

SOUTH AFRICA / JUDGMENT

Kansai Plascon (Pty) Ltd v Duram (Pty) Ltd (38106/14) [2015] ZAGPPHC 44; 2015 BIP 202 (GP) (29 January 2015)

[2015] ZAGPPHC 44

COURT

North Gauteng High Court, Pretoria

BEFORE

Lebala

CASE / FILE NUMBER

38106/14

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IN

THE HIGH COURT OF SOUTH AFRICA

(GAUTENG

DIVISION, PRETORIA)

CASE NO: 38106/ 14

DATE: 29 JANUARY

2015

NOT REPORTABLE

In the matter

between:

KANSAI PLASCON

(PTY)

LTD.....OPPONENT

(APPLICANT)

and

DURAM (PTY)

LTD.....TRADE

MARK APPLICANT

(RESPONDENT)

JUDGMENT

LEBALA AJ:

1. The Applicant in this application is Kansai Plascon (Pty) Ltd hereinafter referred to as applicant "Kansai". The applicant is a South African company trading in paints, lacquers, paint brushes, preservatives against rust and similar products.
2. The respondent is Duram (Pty) Ltd hereinafter referred to as the respondent. The respondent is also a South African company that produces and supplies specialist paints including "direct to metal" "DTM" coatings, ie, the subject of contention before court. The respondent's DTM product is an all in one metal paint which acts as a primer undercoat, anti-rust coating and top coat. The respondent has applied for the registration for the subject mark "DTM" under trade mark application in class 2. This class 2 is in respect of:

"paints, varnishes, lacquers; preservatives against rust and against deterioration of wood; colourants; mordants; raw natural resins;

metal in foil and powder form for painters, decorators, printers and artists'.

3. The application before court has been referred from the Tribunal of the Registrar of trade marks, under the direction of the Registrar of trade marks in terms of section 59 (2) of the Trade Marks Act 194 of 1993 "Act'.
4. The respondent intends to make use of the abbreviation "DTM" in relation to all in one metal paint which acts as primer, undercoat, anti-dust, coating and top coat falling within the metal coating category.
5. From the foregoing, it is manifest that the respondent "Duram" is the applicant for registration of the trade mark. The applicant "Kansai" is the applicant in this application opposing the respondent's trade mark registration.
6. It is trite that for a trade mark to qualify for registration, it must comply with the provisions of section 9 of the Act. The provisions of section 9 state:

9(1) in order to be registrable, a trade mark shall be capable of distinguishing goods or services of a person in respect of which it is registered or proposed to be registered from goods or services of another person either generally or, where the trade mark is registered or proposed to be registered subject to limitations, in relation to use within those limitations.

9(2) a mark shall be considered to be capable of distinguishing within the meaning of subsection (1) if, at the date of application for registration, it is inherently capable of so distinguishing or it is capable of distinguishing by reason of prior use thereof.

7. The issue of onus became contentious before court. I have decided to deal with it at the outset. The applicant “Kansai” bears the onus inasfar as this application is concerned. The respondent “Duram” has a duty to produce evidence to rebut the applicant’s application. On this basis, the applicant has got an onus. The respondent “Duram” has the overall onus to demonstrate that the mark qualifies for registration. Both parties have an onus in the matter before court. The question of who had a duty to begin was not contentious before court. On this basis, the applicant “Kansai” began with its submissions.

CONTENTIONS

APPLICANT’S

8. It has been contended on behalf of the applicant “Kansai” that the use of the mark “DTM” is not intended to be used as a trade mark but rather as a description of the type of paint sold by the respondent, being direct to metal. The applicant “Kansai” further contends that the term DTM is used in a generic manner to refer to a broader range of products that can be directly applied to metal. On this basis, the applicant contends that the term “DTM” cannot be monopolised by any trader. The respondent should not be allowed the monopoly of the term.
9. The applicant “Kansai” demonstrated in evidence on how the respondent has made use of the term “DTM”. Reference has been made to various annexures including annexure P13, page 39 (F/A) of the papers. I deal with the evidence of use in the subsequent paragraphs hereinbelow.
10. The applicant contends that the term “DTM” is used to describe the type of paint. It does not distinguish respondent’s goods from others as envisaged by section 9 of the Act. I have been urged to apply my discretion to allow the descriptive term “DTM” for others to use it.

