


IN THE HIGH COURT OF SOUTH AFRICA
(GAUTENG DIVISION, PRETORIA)

DELETE WHICHEVER IS NOT APPLICABLE	
(1) REPORTABLE: YES/ NO .	
(2) OF INTEREST TO OTHER JUDGES: YES/ NO .	
(3) REVISED.	
17/11/2014	
DATE	SIGNATURE

CASE NO: 26816/14

DATE: 17 November 2014

In the matter between:

PHILIP MORRIS BRANDS S.A.R.L.

Applicant

and

N V SUMATRA TOBACCO TRADING CO

First Respondent

THE REGISTRAR OF TRADEMARKS

Second Respondent

JUDGEMENT

1. This matter has been referred to this Court in terms of Section 59(2) of the Trade Marks Act, 194 of 1993 ("the Act") by the Registrar of Trademarks' Office, Pretoria.
2. The First Respondent, N V Sumatra Tobacco Trading Co. has made application for the registration of the KING logo trademark under application no: 2011/11359 in Class 34 in relation to "tobacco, cigarettes, cigarette paper, cigars, lighters and matches".

3. The application was advertised in the Patent Journal of 27 June 2012 as it appears from Annexure "CL1" to the affidavit of Chad Limbert who deposed to the founding affidavit on behalf of the Applicant.
4. The Applicant in this application before me, a Company registered under the Laws of Switzerland, opposes the application of the First Respondent for the registration of the KING logo trademark.
5. The opposition of the Application to the registration of the KING logo trademark is, broadly put, a logo that would, if used, likely deceive or cause confusion and averred to be "contrary to the rights of the Applicant".
6. According to the heads of argument filed on behalf of the Applicant, the Applicant relies on the following trademark registrations:
 - 6.1 1981/01957;
 - 6.2 1992/05329;
 - 6.3 1955/02790;
 - 6.4 1981/02543.
7. According to the Applicant's arguments, in opposition to the registration, the Applicant relies on the undermentioned sections of the Act:

- 7.1 The Applicant maintains that the Act provides that a mark shall not be registered if it is:

“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 person”.

Section 10(12)

- 7.2 Section 10(14) prevents the registration of a mark which is:

“Identical to a registered trademark belonging to a different proprietor or so similar thereto that 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 trademark is registered, would likely to deceive or cause confusion...”.

- 7.3 Section 10(17) provides that a mark shall not be registered that is:

“a mark which is identical or similar to a trademark which is already registered and which is well-known in the Republic, if the use of the mark sought to be

registered would be likely to take unfair advantage of, or be detrimental, to the distinctive character or the repute of the registered trademark, notwithstanding the absence of deception or confusion, unless the proprietor of such trademark consents to the registration of such mark."

8. The prior acquisition of a reputation is a requisite to support an opposition based on Section 10(12) and Section 10(17) of the Act, as it appears from the wording of the sub-sections.
9. The allegations in regard to the Applicant's well-known reputation are fairly extensively dealt with by the Applicant. One Chad Limbert, a Director of Philip Morris South Africa (Pty) Ltd ("PMSA"), confirms that PMSA and Philip Morris Brands Sàrl, are affiliate companies of Philip Morris International Inc. PMSA uses the MARLBORO trademark in South Africa under license from Philip Morris Brands Sàrl, the Applicant.
10. The said Limbert was previously employed by Leonard Dingler (Pty) Ltd, a Company that now forms part of the Philip Morris Group of Companies. As part of his duties and said positions he holds or has held, he is / was expected to be in contact with retailers, wholesalers and users of the products of the First Respondent and Leonard Dingler (Pty) Ltd on a daily basis, both in South Africa and internationally. As a result he has extensive knowledge of the

tobacco industry, including all aspects of sales methods employed by the First Respondent, general market conditions and the nature and make-up of products and packaging prevailing in the tobacco industry. The Applicant maintains that Philip Morris Group has been engaged in the manufacture, sale and distribution of cigarettes throughout the world and South Africa for many decades and that the Philip Morris Group became the leading international company, whose products is selling in approximately 180 countries.

