

**Puma AG Rudolf Dassler Sport v Global Warming (Pty) Ltd
[2010] 1 All SA 25 (SCA)**

Division: SUPREME COURT OF APPEAL
Date: 11 September 2009
Case No: 408/2008
Before: LTC HARMS DP, JA HEHER, MML MAYA, BJ VAN HEERDEN JJA and
MJD WALLIS AJA
Sourced by: A Street
Summarised by: DPC Harris
Parallel Citation: [2010 \(2\) SA 600](#) (SCA)
. [Editor's Summary](#) . [Cases Referred to](#) . [Judgment](#) .

Intellectual property law - Trade marks - Alleged infringement - In comparing trade marks, regard had to be had to the whole of the marks to determine whether they so nearly resemble each other as to be likely to deceive or cause confusion.

Editor's Summary

An action based on trade mark infringement was dismissed in the High Court, leading to the present appeal.

The appellant relied on [section 34\(1\)\(a\)](#) of the Trade Marks Act [194 of 1993](#), and claimed damages in respect of two of its trade marks.

Held - [Section 34\(1\)\(a\)](#) of the Trade Marks Act [194 of 1993](#) provides that the rights acquired by registration of a trade mark are infringed by the unauthorised 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.

The Court examined the respondent's product (shoes), and tried to establish what its trade mark, as represented on the shoe, was. The next question was whether the stripe on respondent's shoe, which was not substantially the same as the marks in issue, would have been perceived by the purchasing public as a source identifier or as an adornment. The appellant contended that the stripe had trade mark significance. If that was so, then regard had to be had to the whole of the mark, which consisted of the stripe with the name, to determine whether it so nearly resembled any of appellant's marks as to be likely to deceive or cause confusion. As the appellant's trade mark prominently featured its name, the reliance on the first trade mark had to fail.

On the second issue, the appellant argued that the question of the likelihood of confusion or deception is a matter of first impression and that one should not peer too closely at the registered mark and the alleged infringement to find similarities and differences. The Court, however, agreed with the trial court that regard must be given to the overall impression given by the marks; and that registered trade marks do not create monopolies in relation to concepts or ideas. It was held that the average consumer would have had regard to the fact that the words "DT NEW YORK" was part of the trade mark and would have noted that the two stripes were significantly different and, consequently, the respondent's mark was not confusingly or deceptively similar.

The appeal was dismissed.

Notes

For Intellectual property see:

. [LAWSA First reissue Vol 29](#)

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. [Burrell TD Burrells South African Patent and Design Law 3ed Durban LexisNexis Butterworths 1999](#)

Cases referred to in judgment

South Africa

Bergkelder Bpk v Vredendal Koöp Wynmakery [\[2006\] 4 All SA 215](#) ([2006] ZASCA 5; [2006 \(4\) SA 275](#) (SCA) - **Referred to** [28](#)

Cowbell AG v ICS Holdings Ltd [\[2001\] 4 All SA 242](#) ([2001] ZASCA 18; [2001 \(3\) SA 941](#)) (SCA) - **Applied** [28](#)

Laboratoire Lachartre SA v Armour-Dial Inc [\[1976\] 3 All SA 88](#) ([1976 \(2\) SA 744](#)) (T) - **Applied** [28](#)

Lubbe NO v Millenium Style (Pty) Ltd [\[2007\] 4 All SA 692](#) ([2007] ZASCA 10; [2007] SCA 10; [2007 \(6\) SA 241](#)) (SCA) - **Referred to** [28](#)

[Plascon-Evans Paints Limited v Van Riebeeck Paints \(Pty\) Ltd 1984 \(3\) SA 623 \(\[1984\] 2 All SA 366\)](#) (A) - **Applied** [28](#)

[Reckitt and Colman SA \(Pty\) Ltd v SC Johnson and Son SA \(Pty\) Ltd \[1993\] 1 All SA 27 \(1993 \(2\) SA 307\)](#) (A) - **Applied** [29](#)

[Verimark \(Pty\) Ltd v Bayerische Motoren Werke AktienGesellschaft; Bayerische Motoren Werke AktienGesellschaft v Verimark \(Pty\) Ltd \[2007\] JOL 19890 \(\[2007\] ZASCA 53; \[2007\] SCA 53; 2007 \(6\) SA 263\)](#) (SCA) - **Referred to** [28](#)

