

Study unit 2

The nature of a trade mark

Overview

In this study unit, we will discuss the nature of a trade mark. You will find out what basic characteristics and function of a trade mark are and which marks or signs may operate as registrable trade marks. We will also discuss certification and collective marks and explain how they differ from trade marks.

Learning outcomes

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

- ☐ determine whether a sign constitutes a registrable trade mark
- ☐ distinguish between a trade mark, a certification mark and a collective mark

Setting the scene

We will narrate an on-going story in this guide, and provide you with more details as they become necessary, in each study unit and sometimes before a set of activities. The facts are imaginary, but the answers based on various South African court decisions.

Thandi decides to open a fried chicken fast-food outlet. She tries to think of a good name for the restaurant and take-away venue, and asks her friends for suggestions.

Discussion

What is a registrable trade mark?

In order to qualify for registration as a trade mark, a mark must consist of a sign which is capable of distinguishing the goods or services of one undertaking from those of other undertakings. In addition, trade mark legislation usually requires that such signs

be capable of being represented graphically. Provided a mark complies with the above requirements, it may be registered unless it falls within one or more of the restrictions on registration.

Section 2(1) of the SA Trade Marks Act defines a trade mark as follows:

‘“Trade mark”, other than a certification mark or collective mark, means a mark used or proposed to be used by a person in relation to goods or services for the purpose of distinguishing the goods or services in relation to which the mark is used or proposed to be used from the same kind of goods or services connected in the course of trade with any other person.”

A similar definition can be found in section 1 of the UK Trade Marks Act 1994.

International conventions also define a trade mark in similar terms. Article 15(1) of the TRIPS Agreement provides as follows:

‘Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trade mark.’

You will observe that a trade mark is defined in terms of its distinguishing function, that is its function is to distinguish the goods or services of one undertaking from those of other undertakings. Under previous legislation, a trade mark was defined in terms of its traditional origin function, that is as an indication of the origin or source of the goods or services in relation to which it was used.

Activity 2.1

Thandi’s friend suggests that she call her restaurant ‘Best fast Chicken’.

- ☐ Is this name a possible trade mark, and, if not, why?
- ☐ How is a trade mark defined in terms of your domestic trade mark legislation?

- ☐ Is a trade mark defined in terms of its origin or distinguishing function?

Discussion

Marks or signs which may operate as trade marks

Generally, signs which may qualify for registration as a trade marks may be words, names, letters, numerals, figurative elements, combinations of colours, the shape of goods or their packaging, as well as any combination of such signs (see, for example, art 15 (1) of the TRIPS Agreement; s 1 of the UK Trade Marks Act 1994).

The SA Trade Marks Act lists the following signs that may operate as trade marks: 'a device, name, signature, word, letter, numeral, shape, configuration, pattern, ornamentation, colour or container for goods or any combination of the aforementioned' (see definition of 'mark' in s 1). This list is not exhaustive.

The terms words, names, signatures, letter, numerals, design, shape, pattern, ornamentation, colour are self-explanatory. A device includes a design, picture, logo or other artistic work.

You will observe that a container for goods is specifically mentioned. A container for goods would cover any bottle, tin, box, carton or packet used for the packaging of goods. Provided the packaging or container is capable of distinguishing the goods of one undertaking from those of other undertakings, it is possible to register it as trade mark. However, it should be noted that the rights conferred by the registration of a container as a trade mark are limited to trade mark rights in respect of the goods for which the container is registered. A container is registered as a trade mark in respect of the contents and not in respect of the container itself. Such a registration does not confer any rights in the shape or configuration of the container as such.

Sounds are not specifically mentioned. Sound may be represented graphically in musical notation and there is no reason why distinctive sounds should not be registered as trade marks.

Activity 2.2

- ☐ Another friend of Thandi's suggests that she calls her restaurant 'Thandi's'. Could this name qualify as a trade mark?
- ☐ A friend designs a fancy box for packaging the takeaway chicken pieces. Could this qualify as a trade mark?
- ☐ What marks or signs may operate as trade marks under your domestic trade mark legislation?

Discussion

Use in relation to goods or services

A trade mark distinguishes goods or services. It must therefore be used in relation to goods or services. We will discuss the requirement of use in Study Unit 3. At this stage we may mention that, in the case of goods, the mark must be used upon or in physical or other relation to the goods. In the case of services, it may be used in relation to the performance of the services. The term services covers a wide range of activities but only services rendered in the course of trade are contemplated here.

Activity 2.3

Does the use of a trade mark on a label attached to an item of clothing qualify as use in relation to the goods for which registered?

Discussion

Capability of distinguishing

To be registrable, a trade mark must be capable of distinguishing the goods or services of an undertaking in respect of which it is registered or proposed to be registered from the goods or services of other undertakings (see article 15(1) of the TRIPS Agreement; s 1(1) of the UK Trade Marks Act 1994; s 9(1) of the SA Trade Marks Act). This is the basic requirement of a trade mark.

A mark can be inherently capable of distinguishing or it can be capable of distinguishing by reason of its prior use (see article 15(1) of the TRIPS Agreement; s 3(1) of the UK Trade Marks Act 1994 ; s 9(2) of the SA Trade Marks Act). A mark is inherently capable of distinguishing if it has some inherent property which renders it capable of distinguishing the goods or services of different undertakings. Whether a mark is inherently capable of distinguishing will to a large extent depend on whether other undertakings are likely, in the ordinary course of their business, to desire to use the same or a similar mark for descriptive purposes (*Registrar of Trade Marks v W & G Du Cros Ltd* [1913] RPC 660, 672). A mark is capable of distinguishing by reason of its prior use if it has become recognized in the market-place, through use, as a mark capable of distinguishing a particular undertaking's goods or services from those of other undertakings.

