

IPSP044 - Essential Trade Mark Law

Assignment 03 - 788684

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NOTE

Please note that footnotes will be denoted as ¹ and will appear at the bottom of the page.

References will be denoted by [1] and will appear at the end of the document.

¹This is a footnote.

(a) **Advise Aroma Company whether the mark qualifies for registration as a trade mark. [25]**

As per the definitions of [section 2(1)][2] and given that the Republic is a Paris Convention Member State, [article 15(1)][3], [article 1(2)][4], it follows that ‘*TROPIC GLOW*’ will be understood to be a **mark**, in that it is either a name or sign capable of being represented graphically. Moreover it constitutes a **trade mark**, as it has been proposed by Aroma Company, in relation to distinguishing their trade or use from other goods or services connected in the course of trade regarding ‘*soaps, perfumery, essential oils and cosmetics*’, [5]. Therefore it follows as per [section 9(1)][2], that TROPIC GLOW qualifies for registration as trade mark, subject to limitations, in relation to use within those limitations, and thus the unregistrability conditions of the provisions of [paragraphs (1), (4), (5), (8), (9), (10) or (11) of section 10][2], cannot be applied.

As per [section 2(4)][2], ‘*use*’ or ‘*proposed use*’ shall be construed as the use of a visual representation of the mark [section 2(2)(a)][2], as pertaining to physical form or other relation in terms of goods [section 2(3)(a)][2], or as pertaining to the use thereof in any relation to the performance of any services² [section 2(3)(b)][2]. Provided that no others claim priority to the TROPIC GLOW mark at the of application for registration, then as per [section 9(2)][2], TROPIC GLOW shall be considered to be capable of distinguishing within the meaning described above. Thus also negating the unregistrability conditions of the provisions of [paragraphs (2), (3) or (6) of section 10][2]

As per [section 11(1)][2], the TROPIC GLOW mark is proposed to be registered in respect of goods falling in a particular class, namely class 3, hence [section 10(4)][2] cannot be applied. Moreover TROPIC GLOW does not include or consist of the name or representation of a person [section 12][2], hence there would be no need to furnish the registrar with additional legal consent from any parties. There would be no need for the registrar to impose honest concurrent use conditions and limitations [section 14(1)][2], as the mark TROPIC GLOW does not offend against the provisions of [paragraphs (6), (14), (15) or (17) of section 10][2].

It has already been demonstrated that TROPIC GLOW contains matter which is indeed capable of distinguishing within the meaning of [section 9][2], specifically in this sense as a composite mark even though it’s separate components “TROPIC” and “GLOW” may individually not be capable of distinguishing. Hence registration may be subject to disclaimer or memorandum [section 15][2], and the registrar may require Aroma Company to disclaim any right to the exclusive use of either “TROPIC” and / or “GLOW” separately and apart from TROPIC GLOW, [section 15(a)][2]. One such example exists in South African case, *Cadbury (Pty) Ltd v Beacon Sweets & Chocolates (Pty) Ltd* [6], where registration of the Beacon *Liquorice Allsorts* mark was rectified and subject to the following disclaimers

1. “Registration of the Beacon *Liquorice Allsorts* trade mark shall give no right to the exclusive use of the sweet device [the plate], separately and apart from the mark.”
2. “Registration of this mark shall also give no right to the exclusive use of the name *Liquorice Allsorts*, separately and apart from the mark.”

Provided that Aroma Company and its use of TROPIC GLOW does not inherently [section 10(12)][2] or from the manner of its use [section 10(13)][2], likely deceive, cause confusion or offend any class of person, it cannot be deemed unregistrable. Moreover provided that TROPIC GLOW does not constitute an identical or similar trade mark registration [section 10(14)][2] or prior application [paragraphs (15) and (16) of section 10][2], where use of TROPIC GLOW would likely amount to deceit or confusion

²Also referred to as service marks, [article 1(2)][4]

in relation to the goods and services of a different proprietor or applicant, respectively, without their consent; the registrar cannot refuse registration on those grounds. Lastly provided TROPIC GLOW does not constitute an identical or similar mark already registered and well known in the Republic, [section 10(17)][2], the registration cannot be refused on the grounds of unfair competition through the dilution of good will.