USAGE OF “DTM” BY APPLICANT

- (i) Reference has been made to annexure P2, page 13 (F/A) demonstrating that the term “DTM” is an abbreviation for direct to metal. The applicant contended that “DTM” is a type of paint but is also inclusive of other products. For instance, reference is made to “DTM” being used as a decorative and protective finish on interior mild steel, galvanised steel, timber and masonry. (See: para 2 headed: General Purpose Enamel DTM). (Annexure P2, page 13-14(F/A)).
- (ii) Reference has also been made to paragraph 3 headed: Plascosafe 500DTM to demonstrate usage by applicant.
- (iii) Reference has also been made to annexure P3, page 15 (F/A) which is a search engine dated 9 October 2012 demonstrating that the term “DTM” is used in foreign markets including South Africa.

- (iv) Reference has also been made to annexure P20, page 128 demonstrating that although Halox Distributors are based in the United States, there is a South African company, ie, IMCD Pty Ltd recorded as the local distributor for Halox in South Africa of its direct to metal range. (See also: Annexure P3, page 15-16(F/A).
- (v) The applicant has demonstrated instances of the use of the term “DTM” including use by the respondent. On this basis, the applicant contends that the public perceives the term “DTM” as a type of paint or furnish and therefore the respondent can’t say it’s a mark capable of distinguishing. The applicant contends that the abbreviation “DTM” is interchangeable and if respondent is granted monopoly this will affect business at large .
- (vi) The respondent itself uses “DTM” as adumbrated by annexure P13, page 39(F/A) paragraph, 4.11, page 51 (A/A), paragraph 4.16, page 52 (A/A). On this basis, the applicant contends the generic and descriptive use of the mark. Therefore the respondent uses this as a descriptive term.
11. The applicant further contends that the registration of “DTM” should be prohibited in terms of the provision of section 10(1), (2), (3), (4) and (5) of the Act. Of significance the applicant contends that the term “DTM” does not constitute a mark as it is not capable of distinguishing within the meaning of section 9 of the Act. The applicant further contends that the term “DTM” not only covers paints as contended by the respondent. This is so as if it is generic, accordingly it is so for all types of goods. It is not distinguishing any goods but it is descriptive of paint and the rest of the goods that it is applied for. On this basis, the applicant contends that the term includes the greater specification.
12. In dealing with the respondent’s attack that when the latter applied for registration of the trade mark during 6 September 2011, it was not generic, I summarise the applicant’s contentions briefly herein below.

RESPONDENT’S

13. The respondent contends that when it applied for the registration of the trade mark on the 6 September 2011, it was not generic. This is so as the Registrar accepted it as being capable of distinguishing or capable of distinguishing by reason of prior use thereof.
14. According to the respondent the Court has to decide this matter on statutory grounds only. Whether the term “DTM” is generic is irrelevant. The date of application of the trade mark, ie, 6 September 2011 is very critical to decide this matter. This is so, as the provisions of section 9(2) of the Act couched in peremptory terms, demonstrate the importance of the date of registration. Accordingly, the issue before court is: whether on the 6 September 2011, ie, the date of application for registration, the mark is inherently capable of so distinguishing or it is capable of distinguishing by reason of prior use thereof? The respondent further contends that the provisions of section 9(2) of the Act are applicable.

15. It is contended by the respondent that the test to be applied is the date of application for registration as adumbrated by section 9(2) of the Act. There is no need to consider and look at what happened after the 6 September 2011.
16. According to the respondent, the applicant is not without a remedy. This is so as accordingly, the provisions of section 24 of the Act gives parties including the applicant the right to expunge the mark thereby demonstrating it wrongly remains on the register. Accordingly, when the mark was registered on the 6 September 2011, it was not generic but it was distinguishable hence it was registered.
17. The respondent further contends that a person's rights to the mark should be determined at the date of application for registration as such rights arise on the date the trade mark is registered. Accordingly the respondent who is in the position similar to that of a trademark proprietor has rights that should not be undermined.
18. On this basis, the respondent contends that the court should deal with this issue as matter of law and not interpretation. This is so as section 9 of the Act is capable of so distinguishing at the date of application.