Europe

[Adidas AG \(Approximation of laws\) \[2008\] EUECJ C-102/07 \(10 April 2008\)](#) - **Referred to** [28](#)

[Reed Executive Plc and others v Reed Business Information Ltd and others \[2004\] EWCA Civ 159](#) - **Referred to** [29](#)

New Zealand

[Advantage Group Ltd v ADV E-Commerce Ltd \[2002\] NZCA 282](#) - **Applied** [29](#)

United States of America

[Cincinatti Car Co v New York Rapid Transport Corp 66 F2d 592](#)- **Applied** [28](#)

[VJ Doyle Plumbing Co v Doyle 120 Ariz 130 \(Ct App 1978\)](#) - **Applied** [29](#)

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Judgment

HARMS DP:

- [1] The appellant, Puma AG Rudolf Dassler Sport, instituted a trade mark infringement action against the respondent, Global Warming (Pty) Ltd. Two trade marks were in issue. Puma sought relief by way of an interdict and damages calculated on a notional royalty basis. The High Court, after hearing evidence, dismissed the claim with costs. The appeal is with the leave of this Court.
- [2] Puma relied on [section 34\(1\)\(a\)](#) of the Trade Marks Act [194 of 1993](#), which provides that the rights acquired by registration of a trade mark are

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infringed by the unauthorised 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.

- [3] The issues on infringement are limited particularly because the two trade mark registrations were not impinged. Both are registered in class 25 for footwear of all types and descriptions, and for clothing. Their particulars are these:

(a) The first mark, TM 1980/05551, consists of a device described in the admissions section of the registration certificate as a "tapering stripe on the side of the shoe or boot as depicted". It runs from the upper portion of the heel to meet the sole at the middle of the shoe. The stripe contains two dotted lines that follow its curvature. They appear to consist of or be in the form of stitching. A disclaimer states that the registration gives no right to the exclusive use of the stylised shoes as depicted by means of dotted lines. The word PUMA appears above the stripe. PUMA is an associated word mark held under TM 78/05750. A representation of this mark is attached.

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(b) The second, TM 1982/04607, consists of a similar device but differs from the first mark in the following respects: the device is not limited to use on the side of a shoe; it is of one colour and there are no dotted lines; and there is a blank space in the tapering stripe close to its widest end. The registration contains an undertaking by Puma that, in use, the blank space appearing in the mark will be occupied only by matter of descriptive or non-distinctive character, or by a registered trade mark, or it will be left blank. Another difference between the marks is that the name mark PUMA does not form part of the registered mark. Because of the poor quality of the photocopies in the record the attached representation of the mark does not reflect the blank space.

- [4] Global is in the business of having shoes made for it on order, and marketing them. A photograph of the shoe with the alleged infringing mark is attached to this judgment. The words "DT NEW YORK" appear on the tongue and the side of the shoe. A stripe runs from the heel. The stripe tapers slightly and then splits in two with a distinct intruding section, more or less like an inverted thumb, in a contrasting colour. One leg has a curve in the direction of the heel. There are, as in the first registration, dotted lines but whether they are, in

the light of the disclaimer, to be discounted for purposes of determining infringement was not argued and need not be decided.

- [5] The first question that springs to mind is this: what is Global's trade mark as represented on the shoe? I would have thought that it is DT NEW YORK. Puma's counsel argued otherwise because, he said, these words are meaningless. Trade marks more often than not are objectively meaningless (because if they have a meaning they may be descriptive) but that does not mean that they cannot be badges of origin or source identifiers even if they do not disclose the source.
- [6] The second question that springs to mind is whether the stripe on Global's shoe, which is not substantially the same as the marks in issue,

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would have been perceived by the purchasing public as a source identifier or as an adornment.¹ Since counsel did not address the issue squarely it is not necessary to consider this question or the effect of the recent judgment of the European Court of Justice in the *Adidas* case where the issue was whether the use of two stripes on sportswear could infringe Adidas's three-stripe motif trade mark or whether it would have been perceived as a mere adornment.²

- [7] If Global's stripe has trade mark significance, as Puma contends, regard must be had to the whole of its mark, which consists of the stripe

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with the name, to determine whether it so nearly resembles any of Puma's marks as to be likely to deceive or cause confusion. Once that is recognised, Puma's reliance of the first registration is doomed because of the prominence on the name PUMA.