(b) Advise Aroma Company whether any of these prior applications / registrations will present an obstacle to the registration of its marks. [25]

Registration Number 90/2390 TROPICAL in class 25

As per the provisions of [section 10(17)][2], the proprietors of the TROPICAL trade mark could argue that their registered trade mark is well-known in the Republic [section 35(1)][2] and that registration of the TROPICAL GLOW trade mark without their consent, albeit in a different class to that of TROPICAL, would likely amount to unfair advantage or be detrimental to the distinctive character or repute of the TROPICAL trade mark.

Registration Number 96/4782 TROPICANA in class 3

As the provisions of [Article 6^{bis}][4], the registered trade mark TROPICANA can be considered a ‘*well-known*’ mark, moreover it follows that the proprietors of TROPICANA are either (i) nationals of the Republic [section 35(1)(a)][2], or (ii) domiciled in or have a real and effective industrial or commercial establishment in the Republic [section 35(1)(b)][2], which TROPICANA is considered to be. Given that the TROPICANA trade mark has been in use extensively since 1996 in relation to lipsticks, class 3 in respect of cosmetics, [5], knowledge of the trade mark to the public in the relevant sector can be assumed [section 35(1A)][2].

If Aroma Company can demonstrate that they have used the TROPIC GLOW trade mark in the Republic, at some time before 1996 when the TROPICANA trade mark was in use, claiming priority to the TROPIC GLOW mark [Article 4][4], then Aroma Company shall be entitled to the “Saving of vested rights” provision [section 36(2)][2] and regardless of whether or not TROPICANA is a well-known mark entitled to protection under the Paris Convention, nothing in the Act shall permit the proprietors of TROPICANA to interfere with or restrain use / registration of TROPIC GLOW. Otherwise the proprietors of TROPICANA may argue that the TROPIC GLOW trade mark is unregistrable on the grounds that essential parts thereof constitute reproduction or imitation of their mark TROPICANA, which is both well-known [section 35(1)][2] and entitled to protection under the Paris Convention [section 35(3)][2][4]. Therefore TROPICANA would indeed present an obstacle to the registration of TROPIC GLOW as they trade under cosmetics (*lipsticks*) [5], which are indeed identical or similar goods and services, and the proprietors of TROPICANA may argue that use of TROPIC GLOW is likely to cause deception or confusion [section 10(6)][2].

Unless Aroma Company can demonstrate that the TROPIC GLOW trade mark constitutes “*honest concurrent use*” [section 14(1)][2], or unless they can obtain consent from the proprietors of the TROPICANA trade mark, then Aroma Company may face obstacles in that the proprietors may oppose registration on the grounds that TROPIC GLOW would likely confuse or deceive [section 10(14)][2], or constitute unfair advantage or competition through the dilution of the good-will of TROPICANA [section 10(17)][2].

Should Aroma Company proceed to use the TROPIC GLOW mark, without consent from the proprietors of the TROPICANA mark, they may find themselves as respondents to infringement proceedings

brought against them by the proprietors of TROPICANA, as the provisions of [section 34][2], and as per the instance in South African case law, *McDonald's Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd*; *McDonald's Corporation v Dax Prop CC*; *McDonald's Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd and Dax Prop CC* [7], where the respondent Joburgers infringed on the plaintiff's trade mark *McDonald's*, through the unlawful use of the similar *MacDonald's* mark.

Application Number 2000/764 TROPIC LIGHT in class 3

Without demonstration of prior use [section 9(2)][2] or consent from the proprietors of the TROPIC LIGHT trade mark, they may oppose registration of the TROPIC GLOW mark, on the grounds that it constitutes a mark so similar to their prior application that it would be likely to cause deceit or confusion [section 10(15)].

