South Africa

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1. Legal framework

Trademarks in South Africa are registered and enforced under the auspices of the Trademarks Act 194/1993. Under the Companies, Close Corporations and Business Names Acts respectively, trademarks can be utilised to object to names registered under the former two statutes, and to unregistered business names.

The Counterfeit Goods Act can also be invoked against goods bearing infringing registered trademarks, although what exactly is meant by a 'counterfeit good' has become contentious following recent Court of Appeal decisions.

Unregistered marks are not regulated by statute, but governed by common law – in particular, the South African law of delict, which is similar, but not identical, to the English law of torts.

South Africa is a member of the Paris Convention. It has also ratified the General Agreement on Tariffs and Trade and the World Trade Organisation (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs). However, such ratification did not extend to making the provisions of the treaty part of South African law.

2. Unregistered marks

The *locus classicus* in respect of the delictual action of passing off remains *Capital Estate & General Agencies (Pty) Ltd v Holiday Inns Inc* (a Supreme Court of Appeal decision of 1977), which defined 'passing off' as follows: "The wrong known as passing off consists in a representation by one person that his business (or merchandise, as the case may be) is that of another, or that it is associated with that of another, and, in order to determine whether a representation amounts to a passing off, one enquires whether there is a reasonable likelihood that members of the public may be confused into believing that the business of the one is, or is connected with, that of another."

The question of misrepresentation aside, the main ingredient for a successful passing off action is evidence of a reputation of, or the goodwill in, the symbol, word or get-up that is being copied.

The amount of evidence of the requisite repute varies from case to case.

In instances where the common law mark consists of a distinctive brand for an off-the-shelf consumable purchased by the majority of the shopping public (eg, EAGLE for cool drinks), turnover and advertising figures relating to that item furnished by the plaintiff itself over a period of a few years may be enough to establish sufficient goodwill and/or reputation to satisfy a court.

At the other extreme, such evidence will need to be bolstered by evidence from the public in the case of a non-distinctive common law trademark used in a specialised sector of commerce or industry.

The period of use over which the reputation is established also varies according to the success or otherwise of the brand: a massively popular consumable can establish a reputation in a few weeks, whereas a brand for a collector's edition select malt whisky may take years to establish.

3. Registered marks

A 'trademark' is defined in the Trademarks Act as a mark used or proposed to be used by a person in relation to goods or services for the purposes of distinguishing those goods and services from the same kind of goods and services connected in the course of trade with any other person. 'Use in connection in the course of trade' covers the manufacture, production, selection, dealing with or offering for sale of goods which goes some way to identifying the applicant.

Essentially, anyone who uses or proposes to use a mark in the above attributes is entitled to register a mark.

As with most jurisdictions, the primary requisite for registrabilty of a trademark in South Africa is inherent distinctiveness. Section 10 of the Trademarks Act is the focus in South African law for registrabilty; it says:

> *"The following marks shall not be registered as trademarks or, if registered, shall, subject to the provisions of Sections 3 and 70, be liable to be removed from the register:*

(1) a mark which does not constitute a trademark;
(2) a mark which-
(a) is not capable of distinguishing within the meaning of Section 9; or
(b) consists exclusively of a sign or an indication which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or other characteristics of the goods or services, or the mode or time of production of the goods or of rendering of the services; or
(c) consists exclusively of a sign or an indication which has become customary in the current language or in the bona fide *and established practices of the trade."*

A 'mark' is defined in the Trademarks Act as any sign capable of being represented graphically, including a device, name, signature, word, letter, numeral, shape, configuration, pattern, ornamentation, colour or container for goods or any combination of the aforementioned.

Apart from traditional marks such as words, logos, devices, slogans and so on, the Trademarks Act also makes provision for the registration of, among other things, shapes, sounds and odours as trademarks, as has become common in many other jurisdictions. Of course, like in many jurisdictions, these non-traditional trademarks carry their own problems, which stem largely from issues of inherent registrability.

