

SOUTH AFRICA / JUDGMENT

**M-Systems Group (Pty) Ltd v Cochrane Steel
Products (Pty) Ltd (61028/2015) [2016]
ZAGPPHC
677; 2016 BIP 228 (GP) (10 August 2016)
[2016] ZAGPPHC 677**

COURT

North Gauteng High Court, Pretoria

BEFORE

AC Basson

CASE / FILE NUMBER

61028/2015

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REPUBLIC OF SOUTH
AFRICA
IN THE HIGH COURT OF
SOUTH AFRICA
GAUTENG DIVISION,
PRETORIA

DATE:

10/8/2016

CASE

NO: 61028/2015

Reportable:

No

Of

interest to other judges: No

Revised.

M-SYSTEMS

GROUP (PTY)

LTD Applicant/Opponent

and

COCHRANE

STEEL PRODUCTS (PTY)

LTD Respondent/Trademark

Applicant

JUDGMENT

AC BASSON, J

- [1] “In a globally competitive business world a trademark can be the single most valuable asset for a company..... A trademark with a good image and reputation enhances the goodwill of a company and provides it with a competent edge:

“Trademark law aims to aid consumers in identifying the source of goods by allowing producers the exclusive right to particular identifying

words . . . which they may attach to their products as a designator of source.”

(Thomas & Betts Corp v Panduit Corp

[1995] USCA7 1185; 65 F 3d 654 (7th Cir 1995).[1]

In this regard it was also stated in Mars GB Ltd v Cadbury Ltd[2] with reference to the function of a trademark:

“A trademark is a flag planted to identify the fact that you are in a particular trader’s territory.”

- [2] Cochrane Steel Products (Pty) Ltd (the trademark applicant - hereinafter referred to as “the applicant”) has applied to register the mark “CLEARVU” in the name of the trademark applicant in respect of classes 6 and
37. The marks are sought to be registered in class 6 in respect of “non-electric cables and wires of common metal; metal fences; metal mesh; pipes and tubes of metal” under trademark application number 2010/13544. The applicant also sought to register the mark in class 37 in respect of “building construction; repair; installation services “under trademark number 2010/13545 (“the opposed applications”).
- [3] The deponent to the applicant’s founding affidavit - Mr Cochrane (“Cochrane”)
- is the Group Marketing Director of the applicant. He has been actively involved with the development of the CLEARVU products since the inception of the business.
- [4] M-Systems Group (Pty) Ltd (hereinafter referred to as “the opponent”) operates a business which manufactures and installs steel and other fences. The opponent brands its competing products as “M-Secure”.
- [5] Both parties therefore operate in the security fencing industry and are rival traders.
- [6] The opponent has filed an opposition to the registration of the trademark CLEARVU and seeks an order refusing the registration of the trademark application in respect of both applications (“the opposed applications”). In the alternative, the opponent seeks an order entering appropriate endorsements against both these trademarks to the effect that the applicant would not, by virtue of the registration of the marks, obtain the exclusive rights to

use the words “CLEAR”, “VIEW “or “VU” separately and apart from the trademark “CLEARVU”.

- [7] From the papers it does not appear that the opponent is opposing the registration of the CLEARVU trademark because it has rights in a confusingly similar mark. The opponent, as already pointed out, brands its competing products under the name “M Secure”. The opponent is opposing the registration on the basis that the mark is not capable of distinguishing within the contemplation of section 10(2) of the Act. The opponent brings the opposition on the grounds set out in section 10(2) of the Trademarks Act[3] (“the Act”). In addition, the opponent submits that the applicant is not able to overcome an opposition brought under section 10(2) of the Act by proving that the mark has, through extensive prior use, acquired the necessary distinctiveness as contemplated in section 9(1) of the Act.
- [8] As will be pointed out herein below, it is the applicant’s case that it does not need to rely on section 10(2) of the Act (which states that a mark shall not be registered if it is not capable of distinguishing within the meaning of section 9 of the Act) because the trademark CLEARVU “has in fact become capable of distinguishing within the meaning of section 9 as a result of use made of the mark.”[4]
- [9] The applicant criticises the opposition to the trademark registration and submits that the opponent is merely opposing the registration of the trademark because it has been making unauthorized use of the mark CLEARVU and that registration of the trademark would mean that the opponent potentially becomes exposed to a statutory infringement which may result in a claim for damages. One of the alleged unauthorized uses - according to the applicant - is the alleged unauthorised use of the CLEARVU mark in its advertising campaign and the use of the CLEARVU mark as a keyword in an advertising campaign that the opponent has conducted. The applicant has formally notified the opponent that it will sue for the statutory trade infringement once the trademark CLEARVU has been registered. This, according to the applicant, is the reason for opposing the registration of the trademark CLEARVU, which it labels as being “spurious”.
- [10] It should be pointed out that, at the time this application was heard an appeal between the same parties was pending before the Supreme Court of Appeal (“SCA”).[5] The SCA has since delivered judgment in the matter. In May 2016 the SCA dismissed an appeal against an order of the High Court refusing to interdict and restrain the respondent, M-Systems, from using the mark CLEARVU in relation to Google “AdWords” advertising. Briefly in that matter advertisements of M-Systems would be displayed upon the entry into the Google search internet search terms consisting of or comprising of the word “CLEARVU”. The appellant (Cochrane Steel Products (Pty) Ltd) contended that this was a formal unlawful competition, alternatively passing off.