Moreover, provided that the proprietors of TROPIC LIGHT have advertised their application for registration in the prescribed manner [section 17][2], then Aroma Company may themselves file an opposition to that registration [section 21][2], should they be able to demonstrate that registration of TROPIC LIGHT is contrary to the existing rights of Aroma Company and its subsequent registration of the TROPIC GLOW mark [section 10(16)][2].

Lastly, in light of all of the above considerations, the registrar may permit registration of the TROPIC GLOW trade mark but possibly subject to a number of disclaimers pertaining to the TROPICAL, TROPICANA and TROPIC LIGHT trade marks respectively, as the provisions of [section 15][2].

(c) What must Aroma Company establish in order to succeed with any infringement action against Beaver Company? [25]

As per the provisions of [section 34(1)(a)][2], Aroma Company may institute infringement proceedings against Beaver Company for its unauthorised use of the TROPICLEAN mark in class 3 in respect of cosmetic products (*hair lotions*) [5], and its similarity to the registered trade mark TROPIC GLOW. As per the provisions of [section 34(5)][2] before Aroma Company can institute any proceedings in terms of infringement, they will be required to give written notice of such intention to all users concerned in the register and said users are also entitled to intervene and recover any damages they also may have suffered as a result of the infringement. In order to succeed with any infringement proceedings against Beaver Company, Aroma Company must demonstrate (i) probability of deception or confusion, (ii) unauthorised use and (iii) infringement in relation to goods or services for which trade mark is registered.

Existence of a probability of deception or confusion

Aroma Company is required to demonstrate that the allegedly infringing mark TROPICLEAN is indeed used as a trade mark for the purpose of indicating the origin of Beaver Company's goods. This follows directly from the similarity between the infringing trade mark of the hair products TROPICLEAN and that of Aroma Company's TROPIC GLOW cosmetics, [5]. Moreover Beaver Company has commenced marketing the infringing product in similar packing to that used by Aroma Company and thus create the impression of a material link between the Beaver Company's TROPICLEAN and Aroma Company's TROPIC GLOW, which is likely to cause deception or confusion.

Alleged infringing use must be unauthorised

Aroma Company need only demonstrate that they have not provided any consent to Beaver Company to use their trade mark, through either assignment, transmission, sale, hypothecation or license [sections

(39), (40) and (41)][2]. Specifically they must establish that use of the infringing mark does not constitute permitted use, and that Beaver Company are not considered to be registered users, as per the provisions of [section 38][2].

Alleged infringing use must be in relation to goods or services for which the TROPIC GLOW is registered

TROPIC GLOW is registered in class 3 in respect of cosmetics products. TROPICLEAN is marketed as a hair products, which is indeed a cosmetic product. This follows naturally.

Alleged infringing use not protected by provisions of [section 34(2)]

Aroma Company must demonstrate that TROPICLEAN does not constitute bone fide use of a (i) name of person or their predecessors, (ii) nor their place of business, [section 34(2)(a)][2] - of which it would be easy to demonstrate that TROPICLEAN is not; a description or indication of the nature or intended purpose of said goods, [section 34(2)(b-c)][2] - again TROPICLEAN is neither; no consent has been approved, [section 34(2)(d)][2]; the similar packaging of TROPICLEAN to that used by Aroma Company in TROPIC GLOW is for deceptive and not utilitarian purposes [section 34(2)(e)][2]; and TROPICLEAN is not a registered trade mark, [section 34(2)(g)], simple search of the trade marks register will resolve this.

Relief that Aroma Company may pursue

Aroma Company should be advised that it is not easy to succeed in any infringement proceedings, as the example in South African case law between *Verimark (Pty) Ltd v BMW AG* [8] demonstrates. Where the Supreme Court of Appeal found in favour of the initial respondent Verimark against the plaintiff that initiated the infringement proceedings Bayerische Motoren Werke Aktiengesellschaft (BMW), where BMW failed on appeal in an attempt to seek an interdict for unfair competition through dilution of the good will of their brand, via the use of their BMW logo on a varnishing product from Verimark, where Judge Stevens said:

“I fail to see how the use of the logo can affect the advertising value of the logo detrimentally. A mental association does not necessarily lead to blurring or tarnishing.”

