

SOUTH AFRICA / JUDGMENT

Shoprite Checkers (Pty) Ltd v Charoen Pokphand Group Co Ltd (72005/2015) [2016] ZAGPPHC 655; 2016 BIP 222 (GP) (28 July 2016) [2016] ZAGPPHC 655

COURT

North Gauteng High Court, Pretoria

BEFORE

JW Louw

CASE / FILE NUMBER

72005/2015

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IN

THE HIGH COURT OF SOUTH AFRICA

GAUTENG

DIVISION, PRETORIA

Not

reportable

Not

of interest to other judges

Case

No: 72005/2015

28/7/2016

In

the matter between:

SHOPRITE
CHECKERS (
PTY) LTD
Opponent
and
CHAROEN
POKPHAND GROUP
CO
LTD
Trade mark applicant

JUDGMENT

J W LOUW, J

- [1] Shoprite Checkers (Pty) Ltd ("Shoprite") is the proprietor of four trade mark registrations for the trade mark FRESHMARK in classes 29, 30, and 31 which cover a wide variety of food products, and in class 42 which, inter alia, covers "retail, wholesale.....and services of all sorts relating to eating and drinking...". The registrations in classes 29, 30 and 31 are endorsed with a disclaimer to the exclusive use of the words FRESH and MARK.
- [2] Charoen Pokphand Group Co Ltd ("Charoen") is a Thai company which has various subsidiaries, including one called CP Freshmart, which is a Thai based chain store that sells food products in over 700 outlets. Charoen has applied to the registrar of trade marks for the registration of the following trademark in class 35 for "retail services in relation to food and beverages"[1] :

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The registrar has accepted the application, subject to an endorsement disclaiming the right to the exclusive use of the words FRESH and MART.

- [3] Shoprite opposed Charoen's application before the registrar of trade marks. The registrar has referred the opposition proceedings to the High Court in terms of s 59(2) of the Trade Marks Act 194 of 1993 ("the Act").
- [4] Shoprite relies on ss 10(12) and 10(14) for its opposition. These sections provide that the following marks shall not be registered as trade marks:
- (12) a mark which is inherently deceptive or the use of which would be likely to deceive or cause confusion, be contrary to law, be contra bonos mores, or be likely to give offence to any class of persons;
- (14) subject to the provisions of section 14, a mark which is identical to a registered trade mark belonging to a different proprietor or so similar thereto that the use thereof in relation to goods or services in respect of which it is sought to be registered and which are the same as or similar to the goods or services in respect of which such trade mark is registered, would be likely to deceive or cause confusion, unless the proprietor of such trade mark consents to the registration of such mark.
- [5] It is convenient to first deal with s 10(14). In terms of the section, two inquiries are necessary: are the two marks identical or sufficiently similar, and are the services in respect of which Charoen intends to use its mark the same as or similar to the services in respect of which Shoprite's marks are registered, so that there exists a likelihood of deception or confusion if Charoen were to use its mark? In *New Media Publishing (Pty) Ltd v Eating Out Web Services CC*[2] Thring J said the following [3] :

' There is, it seems to me, an interdependence between the two legs of the inquiry: the less the similarity between the respective goods or services of the parties, the greater will be the degree of resemblance required between their respective marks before it can be said that there is a likelihood of deception or confusion in the use of the allegedly offending mark, and vice versa. Of course, if the respective goods or services of the parties are so dissimilar to each other that there is no likelihood of deception or confusion, the use by the respondent even of a mark which is identical to the applicant's registered mark will not constitute an infringement; also, if the two marks are sufficiently dissimilar to each other no amount of similarity between the respective goods or services of the parties will suffice to bring about an infringement. I respectfully agree with the learned authors of Webster and Page South African Law of Trade Marks 4th ed para 12.23 (at 12-41), where they say, with reference to s 34(1)(b) of the Act:

'(O)n a proper interpretation of the South African section the degree of resemblance between the marks and the degree of resemblance between the goods or services must be such that their combined effect will be to produce a likelihood of deception or confusion when that mark is used on those goods or services' .

This dictum was approved of by the Supreme Court of Appeal in *Mettenheimer and Ano. v Zonquasdrif Vineyards and Others*.^[4] "

[6] Charoen does not dispute that the retail services for which Shoprite's mark is registered are the same services for which Charoen

has applied to have its mark registered. The only issue is therefore whether Charoen's mark is sufficiently similar to Shoprite's mark to give rise to a likelihood of deception or confusion if the marks are used in relation to the same services. Charoen accepts that it bears the onus of showing that there is no reasonable likelihood or probability of confusion or deception resulting from the use of its mark in respect of the services for which registration is sought.

[7] The approach to the issue of the likelihood of deception or confusion is the same for infringement and opposition proceedings. In *Plascon-Evans Paints Ltd v Van Riebeeck Paints (Pty) Ltd*^[5], Corbett JA said the following at 640G - 6410:

"In an infringement action the onus is on the plaintiff to show the probability or likelihood of deception or confusion. It is not incumbent upon the plaintiff to show that every person interested or concerned (usually as customer) in the class of goods for which his trade mark has been registered would probably be deceived or confused. It is sufficient if the probabilities establish that a substantial number of such persons will be deceived or confused. The concept of deception or confusion is not limited to inducing in the minds of interested persons the erroneous belief or impression that the goods in relation to which the defendant's mark is used are the goods of the proprietor of the registered mark, ie the plaintiff, or that there is a material connection between the defendant's goods and the proprietor of the registered mark; it is enough for the plaintiff to show that a substantial number of persons will probably be confused as to the origin of the goods or the existence or non-existence of such a connection.