- [11] The SCA concluded that, whilst accepting that the appellant has acquired a reputation in respect of its business to the extent that it became distinctive therefore, it was not persuaded that the conduct of the respondent caused, or was calculated to cause the public to be confused:

“[6] Not having any registered right in the name CLEARVU, it was for the appellant to show that the name has acquired such a reputation in relation to its business that it may be said to have become distinctive thereof (Capital Estate (above) at 925H). Whilst I am willing to accept in the appellant’s favour that it succeeded in establishing a reputation in the name CLEARVU, I entertain some doubt as to whether it established the second leg of its cause of action, namely that the respondents’

conduct caused, or was calculated to cause, the public to be confused or deceived. Whether there is a reasonable likelihood of such confusion arising is, of course, a question of fact which will have to be determined in the light of the circumstances of each case.”

- [12] I have already pointed out that the opponent is a rival trader in the security fencing industry. One of the opponent’s prominent products is the “M-Secure Fencing System”. According to the opponent this product has the characteristic of providing an aesthetically pleasing yet secure fencing system which allows a “clear view” through the fence which is the main selling point of high-density welding steel mesh panel fences. According to the opponent this product enables a clear view without compromising on the fence’s safety and strength.
- [13] The two parties are currently engaged in litigation before the Commissioner of Patents in respect of patented infringements at the suit of the applicant against the opponent.

History of the CLEARVU product

- [14] The applicant was established in 1984 as a partnership between Anglo American Corporation of South Africa and Cochrane. The company was set up to service the expanding need for perimeter security. Initially razor wire was used but gradually the product was expanded to include other forms of fencing such as steel bar fencing and mobile barriers.
- [15] In 2004 the applicant adopted the mark CLEARVU for a particular fencing product and has since marketed various kinds of security barriers under this brand.
- [16] CLEARVU products are not only marketed in South Africa but are also marketed in 142 countries which include the United States, Israel and the United Kingdom. The CLEARVU trademark has also been registered in the United States of America. Cochrane points out that this could only have been done on the basis of the use that has been made of the trademark and points out that the registration of the trademark in America likewise requires stringent “distinctiveness” requirements.
- [17] Cochrane further contends that the applicant’s fencing is virtually a national institution and that it is to be found in literally thousands of strategically placed and highly visible installations around the country. The installation of the fencing of the applicant can be

found at residential estates, industrial estates, golf estates, corporate offices, shopping centres, sport facilities, to mention but a few. At all of these installations significant exposure for the CLEARVU brand is given: Signage of the product displaying the CLEARVU mark is erected at the commencement of the contract for installation of the fencing and would remain there permanently. This, according to Cochrane, serves to enhance the reputation of the applicant's products and particularly serves to indicate and establish a connection between the applicants' (fencing) products and the use of the mark CLEARVU.

- [18] According to Cochrane the revenue generated from products under the CLEARVU brand in South Africa alone has exceeded R 500 million.
- [19] Cochrane further points out that the respective products of the applicant are often specified by architects, customers, builders and engineers with reference to the trademark CLEARVU and not with reference to the product itself. In this regard it was submitted that the inference to be drawn from these facts is that the mark CLEARVU has obtained a reputation amongst a significant percentage of the population to the extent that the mark has become associated and connected in the minds of the public and professionals with the product and consequently with the applicant.
- [20] The applicant accordingly submits that the evidence shows that the mark CLEARVU does indeed represent and is a "badge of origin" for the products of the applicant to the exclusion of all other products of its competitors in the market.

