretoria, and *Honey & Vennote Ingelyf*, Bloemfontein

For the respondent:

LG Bowman SC and *ABS Franklin* instructed by *DM Kisch Incorporated*, Pretoria, and *Naudes*, Bloemfontein