

# *Study unit 6*

## *Restrictions on registration*

### *Overview*

In this study unit, we will discuss the various grounds on which the registration of a trade mark may be refused. These grounds may be raised by the Registrar when considering the registration of a trade mark or when the validity of the trade mark is under attack in opposition or revocation proceedings. We will deal with the absolute grounds of refusal as well as the relative grounds of refusal.

### *Learning outcomes*

After completion of this study unit, you should be able to —

- ☐ determine the registrability of a trade mark
- ☐ determine the validity of a trade mark registration

### *Discussion*

Article 15(2) of the TRIPS Agreement permits Member countries to deny registration on various grounds provided that they do not derogate from the provisions of the Paris Convention.

The SA Trade Marks Act set out the grounds on which the registration of a trade mark may be refused. These also provide grounds on which a trade mark registration may be invalidated and removed from the register.

### *Absolute grounds for refusal of registration*

These grounds relate to the inherent unregistrability of marks, the applicant and his conduct, marks applied for in bad faith as

well as deceptive marks.

- ❑ A mark which does not constitute a trade mark cannot be registered (see s 10(1) and (2); see also s 3(1) of the UK Trade Marks Act 1994). So, a mark which is not capable of distinguishing the goods or services of the proprietor from the goods or services of another person cannot be registered. A mark which serves, 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 the rendering of the services cannot be registered. These marks are not registrable because they are not capable of distinguishing. They are words or signs which another trader might reasonably require to use in connection with his own goods or services. Such marks fall in the common domain and a single trader cannot obtain a monopoly therein. These words or signs are usually, although not necessarily, descriptive or laudatory, for example, 'perfection', 'marvellous' for any type of goods or services, or 'dry white' or some phonetic equivalent for wine (*First National bank of SA Ltd v Barclays Bank plc* 2003 (4) SA 337 (SCA)). For the same reason, marks which have become customary in the current language or in the bona fide and established practices of the trade cannot be registered. ( See, for example, *Star Shirt and Clothing Factory (Natal) (Pty) Ltd v Registrar of Trade Marks* 1972 (1) SA 562 (T); *ITT Continental Baking Co v Registrar of Trade Marks* 1980 (2) SA 127 (T); *Kentucky Tobacco Corporation v Registrar of Trade Marks* 1984 (2) SA 335 (T); *Beecham Group plc v Triomed (Pty) Ltd* 2003 (3) SA 639 (SCA))

None of the aforementioned marks will be refused registration if the applicant for registration can show that, at the date of the application for registration, the mark has in fact become capable of distinguishing as a result of the use made of it .

- ❑ A mark cannot be registered if it consists exclusively of the shape, configuration, colour or pattern of goods where the shape, configuration, colour or pattern is necessary to obtain a specific technical result, or results from the nature of the goods themselves (see s 10(5); *Beecham Group plc v Triomed (Pty) Ltd* 2003 (3) SA

639 (SCA); see also s 3(2) of the UK Trade marks Act 1994). Also, mark which consists of a container for goods or the shape, configuration, colour or pattern of goods cannot be registered where the registration of such a mark is likely to limit the development of any art or industry (see s 10(11)).

- ❑ A mark cannot be registered if the application was made in bad faith (see s 10(7); s 3(6) of the UK Trade Marks Act 1994). An application made in bad faith would be one made to block registration of a mark by the true owner, and an application fraudulently made.

Furthermore, a mark cannot be registered where the applicant has no bona fide claim to proprietorship (s 10(3)).

Also a mark cannot be registered where the applicant has no bona fide intention of using the mark as a trade mark (s 10(4); *Arjo Wiggins Ltd v Idem (Pty) Ltd* 2002 (1) SA 591 (SCA)). This requirement is satisfied where there is an intention to use the trade mark through a body corporate still to be formed (s 19(1)). The mark will be registered only once the Registrar can register the assignment of the trade mark from the applicant to such body corporate, once the body corporate has been formed.) or where the mark applied for is part of another composite mark already on the register and which the applicant uses (ss 31(2) and 18(1)).