See: On-line Services (Pty) v National Lotteries Board and Another¹

19. The respondent further contends that any evidence of use put up by the applicant referred to in the preceding paragraphs hereinabove, makes no difference. To be specific, reference to annexures P2(page 13) (F/A), P3(page 15-16)(F/A), P4 (page 17)(F/A), P5-13(pages 19-39) (F/A) deserve no merit, moreso, as some of the entities referred in these annexures relate to trade marks of entities outside South Africa.
20. I find the debate dealing with evidence or assertions made about trade marks outside of South Africa being neither here nor there. It doesn't take issues beyond dispute. This is so as trade marks deal with both ownership and use of the marks. To say a trade mark is a purely territorial concept, albeit true does not take issues beyond dispute in this application.

ANALYSIS

21. Having listened to the submissions before court, I am persuaded that the respondent only became aware of the knowledge advertising the status of the applicant's application for registration only after 6 September
2011. From the records as adumbrated by annexure P1 (page 12) (F/A) it is manifest that the details of advertising the respondent's application for registration became available around August 2012. From around August 2012, ie, the date of publication of the advertisement, the period to oppose the application for registration started. The applicant diligently started the process of dealing with this challenge from that moment.

22. Equally important is the fact that from the 9th October 2012, the applicant engaged in a phase of program to address its challenge to the application for the respondent's registration. Annexure P2(page 13)(F/A), annexure P3(page 15-16) (F/A) and annexure P4(Page 17-18) (F/A) are all dated the 9th October 2012 and positively address this issue. This amply demonstrates that within two months after the applicant became aware of the publication of the respondent's application for registration adumbrated by annexure P1(page 12) (F/A), the respondent acted diligently in starting the process of challenging the respondent's registration. On this basis, the respondent's reliance on the statutory argument to the effect that as at 6 September 2011 the mark was not generic but it was distinguishable hence it was registered falls by the wayside.
23. I also note the affidavits of Brian Raymond Bailey, pages 135-138(R/A) and Godfrey Pangeti (pages 142-144) (R/A) which deal with the fact that other entities than the applicant regard high build direct to metal finish as further evidence that the term "DTM" is a generic term used as an abbreviation for direct to metal.

(See also: Paras 4- 5, page 136 (Bailey's affidavit);

Para 5-6, page 143 (Pangeti's affidavit).

24. The abovesaid piece of evidence has been brought to the fore by the respondent's allegations in paragraph 4.9.3 (page
- 49) (A/A). In this paragraph, the respondent asked for an indication that the products of Sharpshell Industrial Solutions to which Mr. Pangeti is a Managing Director are available in South Africa including the extent of the use and availability in South Africa which is also dealt with by Bailey's affidavit. In my considered view, these affidavits are not out of place. They amply demonstrate use and availability in South Africa.
25. The term "DTM" is an all in one metal paint which acts as a primer, undercoat, anti-rust coating and top coat. This is a mark applied directly to metal. It makes no difference how one calls it. Its example of use is not confined to paint. Even by the respondent's own admission, the "DTM" term is an all in one metal paint which acts in different instances. Of significance is that it gets to be applied to metal. Annexure P3 (pages 15 - 16)(F/A) amply demonstrates that the term "DTM" is not exclusively confined to use the word paint but it is applied direct to metal applicable to any type of goods applied to the specification. (See also: annexure P6 (page 23-24) (This refers not to paint but to DTM primer which is a 100% acrylic. This is inclusive of mark coatings DTM primer demonstrating outstanding adhesion and corrosion resistance on metaaic surfaces). Clearly this is not confined to paint.

FINDINGS

26. I am persuaded that the respondent's own use of the mark "DTM" is not intended to be used as a trade mark but rather as a description of the type of paint sold by it, being direct to metal.

27. The respondent as a trade mark applicant has not been able to tip the scales of probabilities in its favour insofar as its overall onus is concerned. On this basis, I cannot find that the trade mark should proceed to registration.
28. I am persuaded that the term "DTM" is used in a generic manner to refer to a broader range of products that can be directly applied to metal. It is a generic mark that cannot be monopolised by any trader including the respondent. The respondent should not be allowed the monopoly of the term "DTM".
29. The following order is made:
- 28.1 The applicant "Kansai" opposition succeeds;
- 28.2 The respondent "Duram" registration of trade mark application no: 2011/21989 DTM in class 2 is declined;
- 28.3 The respondent "Duram" to pay the costs.

LEBALA, AJ

JUDGE OF THE HIGH COURT

1 2010(5) SA 349 (SCA) at [13]

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Prepared on 14 October 2026 · Esheria