The classic situation that bedevils most would-be unconventional trademark owners is represented by Section 10(5) of the Trademarks Act, which holds that a mark that consists exclusively of the shape, configuration, colour or pattern of goods where such shape, configuration, colour or pattern is necessary to obtain a specific technical result, or results from the nature of the goods themselves, is not registrable. Section 10(11) imposes further restrictions on unconventional marks in that a mark that consists of a container for goods or the shape, configuration, colour or pattern of goods, where the registration of such mark is, or has become, likely to limit the development of any art or industry, is not registrable.

These sections, together with the general rule requiring marks to be distinctive, has led to, for example, many a shape mark being either refused registration or, once registered, expunged.

South African jurisprudence in respect of this issue closely follows the reasoning of the European Court of Justice (ECJ) in *Koninklijke Philips Electronics NO v Remington Consumer Products Ltd*; this is illustrated best in *Triomed (Pty) Ltd v Beecham Group plc*, from which a number of important principles can be distilled:

- The criteria for assessing distinctiveness of three-dimensional shape marks are fundamentally the same as the criteria for assessing other categories of mark, although from a practical point of view, they stand on a different footing;
- Not only must the shape of an article distinguish that article from the shape of other articles in the trade, but the shape must also be such that the public regard the shape *alone* as a guarantee of origin; in other words, the fact that a shape is *de facto* distinctive does not make it distinctive in the trademark sense; and
- The prohibition against registration of a shape mark imposed by the words "necessary to obtain a technical result" is not defeated by showing that there are other shapes that lead to the same technical result. In other words, if the shape for which registration is sought leads to a necessary technical result, that is the end of the enquiry.

Colour marks are perfectly acceptable as trademarks if they consist of more than one colour. Single colour marks face much the same types of obstacle as other unconventional marks. This is encapsulated in the so-called 'colour-depletion doctrine', which is another way of saying that single colours are not inherently distinctive since there is a finite number of colours available to rival traders in any particular field. This limitation is imposed by Section 10(11) of the Trademarks Act, the basic premise of which is that the monopolisation of a single colour by one party may stifle competition.

Other unconventional trademarks, such as sounds and odours, face difficulties above and beyond distinctiveness issues exemplified above, which flow from the necessity for trademarks to be represented graphically. In this respect, the ECJ case of *Sieckmann v Deutsches Patent- und Markenam*t is relevant to South Africa. Although the case dealt with an olfactory mark, its guidelines are applicable to analogous marks. Further, the decision holds that these marks are indeed registrable provided that they are represented graphically by means of images, lines or characters, and that the representations be clear, precise, self-contained, easily accessible, intelligible, durable and objective.

It is not difficult to imagine the kinds of problem that these requirements present to the hopeful trademark applicant: How, for instance, is it possible to represent the odour of a perfume graphically to make it, among other things, easily accessible and intelligible? In this instance, is it possible for a rival to discern the actual scent of a perfume from a graphic representation? Equally, how does an arbitrator, be it the court or registrar, determine whether two competing scents are 'confusingly similar'?

It appears, in a nutshell, that the technology for properly representing certain categories of trademarks may be lagging behind the law.

4. Procedures

The Register of Trademarks in South Africa is administered by the Companies and Intellectual Property Registration Office (CIPRO) within the Department of Trade and Industry.

The register is electronic and searches are available, from full availability searches covering all classes to a search for an identical mark in a single class. Searches cover words, logos, slogans devices, shapes, containers – in fact, all pending applications and registered trademarks. The electronic register goes back to the beginning of the 20th century.

Trademark applications are subject to examination both as to form and substance, and the current examination period is approximately 12 months. Powers of attorney are required by applicants' legal representatives; however, they do not require legalisation or notarisation and can be filed any time up to the date of examination.

Examination as to substance covers absolute grounds of refusal (ie, inherent registrabilty, good faith, prohibitions) to relative grounds (ie, obstacles posed by third parties' rights).