11. The Applicant further alleges that the MARLBORO Brand history has initiated when the so called "Roof Device" was adopted in 1956. Since the introduction of the roof device, a substantially unchanged form remained the worldwide symbol for MARLBORO brand cigarettes.
12. The Applicant's trademark has been extensively advertised, distributed and promoted worldwide, in South Africa and elsewhere. The Philip Morris Group has equally sponsored Formula 1 racing teams since the 1970's. The Applicant attaches a number of documents providing samples of use and advertising, as well as further details pertaining to the historic use of the MARLBORO trademark.
13. These paragraphs dealing with the use and reputation of the Applicant's trademark, are not challenged in any material or substantive manner in the opposing affidavit by the First Respondent.
14. The key features that the Applicant relies upon are the following:

- 14.1 The red and white colour combination;
 - 14.2 The MARLBORO trademark depicted in black;
 - 14.3 The Roof Device;
 - 14.4 The elliptic shape on the front of the package in which the descriptive words "Filter Cigarettes" appears;
 - 14.5 A double horse coat of arms (in gold) with a central red oval in which the letters "PM" appear in white.
15. The Applicant alleges that the First Respondent's "KING" logo trademark is confusingly similar to the Applicant's trademark registrations and to the Applicant's adopted packaging or get-up of the MARLBORO full flavour product. The Applicant maintains that this similarity leads to confusion in the market and will likely take unfair advantage of, or be detrimental to the distinctive character or the repute of the Applicant's registered trademark, notwithstanding the absence of deception or confusion. The Applicant further maintains in the affidavit of Limbert, that it is obvious that the First Respondent is seeking to imitate the Applicant's full flavoured trademark, if one takes the following into account:
- 15.1 The identical colour combination of red, white gold and black;
 - 15.2 The use of the dominant red and white colour combination;
 - 15.3 The use of the colour gold to depict the double horse device;

- 15.4 Copying of the Applicant's use of the colour red as the central feature of the coat of arms, as well as using lettering in White in the "red central oval"; and
- 15.5 The First Respondent's decision to position and depict the word "KING" in an identical manner as used by the MARLBORO trademark.
16. The Applicant seeks an order that the registration of the said KING logo be refused, together with costs of the application.
17. The Respondent admits that the Applicant is the registered proprietor of the various trademark registrations in South Africa, but deny that a trademark application no. 2011/11359 KING logo is even remotely similar to the trademark registrations of the Applicant, or that the First Respondent's use of the KING logo would contravene Section 10(12) of the Act. The First Respondent alleges that the "Roof Device" is not similar to the KING logo.
18. The First Respondent therefore denies that the First Respondent has adopted packaging or "get-up" which is confusingly or deceptively similar to that of the Applicant.
19. The First Respondent also alleges that no evidence was produced pertaining to the possible reputation which may attach to the MARLBORO cigarette packaging or get-up, **separate** from packaging which contains the MARLBORO word mark, therefore, that no evidence was produced (so the First Respondent alleges) that the "nude" label, or get-up of the MARLBORO

product enjoys any reputation as indicating the origin of the Applicant's cigarettes.

TRADE MARK IN RESPECT OF PACKAGING:

20. Mr Morley SC, appearing on behalf of the First Respondent, conceded that the word mark MARLBORO enjoys a reputation. With regard to the opposition based on Section 10(12), the argument of Mr Morley is that whilst the word mark (the dominant element of the Applicant's label) may enjoy a reputation, this does not mean that the **remainder** of the label, that is the get-up, enjoys a reputation indicating the origin of the Applicant's cigarettes.
21. Mr Morley further submits that there is a lack of evidence on the part of the Applicant that the get-up enjoys a reputation as denoting to the origin of the Applicant's goods, and that the sales of cigarettes under a word mark does not mean that the accompanying get-up has acquired a reputation. The reputation in the get-up of the nude label, apart from the word mark, has to be proved.
22. The First Respondent further argues that it is a fallacy to equate the recognition of a get-up with a reputation which symbolizes the origin of the goods. Such origin does not mean that the public regard the use of the get-up as a badge of origin or sign or the crucial reference, which distinguishes the goods from the same goods produced by another manufacturer. In this regard I was referred to the reported case of **Triomed (Pty) Ltd v Beecham Group**
 x P **BLC and Others 2001 (2) SA 522 (T) 534 C – F** in the context of whether the

shape of goods would be capable of distinguishing an origin.

