

SOUTH AFRICA / JUDGMENT

Bata Ltd v Face Fashions CC and Another (206/98) [2000] ZASCA 192; 2001 (1) SA 844 (SCA) (29 September 2000)

[2000] ZASCA 192

COURT

Supreme Court of Appeal

BEFORE

Smalberger, Vivier, Nienaber, Harms, Melunsky

CASE / FILE NUMBER

206/98

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REPUBLIC

OF SOUTH AFRICA

IN

THE SUPREME COURT OF APPEAL

OF

SOUTH AFRICA

REPORTABLE

Case number: 206/98

In

the matter between:

BATA
LIMITED
Appellant
and
FACE
FASHIONS CC
1st
Respondent
MICHAEL
TERRENCE GORMLEY 2nd
Respondent
CORAM: SMALBERGER,
VIVIER, NIENABER, HARMS JJA
and MELUNSKY AJA
HEARD: 7
SEPTEMBER 2000
DELIVERED: 29
SEPTEMBER 2000

Trade
marks - alleged infringements - sections 34(1)(a) and (c) of the
Trade Marks Act, 1993

JUDGMENT

MELUNSKY AJA :

[1] On 19 November 1997 Meskin J reserved judgment in an opposed application brought by the appellant against the respondent in the Durban and Coast Local Division. Thereafter he prepared a draft of a judgment in manuscript. During December 1997, and before

judgment was delivered, the learned judge was regrettably killed in a motor vehicle accident. In January 1998 the parties to the

application agreed to be bound by the draft subject to their rights of appeal. Pursuant to the agreement Broome DJP handed down the late Meskin J's draft as a judgment of the Court and in terms thereof ordered that the application be dismissed with costs. Some months later Galgut J granted the appellant leave to appeal to this Court against the judgment and order. In the circumstances the appeal is properly before us.

[2] The appellant is a company incorporated under the laws of Canada. It is the proprietor of a number of trade marks which were duly registered in class 25 under the Trade Marks Act, 62 of 1963. For the purposes of the appeal six of the trade marks have relevance, namely:

Trade Mark B71/4510, consisting of the word "Power", with date of registration 4 October 1971, in respect of "all

footwear";

Trade Marks B76/2864 and B76/2866, each consisting of the word "Power" and device, with dates of registration 9 June 1976, in respect of "all footwear";

Trade Mark 83/4033, consisting of the words "Power Points", with date of registration 23 June 1983, in respect of "articles of clothing including footwear of all kinds"; Trade Mark 84/2701, consisting of the word "Power", with date of registration 3 April 1984, in respect of "articles of clothing";

Trade Mark B84/4186, consisting of the word "Power" and device, with date of registration 9 May 1984, in respect of "clothing, including boots, shoes and slippers".

Futura Footwear Limited (“Futura”) is a company incorporated under the company laws of South Africa with its principal place of business in Pinetown, KwaZulu-Natal. It is licenced and permitted by the appellant to use approximately 400 trade marks which the appellant holds, including the six specified above. Futura uses the Power and Power and device marks on footwear which it both manufactures and imports for re-sale in South Africa and Southern Africa. It also sells items of clothing on which the said trade marks are displayed.

- [3] The second respondent is a member of the first respondent, a close corporation which carries on business in Kloof, KwaZulu-Natal. He is also a member of another close corporation, Power House CC, which carries on business at the same address as the first respondent. Power House CC is authorised by the first respondent to manufacture and sell clothing under the name “Power House” or “Powerhouse”, usually, but not invariably, accompanied with a distinctive dog device. The first respondent and Power House CC have consistently used these trade marks on clothing since 1987 and on 3 July 1997 the first respondent became the registered proprietor of the dog device.
- [4] The appellant seeks an order restraining the respondents from, inter alia, making or selling articles of clothing “bearing the trade marks Power or Power House or Powerhouse”. In addition it sought an order interdicting the respondents from passing off the said clothing *“as having an association or being connected with the business or goods of the [appellant]”*.
- [5] The issues relied upon on the appellant’s behalf in this Court are considerably narrower than those raised in the court a quo and in the heads of argument which, I add, were not prepared by the appellant’s leading counsel on appeal. In this Court counsel expressly disavowed placing reliance upon passing off and confined his argument to the submission that the respondents had infringed the appellant’s trade mark registrations in terms of ss 34(1)(a) and (c) of the Act. A submission that the respondents had infringed the registrations in terms of s 34(1)(b), which was raised in the court a quo, was not persisted in on appeal.
- [6] Before dealing with the essence of the appellant’s argument relating to the alleged s 34(1)(a) infringement, one matter, which initially seemed to be a point of contention, may be disposed of. It concerns a submission raised on the appellant’s behalf in the court a quo and the heads of argument to the effect that the mere use of the word “Power” by the respondents, although not used alone but in conjunction with another word, constitutes an infringement simply because it is “use ... of an identical mark”. This submission, too, was not persisted in on appeal. Indeed, I understood counsel to accept, quite correctly in my view, that the argument could not prevail in view of the judgment of Schutz J in *Standard Bank of South Africa Ltd v United Bank Ltd and Another* 1991
- (4) SA 780 (T) at 786 et seq. It is only necessary to mention that although *Standard Bank* was decided under the Trade Marks Act of 1963, which made no express reference to an identical mark, this Court held in *Berman Brothers (Pty) Ltd v Sodastream Ltd and Another* 1986