Legal framework

- [21] Section 2(1) defines a trademark as "any sign capable of being represented graphically, including a device, name, signature, word, letter, numeral, shape, configuration, pattern, ornamentation, colour or container for goods or any combination of the aforementioned".
- [22] The courts have interpreted this definition to mean that the primary function of a trademark is to denote origin which in turn performs its function of distinguishing the goods from the same kind of goods:

"The subsection must be construed so that its ambit coincides with its purpose. That purpose is to exclude from registration shapes which are merely functional in the sense that they are motivated by and are the result of technical considerations. Those are the types of shapes which came from manufacture of patentable inventions. It is those types of shapes which should not be monopolised for an unlimited period by reason of trademark registration, thereby stifling competition. Registrable trademarks are those which have some characteristic which is capable of and does denote origin."[6]

- [23] It is accepted that it is not in the interest of the public to register a trademark that cannot portray the basic function contemplated by section 9(1) of the Act which is to distinguish.[7]
- [24] Section 9(1) of the Act requires as follows –

"9 Registrable trademarks

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

[25] Section 10(2) of the Act reads as follows:

“10 Unregistrable trademarks

The following marks shall not be registered as trademarks or, if registered, shall, subject to the provisions of sections 3 and 70, be liable to be removed from the register:

- (1) A mark which does not constitute a trademark;
- (2) a mark which-
 - (a) is not capable of distinguishing within the meaning of section 9; or
 - (b) consists exclusively of a sign or an indication which may serve, 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 of rendering of the services;”

[26] Section 10(2) of the Act is subject to the following provision:

“Provided that a mark shall not be refused registration by virtue of the provisions of paragraph (2) or, if registered, shall not be liable to be removed from the register by virtue of the said provisions if at the date of the application for registration or at the date of an application for removal from the register, as the case may be, it has in fact become capable of distinguishing within the meaning of section 9 as a result of use made of the mark.”

- [27] The effect of the provision is that the applicant for a trademark may be able to overcome an opposition brought in terms of section 10(2)(a) of the Act by proving that the mark has, through extensive use prior to the date of the application for the mark, acquired the distinctiveness contemplated in section 9(1) of the Act.
- [28] As already pointed out, the opponent is opposing the registration on the grounds set out in section 10(2) of the Act. Moreover, as already pointed out, it is also submitted on behalf of the opponent that the applicant has not discharged the onus of proving that the trademark applied for has, through extensive use acquired the distinctiveness as contemplated in section 9(1) of the Act.

First enquiry: Is the mark “CLEARVU” inherently distinctive as at the date of application?

- [29] In essence the opponent submits that the mark “CLEARVU” is not capable of distinguishing the applicant’s products and services from the same kind of goods connected in the course of trade with other traders or competitors.
- [30] Whether a mark is “capable of distinguishing” has been considered by the courts on numerous occasions. If a mark is capable of distinguishing it would follow that it can perform the function of a trademark. In simple terms that would imply that the mark is capable of distinguishing or differentiating the goods in respect of which the mark is used from the same or similar kind of goods.
- [31] The opponent referred to the decision in *First National Bank of Southern Africa Ltd v Barclays Bank plc* and another[8] in support of its submission that the mark CLEARVU is not capable of distinguishing. In that matter the appellant (First National Bank) had applied for the registration of the trademarks “Premier” and “Premier Package” in relation to cheques and banking and credit card services.[9] The court concluded that the mark was purely descriptive in that it referred to the superior nature of the banking product in question.

In this matter the court, although not ruling out the possibility of such a mark being registered, cautioned against registering such a mark unless it is incapable of application to the goods of anyone else:

“[15] The next bit of evidence gives us the number of Premier cheque account and credit card accounts held by customers and the debit or

credit amounts reflected in them and also some advertising material. This evidence appears to deal with the current position and does not purport to deal with the position at the relevant date. The evidence, likewise, is of little moment. The mark, as far as I can see, was used mostly, if not invariably, in connection with FNB's obvious trademarks and as an adjective. It was also used to distinguish FNB's services one from the other: prime clients get the premier product; others do not. It is worth quoting Jacob J in *British Sugar plc v James Robertson & Sons Ltd* (the Treat case):

'I have already described the evidence used to support the original registration. It was really no more than evidence of use. Now it is all too easy to be beguiled by such evidence. There is an unspoken and illogical assumption that "use equals distinctiveness". The illogicality can be seen from an example: no matter how much use a manufacturer made of the word "Soap" as a purported trademark for soap the word would not be distinctive of his goods. He could use fancy lettering as much as he liked, whatever he did would not turn the word into a trademark. Again, a manufacturer may coin a new word for a new product and be able to show massive use by him and him alone of that word for the product. Nonetheless the word is apt to be the name of the product, not a trademark. Examples from old well-known cases of this sort of thing abound. The Shredded Wheat saga is a good example: the Canadian case is *The Canadian Shredded Wheat Co Ltd v Kellogg Co of Canada Ltd* in the Privy Council and the United Kingdom case *The Shredded Wheat Co Ltd v Kellogg Co of Great Britain Ltd* in the House of Lords. In the former case Lord Russell said:

"A word or words to be really distinctive of a person's goods must generally speaking be incapable of application to the goods of anyone else."