Whether or not a mark is capable of distinguishing is a question of fact which must be determined in the light of all the relevant circumstances (*Cadbury (Pty) Ltd v Beacon Sweets & Chocolates (Pty) Ltd* 2000 (2) SA 771 (SCA); *Beecham Group plc v Triomed (Pty) Ltd* 2003 (3) SA 639 (SCA)).

Invented words, that is words which are ordinarily different from any word in ordinary common usage will, in general, be inherently capable of distinguishing and therefore registrable. Examples of such marks include KODAK, XEROX, BOVRIL.

The same applies to so-called arbitrary marks, that is marks which, although in common usage, are not associated with the goods or services in connection with which they are used. Examples include LUCKY STRIKE or CAMEL for cigarettes. In general, so-called suggestive marks, that is marks which allude in some way to the goods or services in connection with which they are used will also exhibit a sufficient degree of inherent capability of distinguishing to render them registrable.

Examples include COPPERTONE for suntan lotion and RADIATION for gas stoves. Descriptive marks, that is marks which refer directly to the character, quality or purpose of the goods or services in connection with which they are used, have no inherent capability of distinguishing. Nevertheless, such marks may qualify for registration if they have become capable of distinguishing through extensive use in the marketplace.

A common laudatory word such as 'perfection' or 'wonder' will not be inherently capable of distinguishing (see eg *Joseph Crosfield & Sons Ltd's Appn* (1909) 26 RPC 561; *ITT Continental Baking Co v Registrar of Trade Marks* 1980 (2) SA 127 (T)). To qualify for registration, such word must have become capable of distinguishing through prior use.

Generally, a geographical name is not inherently capable of distinguishing (see *Cambridge Plan AG v Moore* 1987 (4) SA 821 (D)). However, where a geographical name is used in combination with other words, the resultant combination may well be inherently capable of distinguishing.

A common surname will not be inherently capable of distinguishing. On the other hand, an uncommon surname may well be inherently capable of distinguishing and thus registrable as a trade mark.

Single letters or a combination of two letters will not be inherently capable of distinguishing unless represented in a distinctive form. In such a case it is the form and not the letters as such which is registrable as a trade mark. A combination of three or more letters may well be inherently capable of distinguishing.

Likewise, a combination numerals will not be inherently capable of distinguishing unless represented in a distinctive form.

Generally, a single colour will not be inherently capable of distinguishing. On the other hand a combination of colours may well be inherently capable of distinguishing and thus registrable as a trade mark.

Note that even where a mark is not inherently capable of distinguishing, it may still qualify for registration if it has become capable of distinguishing through prior use in the marketplace.

It should be noted that a trade mark can also lose its capability of distinguishing. This will happen when the public adopts such a mark and uses it, not as a trade mark, but as the general name of the class of goods or services concerned. So, for instance, ASPIRIN, CELLOPHANE and ESCALATOR, which will once invented words coined as trade marks, have lost their capability of distinguishing through public usage. Trade marks which become generic before application is made for their registration are, of course, not capable of distinguishing and cannot be registered (*Registrar of Trade Marks v Wasseenaar* 1957 (4) SA 513 (A)). Registered trade marks which become generic and lose their capability of distinguishing are liable to be removed from the register, regardless of whether they are registered in respect of goods or services (see ss 47(1) and 3(1) of the UK Trade Marks Act 1994; s 10(2) of the SA Trade Marks Act).

Activity 2.4

Other friends of Thandi's all make suggestions for a name.

Decide if any of the following names are inherently capable of distinguishing her restaurant.

- ☐ Quick Chick
- ☐ Pretoria chicken
- ☐ Xopon (an invented word)
- ☐ The Boabab Tree
- ☐ Crunchy Munchy

To enable a mark to be entered in the register of trade marks, it must be capable of being represented graphically. This means that it must be capable of being represented in a form that can be recorded and published. A mark may, for example, be described in writing or some other form of notation or portrayed in a drawing or illustration.

Certification marks and collective marks

A certification mark is a mark capable of distinguishing goods or services certified by any person, association or organization in respect of 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 services, as the case may be, from goods or services not so certified. A certification mark is used in relation to goods or services. However, unlike a trade mark, it is not intended to distinguish the goods or services of one undertaking from those of other undertakings. Instead it indicates that the goods or services in relation to which it is used are of a certain standard, irrespective of the undertaking from which they may emanate. The use of a certification mark registration is governed by rules which are filed in support of the application for registration of the mark. The rules determine, inter alia, the circumstances in which the proprietor of the registration will certify as to standard and will authorize use of the certification mark. Examples of a certification marks include the 'Woolmark' and the 'SABS' mark of the South African Bureau of Standards.

Article 7^{bis} of the Paris Convention obliges member countries to register and protect collective marks belonging to associations even if such associations do not possess an industrial or commercial establishment in the country in which protection is sought or is not constituted according to the law of the latter country. Each country must determine the particular conditions under which a collective mark shall be protected. Protection may be refused if the mark is contrary to the public interest.

A collective mark is a mark capable of distinguishing goods or services of persons who are members of any association from goods or services of nonmembers. Whereas a certification mark serves to distinguish goods or services certified by the proprietor in respect of quality or some other characteristic, a collective mark serves to distinguish the goods or services of members of an association from the goods or services of nonmembers. Geographical names and other indications of geographical origin may be registered as collective marks. As in the case of a certification mark, the use of a collective mark is governed by rules. However, in contrast to a certification mark, the rules need merely specify who will be entitled to use the mark rather than to set objective standards with which the goods or services must comply.

Activity 2.5

Study your domestic trade mark legislation and determine whether it makes provision for the registration of certification and collective marks.