- ❑ Anything contrary to law, public policy or established principles of morality cannot be registered. Also marks which are inherently deceptive cannot be registered (see s 10(12); ss 3(3) and 3(4) of the UK Trade Marks Act 1994). Examples of marks which are inherently deceptive include the following (Webster & Page *South African Law of Trade Marks* (1997) par 6.6.1 — 6.6.4):
  - ❑ Marks which are deceptive as to origin of goods: in *McGlennon's Application* [1908] RPC 797, a mark comprising a shamrock was held to be deceptive in that it suggested goods manufactured in Ireland when in fact the goods were made in England

- Marks which are deceptive as far as the character or quality of the goods is concerned: a mark comprising the word MERINO used on cotton goods would be deceptive as purchasers would expect the goods bearing it to be made of, or contain wool (*Orlwoola Trade Mark* [1909] RPC 681).
- Marks resulting in danger or harm to the public: a trade mark JARDEX used in relation to disinfectants might lead persons to confuse the product with JARDOX meat extracts, with unfortunate results (*Application by Thomas Lewis Edwards* [1946] RPC 19).
- A mark which consists of or contains the national flag of a Paris Convention country, or an imitation from an heraldic point of view, cannot be registered without the authorisation of that country. Subject to notification in terms of article 6<sup>ter</sup> of the Paris Convention, a mark which consists of or contains the armorial bearings or other state emblem of a convention country, or an imitation from an heraldic point of view, cannot be registered without the authority of that country. The prohibition also extends to an official sign or hallmark adopted by a convention country and to the flag, armorial bearings, emblems, and the name or abbreviation of the name of an international organisation unless the use of the mark is not likely to mislead the public as to the existence of a connection between the international organisation and the proprietor of the mark (s 10(8); ss 3(5) and 4 of the UK Trade Marks Act 1994). The registrar is obliged to keep a register of state emblems and official signs and hallmarks of convention countries and the emblems, names and abbreviation of names of international organisations which has been notified in terms of article 6<sup>ter</sup> of the Paris Convention (s 48A).
- A mark which might otherwise be registrable, cannot be registered if it is likely to cause deception or confusion as a result of the manner in which it has been used (s 10(13)).

- ☐ Carefully study your domestic trade mark legislation to determine the grounds on which a trade mark application may be refused. Name the absolute grounds of refusal (restrictions on registration) provided for in your domestic legislation.
- ☐ Thandi also makes home-made chocolates which she wants to market under the name 'Sweet 'n Smooth'. She wishes to apply for the registration of 'Sweet 'n Smooth' as a trade mark in class 30 in respect of chocolates. Should such a registration be allowed?
- ☐ She tries to obtain another registration for the chocolates — this time 'Belgian Bliss'. Should this registration be allowed?
- ☐ She is nervous of Tsepo's threat to object to her restaurant name and knows that Tsepo has not yet filed an application for 'Munching Mouthfuls' for restaurant services. To prevent him from objecting to her proposed mark 'Crunchy Munchy', she also files an application for 'Munching Mouthfuls' in class 42. Should this registration be allowed?
- ☐ She wants to promote the healthy food she makes in the restaurant and so files a further trade mark application, which contains the name 'Crunchy Munchy' and then a script border reading 'chicken is certified by WHO as a healthy foodstuff'. WHO is the acronym for the World Health Organisation. While it has stated in publications that chicken is a good source of protein, Thandi has not obtained permission from them to use their name. Should this registration be allowed?

*Discussion*

*Relative grounds for refusal of registration*

These grounds relate to the conflict between marks and the

existing rights of others.

- ❑ A mark will be refused registration if its use would be likely to deceive or cause confusion (s 10(12); s 5(4) of the UK Trade Marks Act 1994). A mark may be likely to cause confusion or deception because of its resemblance to other marks in use in the marketplace (both registered and unregistered trade marks), trading styles, telegraphic addresses, and the like. Before a trade mark will be found to be deceptively or confusingly similar to another mark, it must be shown that the latter mark has acquired a reputation in the marketplace. (See Webster & Page par 6.6.5; *Wm Penn Oils Ltd v Oils International (Pty) Ltd* 1966 (1) SA 311 (A).)

In determining whether a likelihood of deception or confusion exists, a comparison must be made with reference to the sense, sound and appearance of the respective marks. The general impression created by each of the marks, having regard to the dominant or striking features of each, must be taken into account. This is likely to have a greater impact and is thus more likely to be recalled than the precise details of each mark. The enquiry must not be confined to a side-by-side comparison of the marks. The marks must be viewed as they would be in the market place, and all surrounding circumstances must be considered. Factors such as the dangers of deception or confusion arising as a result of orders placed telephonically, badly written orders, careless pronunciation, the doctrine of imperfect recollection and the class of purchaser likely to purchase the relevant goods or services, must be considered. (See *American Chewing Products Corporation v American Chicle Co* 1948 (2) SA 736 (A); *Bristol Laboratories Inc v Ciba Ltd* 1960 (1) SA 864 (A); *Juvena Produits de Beaute SA v BLP Import and Export* 1980 (3) SA 210 (T); *International Power Marketing (Pty) Ltd v Searles Industrials (Pty) Ltd* 1983 (4) SA 163 (T); *Plascon Evans Paints Ltd v Van Riebeeck Paints (Pty) Ltd* 1984 (3) SA 623 (A); *The Upjohn Company v Merck* 1987 (3) SA 221 (T); *Danco Clothing (Pty) Ltd v Nu-Care Marketing Sales and Promotions (Pty) Ltd* 1991 (4) SA 850 (A); *Cowbell AG v ICS Holdings Ltd* 2001 (3) SA 941 (SCA)).