It is precisely because a common laudatory word is naturally capable of application to the goods of any trader that one must be careful before concluding that merely its use, however substantial, has displaced its common meaning and has come to denote the mark of a particular trader. This is all the more so when the mark has been used in conjunction with what is obviously taken as a trademark."

[32] See also: *Online Lottery Services (Pty) Ltd and others v National Lotteries Board and Others* Online Lottery Services (Pty) Ltd:[10]

"[32] But, just as the term 'motorcar' generally embraces many different manifestations both in design and name, none of which

entitles anyone to the sole trading use of the generic name, so was it with 'lotto' at the relevant time. By adopting the word

simpliciter (without adaptation or qualification) as a trademark for lottery services, the registering party simply appropriated to itself a word already in general circulation which possessed an ascertainable generic and descriptive meaning over which it could have no monopoly and which should have been open to use by all competitive undertakings in the gaming industry. The word 'lotto' could, as counsel for On-Line have submitted, contribute nothing to identifying the source of the service which it promoted. Moreover, as stressed earlier, the Board and its operator could not enhance the inherent absence of power to distinguish by creating a game to which they chose to apply the generic description 'lotto'.

[33] Despite the fact that the SCA in *First National Bank*[11] was of the view that the appellant was not entitled to registration of the trademarks "premier" and "premier package" the court did not exclude the possibility of the registration of "laudatory epithets":

"[9] Nothing in the Act prohibits the registration of 'laudatory epithets' but since Cozens-Hardy MR (Joseph Crosfield & Sons Ltd's Application) famously derided

'(w)ealthy traders [who] are habitually eager to enclose part of the great common English language and to exclude the general public of the present day and of the future from access to the enclosure'

and held that

'an ordinary laudatory epithet ought to be open to the world, and is not, in my opinion, capable of being registered',

what at best may be a rule of thumb, is regarded by some as a rule of law. One can rightly question whether this is not a

'further instance in this context of wrongly elevating into a general proposition of law observations made by Judges in their application

of the law to the facts of the cases before them'.

The suggestion that the registration of a trademark excludes the public from using it is in any event hyperbolic.

[10] Intellectual property laws and principles are not locked in a time capsule or a straightjacket and judicial expositions should be read in context. What was the Master of the Rolls dealing with? It was an application for the registration of the trademark 'Perfection' for soap. In England at the time a trademark had to contain or consist of certain essentials, for instance, it had to be an invented word or otherwise a word having no direct reference to the character or quality of the goods and not, according to its ordinary signification, a geographical name or a surname. If it was, for instance, not invented or had a direct reference to the character or quality of the goods, even though it was distinctive, it could not be registered unless the Board of Trade or a court, in the exercise of a discretion, allowed the application to proceed. Counsel in that case conceded that the mark had a direct reference to the quality of the goods. In order to establish that the mark was distinctive, reliance consequently had to be placed on extensive use of the mark. The Court found that the mark had not been used as a trademark but only as an adjective in either 'Perfection Soap' or 'Crosfield's Perfection Soap'. Against that background and finding that the word had not acquired distinctiveness through use, the Court, in the exercise of its discretion, refused to permit the application for registration to

proceed.

[11] The true scope and effect of the judgment was fully perceived by as early as 1927. In *Joshua Gibson Ltd v Bacon*, a case decided under the then existing South African equivalent of the mentioned English provision, the Court found that laudatory and for that matter other descriptive words can, by use, acquire distinctiveness, albeit that it may be difficult to prove. Epithets, laudatory or otherwise, are by definition adjectives because they are descriptive and a trademark, at least a word mark, is as a general rule not an adjective. It is the name given by a particular concern to its goods or services. That does not mean that it cannot be used adjectivally. The point is rather this. Take the word 'Perfect' for soap: how does one distinguish between 'perfect soap' and 'Perfect soap'? But 'Perfection' does not cause the same problem: there is no need to distinguish between 'perfection soap' and 'Perfection soap' and consequently 'Perfection' can be a perfectly good trademark.