- (3) SA 209 (A) at 232H-233A, that the reference to the use of a mark “so nearly resembling” a registered mark in the 1963 Act,

impliedly included the use of an identical mark (see Standard Bank at 786 E-G and 795I).

- [7] In the result it was not contended on the appellant’s behalf that the infringement in terms of s 34(1)(a) consisted in the respondents’ use of an identical mark. The contention was that the respondents make use of a mark so nearly resembling trade marks 83/4033, 84/2701 and B84/4186 (in so far as the latter mark relates to clothing) as to be likely to deceive or cause confusion. The respondents do not dispute that the appellant and Futura make extensive use of the word “Power”, with

or without a device, on footwear and particularly on boots and shoes worn for sporting activities. They contend, however, that very little use is made of the mark on clothing and, moreover, that its use on clothing is confined to sportswear such as tracksuits, shorts, shirts and sweat tops, whereas the first respondent and Power House CC use the “Power House” name on a different type of clothing, namely leisure wear worn by the “trendy youth”. The short answer to the respondents’ contention is that in infringement proceedings a Court has regard to the notional use to which the plaintiff may put its mark, that is to

“all possible fair and normal applications of the mark within the ambit of the monopoly created by the terms of the registration ...”

(Plascon-Evans Paints Ltd v Van Riebeeck Paints (Pty) Ltd

- [1984] ZASCA 51; 1984 (3) SA 623 (A) at 641H-I). The trade marks relied upon by the appellant in respect of the alleged infringement under s 34(1)(a) relate to clothing generally. Consequently the nature of the clothing on which the mark appears, the market aimed at by the appellant and the volume of its clothing sales are irrelevant considerations. It is therefore clear that the respondents’ use of the word “Power House” is in relation to goods in respect of which three of the appellant’s trade marks are registered.

- [8] The only question that has to be decided in respect of the alleged infringements under s 34(1)(a) is whether the appellant has established that a substantial number of persons will probably be deceived into believing or confused as to whether there is a material connection in the course of trade between the respondents’ clothing and the appellant’s trade mark (see Plascon-Evans at 640G-I).
- [9] In considering this issue it is appropriate to apply the principles summarized by Corbett JA in Plascon-Evans at 641A-E to the facts of the case. These principles are well known and need not be repeated in detail. It suffices to say that not only should the marks be compared side by side but consideration must be given to whether the average customer in the market place would probably be deceived or confused by their similarity. Corbett JA made it clear that the main or dominant features of the marks in question as well as the general impression and any striking features were all factors to be considered in deciding whether there was a likelihood of confusion or deception. A similar approach was adopted by the

European Court of Justice in *Sabel BV v Puma AG, Rudolf Dassler Sport* [1998] RPC 199. At 224 it was said that the likelihood of confusion must “be appreciated globally” and that the

“global appreciation of the visual, aural or conceptual similarity of the marks in

question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components.”

(See also *The European Limited v The Economist Newspaper Limited*

[1997] EWCA Civ 2771; [1998] FSR 283(CA) at 290.)

[10] Counsel for the appellant submitted that the common element in both marks, the word “Power”, was likely to lead to confusion despite the fact that it is used in combination with the word “House” on the first respondent’s clothing. If full effect is given to this argument it would result in the appellant having a virtual monopoly to use the word “Power”

on clothing. According to the evidence, however, there are numerous trade mark registrations in South Africa in respect of clothing which incorporate or include the word “Power”. It is an ordinary word in everyday use, as distinct from an invented or made-up word, and it cannot follow that confusion would probably arise if it is used in combination with another word.

[11] What has to be considered, therefore, is whether the notional customer of average intelligence, viewing the marks as a whole or looking at the dominant features of each mark, is likely to be confused or deceived into believing that clothing bearing the

words “Power House” have a connection in the course of trade with the “Power” trade mark. In deciding this issue I have regard only to the respondents’ Power House mark without the distinctive dog device. In my view the common element of the appellant’s and the first respondent’s marks is of minor significance when the marks are looked at as a whole. It is not possible to ignore the word “House” in the first respondent’s mark. I have considerable difficulty in imagining that the notional purchaser of the first respondent’s clothing would focus attention only on the word “Power”. The word “House” is as significant as the word “Power” and the two words used together sufficiently distinguish the first respondent’s clothing from that of the appellant.