Regardless however, Aroma Company may seek relief against Beaver Company, from a High Court having jurisdiction, in the form of an interdict [section 34(3)(a)][2], removal of the infringing mark or delivery of the infringing goods [section 34(3)(b)][2], damages or reasonable royalties [sections 34(3)(c-d) and 34(4)][2].

(d) Advise Aroma Company whether any formalities are necessary and/or advisable to protect its trade mark rights. [25]

As per the provisions of [section 38(1)][2], Clover Company may use the TROPIC GLOW trade mark as a licensee with consent from the proprietor Aroma Company. Permitted use of the TROPIC GLOW mark by Clover Company shall be deemed as use by the proprietor for statutory purposes, [section 38(2)][2]. Moreover given that [section 38(3)][2] pertains specifically to registration as a registered user in respect of “all or any of the goods or services”, implies that a license may be granted for use on only some of the goods for the trade mark is registered, on condition that such use is neither deceptive nor confusing. It would be advisable for Aroma Company to explicitly articulate exactly which goods and / or services they would like to appoint Clover Company as a licensee.

Aroma Company should be aware that they may be called upon by Clover Company to institute infringement proceedings in respect of TROPIC GLOW, and should Aroma Company not do so within two months after being so called upon, Clover Company may independently institute such proceedings as if they were the proprietors of the mark as per the provisions of [section 34][2]. In fulfilling the licensee agreement, Aroma Company will be required to apply in writing to the registrar in the prescribed manner, proposing the registration of Clover Company as a registered user in respect of the TROPIC GLOW mark, furnishing the registrar with the (i) name and address of Clover Company [section 38(6)(a)][2], (ii) the existing and / or proposed relationship between Aroma Company and Clover Company [section 38(6)(b)][2], (iii) the goods or services in respect of which Clover Company is to be registered as a registered user of TROPIC GLOW, [section 38(6)(c)][2].

Clover Company will be required to inform the public of the license agreement through public notification and ensure that it is recorded in the trade mark register as a registered user, [section 38(3)-(7)][2]. This will enable Clover Company to institute proceedings for infringement against use by others of the registered trade mark TROPIC GLOW, in respect of the cosmetic goods to which their license pertains, should Aroma Company fail to do so, as per the provisions of [section 34][2].

Should Aroma Company desire to have the license revoked or amended, they will need to apply to the registrar in writing, in the prescribed manner [section 38(8)(a)][2]. Moreover the registrar shall cancel the license should the mark be assigned as per [section 40][2], unless the new proprietor makes provisions for the extension of said license as per [section 38(6)][2]. Lastly, the license may be revoked, should the TROPIC GLOW mark cease to be registered in respect of class 3 - cosmetics, [section 38(9)][2].

References

- [1] Patents Act No. 57, 1978. [Online]. Available: <http://www.wipo.int/wipolex/en/details.jsp?id=6256>.
- [2] Trade Marks Act No. 194, 1993. [Online]. Available: http://www.wipo.int/wipolex/en/text.jsp?file_id=130446.
- [3] Agreement on Trade-Related Aspects of Intellectual Property Rights, 1994. [Online]. Available: https://www.wto.org/english/tratop_e/trips_e/trips_e.htm.
- [4] Paris Convention for the Protection of Industrial Property, 1883. [Online]. Available: http://www.wipo.int/treaties/en/text.jsp?file_id=288514.
- [5] NICE Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, 1957. [Online]. Available: <http://www.wipo.int/nicepub/>.
- [6] *Cadbury (Pty) Ltd v Beacon Sweets & Chocolates (Pty) Ltd*, 2000 (2) SA 771 (SCA).
- [7] *McDonald's Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd; McDonald's Corporation v Dax Prop CC; McDonald's Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd and Dax Prop CC*, 1997 (1) SA 1 (A).
- [8] *Verimark (Pty) Ltd v BMW AG*, 2007 (6) SA 263 (SCA).