- [12] It is probably because of an underlying unease about the 'doctrine' of laudatory epithets that most cases that refer to the Cozens-Hardy dictum were eventually decided under s 10(1)(a) or a similar provision, namely that it was a 'mark which is reasonably required for use in the trade'. There is an absolute prohibition against registering such a mark. The fact that under the 1993 Act use of a mark for certain descriptive purposes may provide a defence against infringement does not affect the prohibition.
- [34] On behalf of the opponent it was submitted that "clear view" has a very specific meaning in the English language which is to refer to the fact that one has the ability to see something clearly. The fact that the word "view" has deliberately been misspelled ("vu") does not, according to the opponent, change the meaning of the word. Furthermore, the word is used in relation to fencing products. A fence, to different degrees, ordinarily provides a see-through or transparent barrier. If regard is had to the fencing manufactured by the applicant, it is clear that these fences provide substantially more see-through than an ordinary fence despite the fact that these fences are relatively densely meshed. According to the opponent there are other fences on the market which are technically similar. These fences also provide relative transparency and consequently provide the same characteristics in respect of which the applicant is seeking registration: All these fences have in common the provision of an effective barrier to entry whilst not obstructing the view of the person looking into the property. Put differently, all these fences provide a "clear view" to the person looking into the property.
- [35] It was therefore submitted that registration of the trademark should be refused as the intended trademark exclusively consists of a mark which serves to indicate the intended purpose or characteristic of the product in respect of which registration is sought. The mark is consequently not capable of distinguishing or differentiating the goods or services of the applicant from the fencing products manufactured by other traders in the fencing particularly if regard is had to the fact that all fences provide a "clear view". The use of the word "CLEARVU" in relation to a fence is therefore not, according to the opponent, capable of disguising the fences from the applicant from the fences manufactured by other traders. [12] The use of the mark is therefore merely used, according to the opponent, to refer to a characteristic of transparency, which characteristic renders this kind of fence more advantages over an ordinary wall and to a lesser extent, palisade fences.
- [36] The applicant, however, points out that the word CLEARVU is clearly an invented word which makes it capable of registration as a trademark. More in particular, the word "CLEARVU" does not appear in a dictionary and it can therefore safely be accepted that the word has been invented. See in this regard Adcock-Ingram Laboratories Ltd v Lennon Ltd[13] where the court held as follows:

"The respondent on the other hand contends that the mark is incapable of becoming distinctive within the meaning of s 12 of the Act and that it accordingly offends against the provisions of s 33 thereof and constitutes an entry made in the register without

sufficient cause. In support of this argument it is pointed out that the words 'stop' and 'pain' are, as conceded by the applicant, words which are associated with the effect of analgesics and are words which are commonly and reasonably required for use by persons engaged in the manufacture and sale of analgesics. It is argued that the word 'Stopayne' is not an invented word and that there is no distinctiveness therein. Reliance is placed on the following remarks of Lord HERSHELL in the Solio case - Eastman photographic Materials Co Ltd's Application 1898 AC 571 (15 RPC 476 at 485):

'I do not think the combination of two English words is an invented word, even although the combination may not have been in use before, nor do I think that a mere variation of the orthography or termination of a word would be sufficient to constitute an invented

word, if to the eye or ear the same idea would be conveyed as by the word in its ordinary form.'

However, as the learned authors of South African Law of Trademarks point out in the first edition of their work at 16, in dealing with the provisions of s 11 prior to the 1971 amendment, if a word is invented it prima facie qualifies for registration and the fact that it may convey some meaning is not necessarily material. The learned authors refer to the remarks of Lord MACNAGHTEN in the Solio case supra at 486:

'If it is an invented word - if it is 'new and freshly coined' (to adapt an old and familiar quotation) it seems to me that it is no objection that it may be traced to a foreign source, or that it may contain a covert or skilful allusion to the character or quality of the goods - I do not think it is necessary that it should be wholly meaningless.'

The word Stopayne is, in my view, an invented word. It is, no doubt, a contraction of the words 'stop' and 'pain', but the omission of one of the letters 'P' renders its pronunciation, according to the ordinary rules thereof, different from a simple combination of the two words. The first syllable of the word would, in my opinion, ordinarily be pronounced 'stow'. That, combined with the fact of the different spelling, is sufficient in my view to make the reference to the character of the produce a covert one. The mark is thus prima facie registrable and I do not consider that the respondent has established a case for expungement on the first ground advanced. Nor do I think that it is necessary that the registration of the mark should be rendered subject to a disclaimer or admission. Adequate

protection is afforded by the provisions of s 46 (b) of the Trademarks Act to enable the respondent to make use of the words 'stop' and 'pain', insofar as it requires to do so, to describe the character of quality of its own products."