[12] The result is the same whether the two marks are viewed side by side or in the market place where clothing is sold. The overall impression which is created is that the marks do not resemble each other closely and the average customer would not be confused or deceived into believing that clothing bearing the “Power House” mark is clothing made or sold by the appellant.

Accordingly it has not been established that the marks resemble each other so closely that deception or confusion is likely to arise. The appellant’s contentions based on s 34(1)(a) must therefore fail.

[13] The remaining argument relates to the respondents' alleged infringement of the appellant's trade marks registered

in respect of footwear on the respondents' clothing in terms of s 34(1)(c) of the Act. The section was introduced for the first time in 1993 to provide protection against the dilution of a registered trade mark by the unauthorised use of an identical or similar mark in relation to any goods or services, notwithstanding the absence of confusion or deception. A plaintiff who relies upon an infringement in terms of s 34(1)(c) needs to establish:

(a) the defendant's use of a mark identical or similar to the plaintiff's registered mark;

(b) that the use -

(1) is unauthorised; and

is in the course of trade; and

(3) would be likely to take unfair advantage of, or be detrimental to, the distinctive character or the repute of the plaintiff's registered mark; and

(c) that the plaintiff's registered mark is well known in the Republic.

(The proviso to s 34(1)(c) has no application to this matter.) For the purposes of the appeal requirements (b)(i) and (ii) are not in issue. Furthermore, and despite a submission to the contrary by the respondents' counsel, it seems reasonable to hold that the appellant's "Power" mark on footwear is well known in South Africa. The essential matters in dispute

relate to requirements (a) and (b)(3).

[14] The appellant's counsel did not contend that the first respondent's mark on clothing and the appellant's mark on footwear were identical. He submitted, however, that they were similar and that the similarity consisted in the use of the word "Power" which is common to both marks. This submission must be considered without reference to the likelihood of confusion or deception. The word "similar" is "almost always a difficult word to construe" (see *Union Government (Minister of Finance) v Gowar* 1915 AD 425 at 443). As Schreiner ACJ mentioned in *R v Revelas* 1959 (1) SA 75 (A) at 80 B-C, there are

"degrees of similarity or likeness, some approaching, and exceptionally perhaps even reaching, sameness, others amounting to no more than a slight resemblance. The similarity may be basic or superficial, general or specific".

"Similar" must obviously be construed in the context in which it appears and in my view it should not be given too wide or extensive an interpretation for the purposes of s 34(1)(c). The section, while seeking to preserve the reputation of a registered mark, introduces a new concept into South African law. If the word "similar" is given too extensive an interpretation the section might have the effect of creating an unacceptable monopoly to the proprietor of a trade mark and thus unduly stultify freedom of trade. I doubt whether the legislature could have intended such a result. I am inclined to hold, therefore, that the section does not apply if the two marks are similar merely because they contain

features of the same kind or because there is a slight resemblance between them. In OED (vol XV, p 490) one of the meanings given to “similar” is “having a marked resemblance or likeness”. This seems to be an appropriate meaning to be given to the word for the purposes of the section. The first respondent’s mark might possibly be regarded as having a slight or superficial resemblance to those of the appellant but the likeness between the two is not sufficiently close or marked to enable this Court to hold that they are similar for the purposes of s 34(1)(c).

- [15] Although that effectively disposes of the appellant’s argument, I should briefly deal with the submission, put forward on its behalf, that requirement (b)(iii) above was satisfied. The deponent to the founding affidavit stated that the appellant’s trade mark registrations had been infringed because, inter alia –

“By using the word POWER, the word POWERHOUSE or words POWER HOUSE, the Respondents are making unauthorised use in the course of trade, in relation to clothing, of marks which are either identical or similar to the Appellant’s registered marks which are well known within the Republic; and the use of such marks is likely to take unfair advantage of and be detrimental to both the

distinctive character and the repute of the Appellant’s registered trade marks.”

The aforesaid statement is merely a repetition of the section. It amounts to nothing more than a conclusion of law. No particulars were furnished of the respects in which the use of the mark would be likely to take unfair advantage of or be detrimental to the distinctive character or repute of the appellant’s trade marks. In the absence of evidence to support the contention put

forward in the affidavit it is in this case not possible to hold that requirement (b)(iii) was established. On this point, too, the appellant cannot succeed.

- [16] The result is that the appeal is dismissed with costs.

.....

L S MELUNSKY

ACTING JUDGE OF APPEAL

CONCUR:

SMALBERGER JA)

VIVIER JA)

NIENABER JA)

HARMS JA)

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