Upon examination, the registrar issues an official action either provisionally refusing the application on absolute or relative grounds, or granting the application with or without conditions. Provisional refusals can be challenged either in writing or during informal hearings, but must be done within three months of the date of the official action or within such further time as is granted by the registrar.

Upon acceptance, the application is advertised in the monthly *Patent Journal* for the purposes of allowing any interested party to oppose the application formally.

An unopposed trademark application will take approximately 18 months to proceed to registration. Renewals take about one month and mergers/assignments about three months.

The grounds for opposition are the same as the grounds for refusal found in Section 10 of the Trademarks Act. The relative grounds are found in Sections 10(6), (12), (14), (15), (16) and (17). They cover conflicts with prior confusingly similar trademark registrations and applications, prior common law marks and prior well-known marks.

Once the opposition period has lapsed or an opposition has been dismissed, CIPRO issues a certificate of registration, which, under Section 50 of the Trademarks Act, shall be *prima facie* evidence of the validity of the registration.

Any trademark registration is vulnerable to rectification or total expungement on any of the grounds for refusal found in Section 10, as well as on the grounds of non-use. Thus, for example, a third party which failed, for whatever reason, to oppose a trademark application can have a second bite of the cherry by bringing expungement proceedings on the same grounds as those it would have used in an opposition.

Non-use provisions are found in Section 27, which states that a registered trademark may, on application to the court or to the registrar by any interested person, be removed from the register in respect of any of the goods or services for which it is registered, on the grounds that:

- the trademark was registered without any good-faith intention on the part of the applicant that it should be used in relation to those goods or services, and there has in fact been no good-faith use of the trademark in relation to those goods or services by any proprietor thereof or any person so permitted up to three months before the date of the application;
- up to 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 trademark was registered and during which there was no good-faith use thereof in relation to those goods or services by any proprietor thereof or any person permitted to use the trademark; or
- in the case of a trademark registered in the name of either a body corporate or a natural person, such body corporate was dissolved or such natural person died, at least two years prior to the date of the application and no application for registration of an assignment of such trademark has been made.

In respect of the first and third bullet points above, the date in respect of which any calculations are made is the date of application, whereas in relation to the second bullet point, the five-year period of non-use is calculated from the date of registration.

Litigation based on an opposition or a rectification before the registrar takes approximately four months for the exchange of affidavits, as provided for in Regulation 19 to the Trademarks Act. Obtaining a hearing date can take a further 12 months.

Rectification proceedings can be brought in the High Court where the delays for filing papers are shorter. Under Rule 6 of the Uniform Rules of Court, 35 court days are permitted for the exchange of affidavits. The time that it takes to obtain a hearing date varies from jurisdiction to jurisdiction, but one can safely plan for an application for revocation in the High Court to take at least a year from inception to hearing.

5. Enforcement

Registered marks or trademark infringement, as such, can be enforced only in the High Court in civil proceedings. Classic 'trademark infringement' is defined in Section 34(1)(a) of the Trademarks Act as follows: "The rights acquired by registration of a trademark shall be infringed by the unauthorised use in the course of trade in relation to goods or services in respect of which the trademark is registered, of an identical mark or of a mark so nearly resembling it as to be likely to deceive or cause confusion."

Less classic forms of trademark infringement are covered in Sections 34(1)(b) and (c), as well as Section 35.

Section 34(1)(b) provides that the rights acquired by registration of a trademark shall be infringed by the unauthorised use, in the course of trade, of a mark that is identical or similar to the registered trademark in relation to goods or services that are so similar to the goods or services in respect of which the trademark is registered that there exists a likelihood of deception or confusion.

Section 34(1)(c) makes provision for protection against dilution, but only in circumstances where the trademark is registered and well known in South Africa.