[37] On behalf of the applicant it was submitted that what the applicant is manufacturing and marketing is steel fencing and not, to put it plainly, a "clear view". The fact that the fencing allows for a clear view does not, according to the applicant, mean that it is a clear view – it remains steel fencing.

- [38] Although there is some validity in the submission that the word CLEARVU is descriptive of the characteristics of the steel fencing, the trademark is not sought exclusively in respect of fencing but also in respect of non-electric cables and wires of common metal; metal mesh; pipes and tubes of metal (class 6) as well as services such as building construction; repair and installation services (class 37). Significantly the opponent does not in its papers deal with these goods which constitute the great majority of goods and services in respect of which registration of the trademark CLEARVU is sought. Moreover, the mark CLEARVU - in the sense that it characterises a fence where a person has an unobstructed or clear view through the fence - is not the only characteristic of the fence particularly as it does not describe other characteristics or qualities of the fence such as the fact that it also consists of cables, tubes and metals such as steel.
- [39] I am, in light of the foregoing, of the view that the mark CLEARVU is in fact capable of distinguishing.
- [40] Even if I am wrong in concluding that the trademark CLEARVU is capable of distinguishing within the meaning of section 9 of the Act, I am nonetheless of the view that, in the alternative, the applicant has established that the trademark CLEARVU has in fact become capable of distinguishing within the meaning of section 9 of the Act as a result of use made of the mark. I should also reiterate that it is in any event the applicant's case that it does not have to rely on the provisions of section 10(2) of the Act. I will now turn to the second leg of the enquiry.

Second enquiry: Has the mark become distinctive because of prior use?

- [41] If it is concluded that a trademark is not capable of distinguishing, having regard to the proviso, the onus will then rest on the applicant to prove that it has become registrable through its use as a trademark.
- [42] The opponent disputes that the descriptive mark (CLEARVU) has acquired distinctiveness through use. More in particular, it is disputed that the use of the mark has translated in the minds of consumers to distinctiveness in that consumers see the mark CLEARVU as indicating that the goods sold by the applicant emanate from the applicant and not from another trader. Put differently, the opponent submits that the applicant has fallen into the trap of assuming that "use" equals "distinctiveness". The opponent further contends that the term "Cochrane" is used in conjunction with the mark "CLEARVU". Consequently, the use of the word "Cochrane" indicates the "source" or "origin" of the product whereas the word "CLEARVU" merely described the type of product or characteristic of the product (namely a fence through which a person can see).
- [43] It is accepted that the mere use of a product does not necessarily equal distinctiveness. This much was also recognised in the Lotto-case where the court pointed out that the question whether a mark has become distinctive by use should be approached with caution:

“[14] Of course, as pointed out in Cadbury (Pty) Ltd v Beacon Sweets & Chocolates (Pty) Ltd and Another 2000

- (2) SA 771 (SCA) at 779C - D, evidence that a mark has become distinctive by use must be approached with circumspection, since the sole producer or distributor of a product cannot by means of advertising and selling the product under its generic name render that name capable of distinguishing in terms of s 9. That caution applies equally to the provision of a service said to be protected by a trademark.

[15] In First National Bank of Southern Africa Ltd v Barclays Bank plc and Another 2003

- (4) SA 337 (SCA) ([2003] 2 All SA 1) this court was required to decide whether the mark PREMIER was registrable in relation to cheques, banking and credit card services, and certain related marketing and merchandising services. In upholding the decision of the Registrar of Trademarks that the word PREMIER was not registrable for such goods and services, it approved the dictum of Jacob J in British Sugar plc v James Robertson & Sons Ltd [1996] RPC 281 (Ch) at 302, that there is 'an unspoken and illogical assumption that use equals distinctiveness'. This assumption is based on the fact that common words are naturally capable of use in relation to the goods or services of any trader, no matter how extensively such common words have been used by any individual trader of goods or services of that class.”

- [44] It is also accepted that the more descriptive the term is (as in the case of Cadbury v Beacon Sweets) the more difficult it may be to establish that the mark has acquired distinctiveness through use.

- [45] However, despite the circumspect approach of the courts in approaching the question whether a mark as a matter of fact has become “capable of distinguishing” as a result of use, a mark can become distinctive of origin where the mark has been used extensively as a trademark. In this regard Harms JA stated as follows in First National Bank of Southern Africa Ltd v Barclays Bank plc and Another in respect of the correct approach that must be followed in deciding this question

“[17] The correct approach is that of the Court of Appeal in Premier Luggage and Bags Ltd v Premier Co (UK) Ltd. It concerned the trademark 'Premier' used in relation to luggage. The mark had been used extensively as a trademark.