- ❑ A mark cannot be registered if it is identical to a

registered trade mark belonging to a different proprietor or so similar thereto that the use thereof in relation to goods or services in respect of which it is sought to be registered and which are the same as or similar to the goods and services in respect of which the earlier trade mark is registered, would be likely to deceive or cause confusion. Such an objection falls away if the proprietor of the earlier mark consents to the registration of the later mark (s 10(14); ss 5(1), 5(2) and 5(5) of the UK Trade Marks Act 1994).

The side-by-side registration of confusingly similar trade marks is permitted in instances where both marks have, in good faith, been used in the marketplace (termed 'honest concurrent use') or where other special circumstances are found to exist. (See *Ex parte Chemisch-Pharmazeutische AG* 1934 TPD 366.)

This ground for refusal confines itself to deceptive or confusing similarity between a mark submitted for registration and marks already registered. The registered trade marks concerned need not also have a market reputation. The test for what constitutes a likelihood of deception or confusion is the same under both subsections and 10(12) and 10(14) (*Cowbell AG v ICS Holdings Ltd* 2001 (3) SA 941 (SCA)).

- ❑ A mark cannot be registered if it is identical to a mark which is the subject of an earlier application by a different person, or so similar thereto that the use thereof in relation to the goods or services in respect of which it is sought to be registered and which are the same as or similar to the goods or services in respect of which the mark in respect of which the earlier application is made, would be likely to cause deception or confusion (s 10(15); see ss 5(1) and 5(2) and 6(2) of the UK Trade Marks Act 1994). This ground of refusal gives a prior application the same effect as a prior registration. However, a mark which is the subject of a prior application cannot be registered if the registration would be contrary to the existing rights of the person making the later application. The Registrar may register both marks in the case of honest concurrent use or other special circumstances which are found to exist (s 14).

- ❑ A mark which constitutes, or the essential part of which constitutes, a reproduction, imitation, or translation of a well-known foreign trade mark cannot be registered in respect of goods or services identical or similar to the goods or services in respect of which the trade mark is well known in South Africa where such use is likely to cause deception or confusion (s 10(6); ss 5 and 6 of the UK Trade marks Act 1994). This ground of refusal gives effect to article 6<sup>bis</sup> of the Paris Convention. A trade mark will be regarded as well known if it is well known in South Africa as the mark of a person who is a national of, is domiciled in, or has a real and effective industrial or commercial establishment in a convention country regardless of whether such person carries on business or has any goodwill in the South Africa (s 35(1)).

The vested rights in local trade marks acquired through continuous and bona fide use prior to 31 August 1991 or the date on which the foreign trade mark has become well known in South Africa, whichever is the later date, are preserved (s 36 (2)).

- ❑ A mark may not be registered if it is identical or similar to a registered trade mark which is well known in South Africa and its use would be likely to take unfair advantage of, or be detrimental to, the distinctive character or repute of the registered trade mark, despite the absence of deception or confusion (s 10(17); ss 5(3) of the UK Trade Marks Act 1994). This ground relates to identical and similar trade marks, and does not require deception or confusion. Consequently, it is not confined to identical or even similar goods or services. This ground of refusal falls away if the proprietor of the well-known mark consents to the registration of the such mark. (See further Webster & Page par 6.25–6.27.)

### *Activity 6.2*

- ❑ Name the relative grounds of refusal provided for in your domestic trade mark legislation.



- ❑ Thandi is the owner of the trade mark CRUNCHY MUNCHY, which is registered in respect of restaurants and fast-food outlets. Thandi discovers that Philemon has commenced using the mark KRUNSHY-MUNSH for his hamburger den and that he has filed an application to register the trade mark KRUNSHY-MUNSH for his business in terms of the Trade Marks Act. Advise Thandi whether there are any provisions in the Act which would prevent Philemon from registering the mark KRUNSHY-MUNSH as a trade mark in respect of restaurants and fast-food outlets.
- ❑ Barry is the proprietor of the trade mark ROCKY which is registered in the United States in respect of beer. Barry has not registered his ROCKY trade mark in South Africa. Although ROCKY beer is not available in South Africa, it has become well known in South Africa through advertisements in most overseas magazines available in South Africa, and also as the sponsor of most major overseas sporting events which are broadcast on the Supersport TV channel. Dali, a local brewer of beer, has now applied for the registration in South Africa of the trade mark ROCKY in respect of beer. Advise Barry whether he can prevent Dali from registering the mark ROCKY in relation to beer.