Section 35 protects well-known marks as enshrined in Article 6*bis* of the Paris Convention. The proprietor of a trademark that is entitled to protection under the aforesaid convention as a well-known trademark may restrain the use in South Africa of a trademark that constitutes, or the essential part of which constitutes, a reproduction, imitation or translation of the well-known trademark in relation to goods or services that are identical or similar to the goods or services in respect of which the trademark is well known and where the use is likely to cause deception or confusion.

The distinction between classic infringement and the other three forms of infringement is important as the former is relatively easy to enforce. Technically, all a plaintiff needs is a certificate of registration, a short affidavit setting out the grounds for infringement and a confusingly similar mark. Complications arise where the confusing similarity of the marks is in question and/or when pharmaceutical trademarks are at issue. Unfortunately, South African courts still hold the view that intercession by medical practitioners in the form of doctors and pharmacists lessens the chances of confusion regarding prescription medication.

The enforcement of the remaining three types of trademark infringement is more complex. In a nutshell:

- South African courts have not yet built up sufficient judicial precedent regarding what constitutes 'similar goods' under Section 34(1)(b);
- The evidentiary burden needed to satisfy a court that a mark is well known can be onerous and may at times require costly survey evidence under both Sections 34(1)(c) and 35; and
- Dilution under Section 34(1)(c) is very difficult to prove because the plaintiff is expected to show a real danger of damage to its trademark and not just a reasonable possibility. Although the issue of tarnishment has not yet arisen before the South African courts, it is difficult to see how the evidentiary burden will be any different.

Specialist trademark courts have not been established to hear trademark matters, although the reverse is true in respect of patent matters.

Remedies for trademark infringement may consist of:

- an interdict;
- an order for removal of the infringing mark from all material and, where the infringing mark is inseparable or incapable of being removed from the material, an order that all such material be delivered up to the proprietor;
- damages, including those arising from acts that are performed after advertisement of the acceptance of an application for registration and that would amount to infringement of the rights acquired by registration if performed after registration; or
- in lieu of damages, at the option of the proprietor, a reasonable royalty that would have been payable by a licensee for the use of the trademark concerned, including any use that took place after advertisement of the acceptance of an application for registration and that, if taking place after registration, would amount to infringement of the rights acquired by registration.

Urgent injunctive relief, either in the form of an interim or permanent interdict, is available, but generally only where other relief will lead to harm that cannot be compensated by an award of damages. Generally, therefore, business considerations will not constitute good grounds for urgent relief – unless the balance of convenience favours the applicant, such as, for example, where the infringing products are not yet on the market.

Urgent interdict relief can be obtained in a matter of days if the facts warrant such relief.

Passing off and unlawful competition matters are also the subject of civil proceedings; they are as complex to prove as infringement under Sections 34(1)(c) and 35, and follow the same procedure as the one outlined below.

Normal interdict proceedings, based on trademark infringement, passing off or the broader delict of unlawful competition, commence with a notice of motion accompanied by the applicant's evidence in the form of affidavits. The respondent is afforded between 10 and 15 court days within which to file a notice of opposition and thereafter 15 court days within which to file answering evidence. The applicant is entitled to (and usually does) file replying affidavits within 10 court days. The average length of a case from filing the first papers to a hearing date is 12 months.

Criminal proceedings are available only in matters under the Counterfeit Goods Act.

Apart from court proceedings, trademark infringement can constitute a contravention of the Code of Advertising Practice and can be dealt with by the Advertising Standards Authority of South Africa (ASASA).

Under Clause 8 of the code, advertisements may not take advantage of the advertising goodwill relating to the trade name or symbol of the product or service of another, or advertising goodwill relating to another party's advertising campaign or advertising property, unless the prior written permission of the proprietor of the advertising goodwill has been obtained.

Similarly, Clause 9 states that an advertiser should not copy an existing advertisement, local or international, or any part thereof in a manner that is recognisable or clearly evokes the existing concept, and that may result in the likely loss of potential advertising value. This will apply notwithstanding the fact that there is no likelihood of confusion or deception, or that the existing concept has not been generally exposed.