'I reject the submission, made on behalf of Premier UK in this Court, that the word "Premier" is incapable of being or becoming

distinctive of origin. In particular, I do not accept that the word "Premier", although plainly capable of being used in a descriptive

or adjectival sense (denoting primacy or superiority over other members of the class) and so (absent use) devoid of any inherent

distinctive character, cannot become distinctive of origin as a result of use in relation to particular goods or services. "Premier" is not a word like "soap" which can only describe the article to which it is applied - see the observations of Mr Justice Jacob in the British Sugar case (British Sugar plc v James Robertson & Sons Ltd [1996] RPC 281) at 302 and 305 to which the Judge referred. Nor is it a word which, although once capable of being distinctive, has become solely descriptive through use - see the examples given in the Bach case (Bach and Bach Flower Remedies Trademarks [2000] RPC 513) para 34 (at p 526)."[14]

[46] Can it be concluded on the facts placed before the court that the mark "CLEARVU" – which serves as a badge of origin – has acquired a reputation to the extent that it designates in the mind of the public a particular source?

[47] Although it is accepted that the mere use of a trademark does not necessarily equals "distinctiveness", each case must be decided on its own facts. Following this approach the scale of use may very well point to a conclusion that such extensive use resulted in the public becoming familiar with the product or goods to such an extent that it associates the product or goods with the applicant's goods. See in this regard: Cambridge Plan AG and another v Moore and others:[15]

"Counsel for the respondents has contended that the mere evidence as to the matter and scale of use of the mark relied upon by the applicants is insufficient to establish the necessary reputation. In support of this contention, he has referred to S C Johnson & Son and Another v Klensan Ltd t/a Markrite 1982

(4) SA 579 (T) at 584E, where the Court held that

'the mere proof of large-scale advertising, or even of substantial sales... does not of itself lead to the conclusion that a reputation has thereby been established'

and appeared to consider that evidence from the purchasing public that the symbol in question was recognised as distinctive of the

plaintiff's goods, services or business, was essential to the proof of reputation.

In my respectful opinion there is no justification for requiring such evidence in every case: whilst each case must be decided on its own facts, there are undoubtedly cases where the manner and scale of use of the symbol in question can in itself be sufficient to warrant the conclusion that it must have become recognised by a substantial section of the relevant public as distinctive of the plaintiff's goods, services or business. That conclusion has been drawn from such evidence in a number of cases. See eg Haggard Co v SA Tailorscraft (Pty) Ltd and Another 1985

(4) SA 569 (T); John Craig (Pty) Ltd v Dupa Clothing Industries (Pty) Ltd 1977

(3) SA 144 (T); United SA Brush Manufacturing Co Ltd v Kleenem Brush Works (Pty) Ltd (CPD 16/7/78 SAPJ January 1981); Easyfind International (SA) (Pty) Ltd v Instaplan Holdings and Another 1983

(3) SA 917 (W).

In my view the manner of use proved in the present case is unequivocally use of the term 'The Cambridge Diet' as an indication of the origin of the goods to which it has been applied and would have been understood by members of the public exposed to such use in that way. This conclusion is fortified by the fact that there is no other indication of origin on the goods. Anybody wishing to refer to the goods of the first applicant would necessarily have had to refer to them as 'The Cambridge Diet.' I do not think that it is essential for the Court to have testimony by members of the public before it can, on the balance of probabilities, draw the conclusion that this is the impact which such use would have had upon them. The scale of the use is in my view sufficient to justify the conclusion that a substantial number of members of the public must, as a result thereof, have come to recognise the term 'The Cambridge Diet' as indicative of the goods of the first applicant and its predecessor in title, and not merely as a generic description of the dietary regimen developed by Dr Howard. The fact that the term contains an allusion to that dietary regimen and the place where it was originated does not, in my view, detract from the probability that its primary signification to members of the public is as indicative of the goods of the first applicant. The evidence of the first respondent herself, to which I have already referred, confirms to me the correctness of this conclusion.

I accordingly find that the applicants have *prima facie* established the requisite reputation in the term 'The Cambridge Diet' as indicating to a substantial number of persons in South Africa that the goods to which it is applied are the goods of the first applicant."

[48] I am in agreement with the submission that, if the applicant can show that it had made use of its trademark through sales, advertising, attaching signage of the trademark to installed fences to the extent that it can be concluded that the public has become familiar with the mark CLEARVU to such an extent that the mark has obtained a reputation, it may be concluded that the mark performs a distinguishing function.