The determination of these questions involves essentially a comparison between the mark used by the defendant and the registered mark and, having regard to the similarities and differences in the two marks, an assessment of the impact which the defendant's mark would make upon the average type of customer who would be likely to purchase the kind of goods to which the marks are applied. This notional customer must be conceived of as a person of average intelligence, having proper eyesight and buying with ordinary caution. The comparison must be made with reference to the sense, sound and appearance of the marks. The marks must be viewed as they would be encountered in the market place and against the background of relevant surrounding circumstances. The marks must not only be considered side by side, but also separately. It must be borne in mind that the ordinary purchaser may encounter goods, bearing the defendant's mark, with an imperfect recollection of the registered mark and due allowance must be made for this. If each of the marks contains a main or dominant feature or idea the likely impact made by this on the mind of the customer must be taken into account. As it has been put, marks are remembered rather by general impressions or by some significant or striking feature than by a photographic recollection of the whole. And finally consideration must be given to the manner in which the marks are likely to be employed as, for example, the use of name marks in conjunction with a generic description of the goods."

[8] To these principles may be added that the likelihood of confusion must be appreciated globally. In *Century City Apartments Property Services CC & another v Century City Property Owners' Association* [6] the Supreme Court of appeal referred with approval to the following dictum in *Compass Publishing BV v Compass Logistics Ltd*[7]:

"The likelihood of confusion must be appreciated globally, taking account of all relevant factors. It must be judged through the eyes of the average consumer of the goods or services in question. That customer is to be taken to be reasonably well informed and reasonably circumspect and observant, but he may have to rely upon an imperfect picture or recollection of the marks. The court should factor in the recognition that the average consumer normally perceives a mark as a whole and does not analyse its various details. The visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components. Furthermore, if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion." [8]

[9] It has been held that a reasonable likelihood of confusion or deception in any one of the three aspects of sense, sound and appearance will be sufficient to refuse an application for registration of a mark. [9] That said, the mark must be considered globally, as a whole. [10]

[10] When compared visually, the dominant component of both marks is the conjoined words FRESHMARK and FRESHMART. Charoen accepts that the font (special form) used for the FRESHMART component of its mark is not a distinguishing feature of the mark.

- [11] It was submitted on behalf Charoen that the "CP" component of its mark was visually equally significant. I disagree. Although the letters "CP" are clearly visible, and are, according to Charoen's evidence, understood by consumers in Thailand to be an acronym for Charoen Pokphand, they will not mean anything to consumers in this country as Charoen Pokphand does not trade in this country. Consumers in this country will therefore not attribute any particular significance to the letters CP. They will rather see and understand the word FRESHMART, and that is what they will focus on. According to the endorsement contained in Charoen's trade mark application, the Thai characters in the mark are translated as "CP Freshmart". Those characters will also be meaningless to South African consumers, save for those that have an understanding of the Thai language.
- [12] When compared aurally, the marks sound virtually the same. In this regard, it has been emphasised that the first syllable of a word mark is generally the most important, having regard to the tendency of people to slur the endings of words. [11] Counsel for Checkers submitted that consumers are most unlikely to pronounce Charoen's trade mark as "CP FRESHMART", and will simply refer to the dominant part of the mark, namely FRESHMART. I agree with the submission.
- [13] Conceptually, the overall impression of the two marks is very similar. They have the word FRESH in common. It was submitted on behalf of Charoen that the "MARK" in FRESHMARK would be understood to refer to a trade mark. But the word MARK is used in combination with the word FRESH, and may equally be understood to be a reference to a market, especially by Afrikaans speakers where "mark" means market. If the word MARK is used in combination with the word FRESH, it brings to mind that goods that are fresh are being sold. Counsel for Charoen also submitted that consumers will know that both marks indicate a shop selling goods which are fresh, but argued that Shoprite can't lay claim to a monopoly in words which are in general use. This argument disregards the fact that the words FRESH and MARK are conjoined and that there is no word such as FRESHMARK in the English language.
- [14] In the result, I find that Charoen has not discharged the onus of showing that there is no reasonable probability or likelihood of confusion or deception resulting from its use of the mark in respect of which it seeks registration.
- [15] In view of this finding, it is unnecessary to consider Shoprite's objection based on s 10(12) of the Act.

[16] I accordingly make the following order:

The trade mark application of Charoen Pokphand Group Ltd is refused and it is ordered to pay the costs of the opposition proceedings.

Counsel for the Opponent: Adv. G D Marriott

Instructed by: Adams & Adams, Pretoria

Counsel for the Trade Mark Applicant: Adv. I Joubert

Instructed by: Spoor & Fisher, Centurion

- [1] Shoprite's registration in class 42 was in terms of the Trade Mark Regulations in force in 1989 when registration occurred. In the current regulations, retail services fall in class 35.
- [2] 2005 (5) SA 388 (CPD)
- [3] at 3940-G
- [4] 2014 (2) SA 204 (SCA) para [1 1]
- [5] 1984 (3) SA 623 (A).
- [6] 2010 (3) SA I (SCA) para [13].
- [7]
- [2004] EWHC 520 (Ch).
- [8] See also; Cowbell AG v ICS Holdings ltd 200 I (3) SA 941 (SCA).
- [9] Laboratoire Lachartre S.A. v Armour-Dial Incorporated 1976
- (2) SA 744 (T) at 746H.. See also Cavallaa Ltd. v International Tobacco Co. of S A Ltd 1953 (I) SA 461 (T) at 468G-H
- [10] Shimansky v Browns the Diamond Store 2014 BIP 341
- [11] Budweiser Budvar National Corporation v Anheuser-Busch Corporation 2002 SIP 126 at 129H

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