Complaints under this code are dealt with by ASASA and are made by way of letter. After both sides have made their written submissions, ASASA makes a decision without hearing the parties. It is a quick and relatively cheap method of enforcing trademark rights (where applicable) – the only downside being that compliance with a ruling is entirely voluntary. This is not a problem where the offender is a member in good standing in the business community, since non-compliance leads to blacklisting and other uncomfortable situations. On the other hand, fly-by-night offenders can either defy rulings or disappear into the woodwork.

6. Ownership changes and rights transfers

Assignments of trademarks require neither legalised nor notarised documentation, and are relatively easy to accomplish. Pending trademark applications, registered marks and common law marks can be assigned in terms of the law, but the latter effectively only if the marks are in use and have accumulated some goodwill.

Assignments must be recorded on the Trademark Register and, where trademarks are assigned with goodwill from a local entity to a foreign one, reserve bank approval must be obtained. Following the current jurisprudence, failure to obtain reserve bank approval can make an assignment void.

Where a registered trademark is used by a person other than the proprietor thereof but with the licence of the proprietor, such use is deemed to be permitted use. This permitted use is deemed to be use by the proprietor for any purpose for which such use is material under the Trademarks Act or at common law.

7. Related rights

Protection for trademarks can overlap, as is already apparent from the paragraph dealing with ASASA above. A logo or device mark can also be protected by copyright law, allowing the owner to enforce its rights either by way of the Trademarks Act or the Copyright Act, or indeed both. If the copying has been particularly reprehensible, the owner may prefer proceeding in terms of copyright infringement since the Copyright Act makes provision for punitive damages, which are not available under the Trademarks Act.

An infringement can bring passing off into play as well, in circumstances where the unregistered get-up used by the trademark owner is copied. If the get-up is also subject to copyright protection, the owner has three grounds on which to take action.

8. Online issues

The South African Institute of Intellectual Property Law is a dispute resolution provider under the '.za' Alternative Dispute Resolution Regulations formulated under the Electronic Communications and Transactions Act. These regulations follow, and are based on, the Uniform Dispute Resolution Policy of the Internet Corporation for Assigned Names and Numbers.

Simply put, the regulations entitle any party to lodge a complaint against a '.co.za' domain if the domain name "takes unfair advantage of the rights" of that party or "is contrary to law or likely to give offence to any class of persons".

Unregistered rights	
Protection for unregistered rights?	✓ Yes, at common law (delict of passing off)
Specific/increased protection for well-known marks?	✓ Incorporation of Article 6*bis* of the Paris Convention into South African law
Examination/registration	
Representative requires a power of attorney when filing? Legalised/notarised?	✗ / ✗ Document can be filed any time before examination
Examination for relative grounds for refusal based on earlier rights?	✓ Under Section 10 of the Trademarks Act
Registrable unconventional marks	✓ Devices, names, signatures, words, letters, numerals, shapes, configurations, patterns, ornamentations, colours or container for goods or any combination thereof
Opposition	
Opposition procedure available? Term from publication?	✓ 3 months
Removal from register	
Can a registration be removed for non-use? Term and start date?	✓ No term, but period calculated from date of registration
Are proceedings available to remove a mark that has become generic?	✓ A mark consisting exclusively of a sign that has become customary in the current language or good-faith and established practices
Are proceedings available to remove a mark that was incorrectly registered?	✓ Under Section 10 of the Trademarks Act. Any grounds for opposition (ie, absolute and relative) are grounds for revocation
Enforcement	
Specialist IP/trademark court?	✗
Punitive damages available?	✗ Not for trademark infringement
Interim injunctions available? Time limit?	✓
Ownership changes	
Is registration mandatory for assignment/licensing documents?	✗ / ✗
Online issues	
National anti-cybersquatting provisions?	✓
National alternative dispute resolution policy for local ccTLD available?	✓ '.za' Alternative Dispute Resolution Regulations