- [8] That brings me to a consideration of the second registration. The trial court relied on *Cowbell*³ for the proposition that the decision about the likelihood of confusion or deception involves a value judgment; that a global appreciation is required; that regard must be given to the overall impression given by the marks; and that registered trade marks do not create monopolies in relation to concepts or ideas. The court also had regard to the factors set out in *Plascon-Evans* at that have to be taken into account in determining the question whether there is a probability or likelihood of confusion.⁴ It held that the average consumer would have had regard to the fact that DT NEW YORK was part of the trade mark and would have noted that the two stripes are significantly different and, consequently, that Global's mark was not confusingly or deceptively similar.
- [9] As counsel for Puma reminded us, the question of the likelihood of confusion or deception is a matter of first impression and that one should not peer too closely at the registered mark and the alleged infringement to find similarities and differences.⁵ As a matter of first impression I came to the same conclusion as did the trial court. Argument did not convince me to the contrary, and in my view the trial court was correct in its eventual judgment.
- [10] The court did, however, have regard to matters that were not permissible to consider. These included the fact that the mark on Global's packaging

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differed from that used on the shoe; that Puma after instituting action in this case applied for registration of a trade mark that approximated Global's stripe; and that Puma did not produce in evidence, as it undertook to do, a shoe with either of these trade marks. These factors might have been relevant in a passing-off situation but they are not in a trade mark infringement case which requires an objective comparison between the registration and the defendant's actual use.

- [11] The fact that the test is objective impinges on another aspect of Puma's case. It sought to rely on the subjective intention of Global in adopting the stripe to support a finding of infringement. The first problem with the argument concerns the evidence. Global sought to produce a shoe that approximated the Puma Sprint shoe without infringing its trade marks. The photograph of the Sprint shoe, as reproduced in the record, does not appear to bear either of the two registered marks in issue although it could be considered to be an

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adaptation of the first mark. In any event, there are other aspects to the argument. The first is that the intention to compete must not be confused with the intention to mislead.⁶ The second is that the subjective intention of a defendant could hardly assist in deciding the objective question of the likelihood of deception or confusion. The New Zealand Court of Appeal in *Advantage Group Ltd v ADV E-Commerce Ltd* [2002] NZCA 282 quoted in this regard *McCarthy on Trademarks and Unfair Competition* (4ed), paragraph 13.22 with approval:

"Almost all of the modern decisions have shifted the emphasis away from the defendant's subjective mental state, and have placed prime importance upon the issue of likelihood of confusion and consequent consumer deception. That is, the objective facts of probable customer confusion are more important than trying to determine what was going on in the defendant's mind."

One could test the proposition by asking whether the intention of a defendant not to confuse or deceive could assist in a defence of non-infringement. The answer must be in the negative because as an Arizona court

quoted by McCarthy has said:

"Both the first user and the public may be as readily wounded by the ostrich as the fox."⁷

[12] The court below, unnecessarily, expressed a view about Puma's claim for a notional royalty, stating that the claim could not have succeeded in the absence of proof of actual loss. In this regard the court erred. The object of permitting a claim for damages in the form of notional royalties is to obviate proof of actual loss, something extremely difficult to establish in intellectual property infringement cases. As learned Hand J explained:⁸

"The whole notion of a reasonable royalty is a device in aid of justice, by which that which is really incalculable shall be approximated, rather than that the patentee, who has suffered an indubitable wrong, shall be dismissed with empty hands."

All a claimant has to prove is the number of infringing articles and the reasonable royalty rate.⁹

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[13] It follows that the appeal stands to be dismissed and the appeal is accordingly dismissed with costs. (Heher, Van Heerden, Maya JJA and Wallis AJA concurred in the judgment of Harms DP.)