[49] What are the facts upon which the applicant relies in support of its contention that the mark has obtained a reputation through use to such an extent that it can be concluded that the mark performs the function of being distinguishable? I have already referred to some of the salient facts. To recap: The mark is extensively used throughout South Africa which is evidenced by the fact that the revenue generated from the products and services supplied under the CLEARVU brand exceeds R500 million. Fencing installed by the applicant displaying strategically the CLEARVU signage has resulted in the brand being highly visible in locations such as sport stadiums, residential estates, embassies, shopping centres and game farms to name but a few. Fences displaying the CLEARVU signage are passed by thousands of vehicles every day. It can therefore, in my view, be safely concluded that the public have been and continues to be exposed to the CLEARVU brand. There is also evidence before this court that the trademark is recognised by professionals and clients in the field who often specify their requirements in respect of fencing with reference to the CLEARVU

brand and not to the product itself.

- [50] I am persuaded, if regard is had to what was placed before this Court, that it can be concluded that the explicit and extensive use of the brand CEARVU serves as an indication of the origin of the goods and that it is so understood by the public as a result of the reputation established over many years.
- [51] I am accordingly satisfied that the applicant has established a significant reputation in the minds of the public through extensive prior use prior to the filing of the applications for registration, to the extent that this brand indicates that the goods to which it (the CLEARVU mark) applies, are the goods of the applicant: The applicant has accordingly established a significant reputation in the minds of the public to such an extent that it has attained a significant level of distinctiveness as a result.

Endorsement

- [52] In conclusion it is necessary to briefly deal with the opponent's submission, although in the alternative, for the entry of one or more endorsements. More in particular it is submitted that the Court should not allow the applicant to become entitled to any exclusive right to the word "clear" or "view" (or "VU") when used in relation to fences (separately from "CLEARVU").
- [53] I am in agreement with this submission and has made it part of my order in so far as the words "clear" and "view"(not "vu") is concerned.
- [54] In the event the opposition falls to be dismissed with costs. Although the applicant prayed for a cost order on a punitive scale, I am exercising my discretion that such an order is not warranted.

Order

- [55] It is ordered that:
1. Trademark Applications 2010/13544 and 2010/13545 are registered in the name of the Trademark Applicant (Cochrane Steel Products (Pty) Ltd) subject, in each case, to the following conditions:
 - 1.1. The registration of this mark shall give no right to the exclusive use of the word "clear" and "view" separately and apart from the mark;
 - 1.2. The trademark registrant admits that the registration of this mark shall not debar others from the bona fide descriptive use in the course of trade of the words "clear view" and "view".
 2. M-Systems Group (Pty) Ltd is ordered to pay the costs of the opposition of these proceedings.

AC BASSON

JUDGE OF THE HIGH COURT

Appearances:

For the applicant :

Adv. Owen Salmon (SC)

Instructed by :

Rademeyer Attorneys

For the Opponent :

GD Marriott

Instructed by :

Adams & Adams

[1] Discovery Holdings Ltd v Sanlam Ltd and others 2015

(1) SA 365 (WCC) ad paragraph [2].

[2]

[1987] RPC 387 ad 402.

[3] Act 193 of 1994.

[4] Section 10 of the Act (the proviso).

[5] Cochrane Steel Products (Pty) Ltd v M-Systems Group (Pty) Ltd (227/2015)

[2016] ZASCA 74 (27 May 2016). Because the application for the registration were still pending and the trademark “CLEARVU” was still to be registered as a trademark in terms of the Act, the appellant relied on what is described as a “common law trademark”.

[6] Philips Electronics NV v Remington Consumer Products Philips Electronics NV v Remington Consumer Products Ltd [1999] RPC 809 (CA) at page 821 line 25.

[7] Cadbury (Pty) Ltd v Beacon Sweets & Chocolates (Pty) Ltd and Another [2000] ZASCA 2; 2000 (2) SA 771 (SCA) at 778H.

[8] 2003 (4) SA 337 (SCA).

[9] This matter was decided under the provisions of the repealed Trademarks Act 62 of 1963.

[10] 2010 (5) SA 349 (SCA).

[11] Supra.

[12] The term “liquorice allsorts” have been found to only describe a product and could therefore not be used to distinguish one packet of liquorice allsorts from another packet of liquorice allsorts. See Cadbury (Pty) Ltd v Beacon Sweets & Chocolates (Pty) Ltd and Another [2000] ZASCA 2; 2000

(2) SA 771 (SCA) at paragraph [19].

[13] 1982 (1) SA 862 (T).

[14] Supra.

[15] 1987 (4) SA 821 (D) at 837B – E.

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