For the appellants:

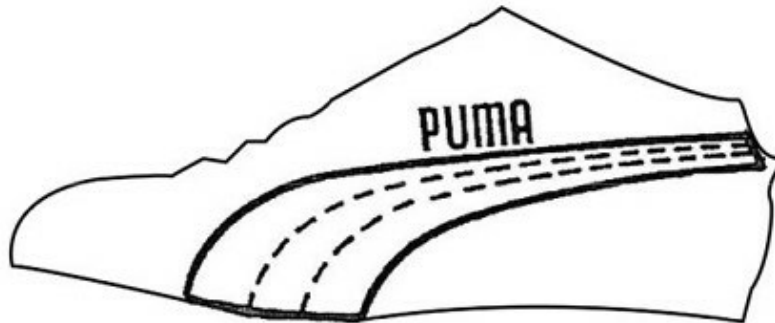
C Puckrin SC and I Joubert instructed by *Adams and Adams*, Pretoria

For the respondents:

J Newdigate SC instructed by *Fairbridges*, Cape Town

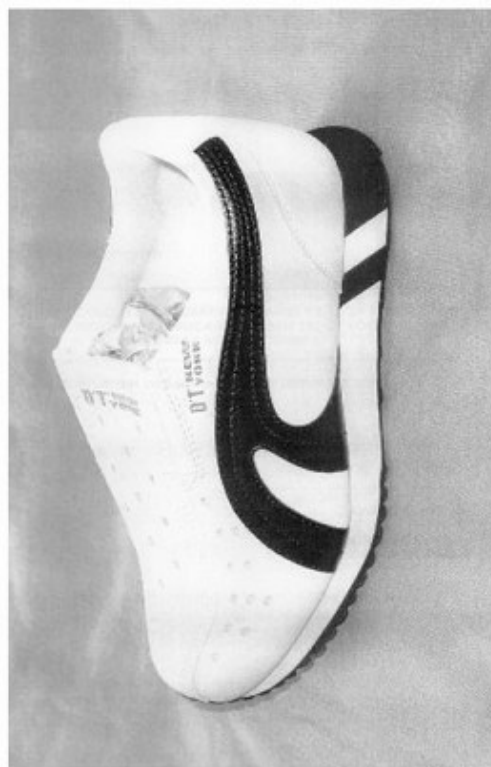
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Annexure: 80/05551



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Global shoe



Footnotes

- 1 *Verimark (Pty) Ltd v Bayerische Motoren Werke AktienGesellschaft; Bayerische Motoren Werke Aktien Gesellschaft v Verimark (Pty) Ltd* [2007] ZASCA 53; [2007] SCA 53 (RSA); [2007 \(6\) SA 263](#) (SCA) [also reported at [\[2007\] JOL 19890](#) (SCA) - Ed] at para [5]. See also the discussion in *Bergkelder Bpk v Vredendal Koöp Wynmakery* (105/05) [2006] ZASCA 5; [2006 \(4\) SA 275](#) (SCA); [2006] SCA 8 (RSA) [also reported at [\[2006\] 4 All SA 215](#) (SCA) - Ed] at para [8]; *Lubbe NO v Millenium Style (Pty) Ltd* [2007] ZASCA 10; [2007] SCA 10; [\[2007\] 4 All SA 692](#) (SCA); [2007 \(6\) SA 241](#) (SCA) at para [9].
- 2 *Adidas AG (Approximation of laws)* [2008] EUECJ C-102/07 (10 April 2008) [*Adidas AG v Marca Mode CV*].
- 3 *Cowbell AG v ICS Holdings Ltd* [2001] ZASCA 18; [2001 \(3\) SA 941](#) (SCA); [\[2001\] 4 All SA 242](#) (SCA) at para [10].
- 4 *Plascon-Evans Paints Ltd v Van Riebeeck Paints (Pty) Ltd* [1984 \(3\) SA 623](#) (A) at 640G-641E, 642D-F [also reported at [\[1984\] 2 All SA 366](#) (A) - Ed].
- 5 *Laboratoire Lachartre SA v Armour-Dial Inc* [1976 \(2\) SA 744](#) (T) at 746B-F [also reported at [\[1976\] 3 All SA 88](#) (T) - Ed].
- 6 *Reckitt and Colman SA (Pty) Ltd v SC Johnson and Son SA (Pty) Ltd* [1993 \(2\) SA 307](#) (A) at 318A-C [also reported at [\[1993\] 1 All SA 27](#) (A) - Ed].
- 7 *VJ Doyle Plumbing Co v Doyle* 120 Ariz 130 (Ct App 1978).
- 8 *Cincinatti Car Co v New York Rapid Transport Corp* 66 F2d 592.
- 9 But see the reservations expressed in *Reed Executive Plc and others v Reed Business Information Ltd and others* [2004] EWCA Civ 159 at paras [165]-[169].