23. There is further an apparent dispute in regard to the question as to whether the trademark no. 1992/05329 is registered in colour. (i.e. Annexure "CL2 / 37" to the founding affidavit). In this regard was referred, during argument, to the fact that, although this particular Trade mark was registered in colour, the colour mark was not captured as such in the system of the Second Respondent.
24. In summary to the main arguments raised by the First Respondent, the Court will firstly need to consider whether the Applicant's label mark as opposed to the Applicant's word mark MARLBORO, has acquired the requisite reputation at the relevant time for the purpose of Section 10(12) and 10(17), and **secondly**, whether the First Respondent's mark is deceptively or confusingly similar to the Applicant's registered marks and whether the First Respondent's proposed mark will take unfair advantage of, or be detrimental to the Applicant's mark.
25. Mr Morley's argument further rings that it is a principle of trademark law that, where in practice an inherently non-distinctive sign, (in the present case the get-up) has always been used with a distinctive sign, i.e. in the present case the word mark MARLBORO, in order to establish a reputation in the non-distinctive sign, so that the non-distinctive sign acquires a reputation as being a second trademark, and thereby symbolizing the reputation of the present Applicant's cigarettes, is contrary to the more obviously conclusion (so Mr

Morley argues), namely that it is the **distinctive sign** (my emphasis) which really distinguishes the brand, and which “really does the job” as put by Smith J in the **Triomed**-matter at 533.(My underlining).

26. It is further submitted by the First Respondent that if evidence goes to show that a word mark enjoys a reputation, does not necessarily mean that the get-up with which it is associated, also enjoys a reputation as indicating the origin of goods.

27. In essence, opposition proceedings before the Registrar is analogous to motion proceedings before the High Court. Therefore, as I view it, the tests to be applied in evaluating evidence on affidavit in motion proceedings should apply to proceedings on affidavit before the Registrar, and also before this Court. **See: Webster & Page South African Law of Trademarks, 4th ed, Service Issue 17, November 2013, 8 – 25; Plascon-Evans Paints Ltd v Van Riebeeck Paints (Pty) Ltd 1984 (3) SA 623 (A).**

28. The Applicant for the registration bears an overall onus of proving an entitlement to registration.

See: Accurate Watch C.O. v Accu Wrist Watches Ltd 2004 BIP 115 (RTM) at 117 B – C.

29. The essential function of a trademark is to indicate the origin of the goods in

connection with which it is used.

See: The Upjohn Company v Merck 1987 (3) SA 221 (TPD) at 227 E.

GENERAL:

30. The Trademarks Act, 194 of 1993, requires a trademark to be capable of distinguishing the goods or services in order to qualify for registration as a trademark.

See: Section 9; Webster, *supra* 3 – 26.

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

32. In **Beecham Group Plc v Triomed (Pty) Ltd 2003 (3) SA 639 (SCA)**, the Supreme Court of Appeal confirmed that the enquiry under Section 9, read with the proviso to Section 10, is carried out in two stages. The first stage is whether the mark, at the date of application, was inherently capable of distinguishing the goods (and presumably services) of the proprietor and from those of another person. If the answer is no, the next enquiry is whether the mark is at the relevant date (in this instance the date of application for registration), so capable of being distinguished by reason of its use to that date.

33. The argument of the Applicant is further that the trademark of the Applicant and the trademark of the First Respondent are confusingly similar and is likely to take unfair advantage of, or be detrimental, to the distinctive character and repute of the Applicant's marks. The Applicant seeks orders to the effect that the First Respondent's registration of Trademark No. 2011/11359 be rejected, in terms of Section 10(17) of the Act and that the application be granted with costs.

TEST TO BE APPLIED:

34. The test for determining the similarity of the trademarks involves a value judgment. A global appreciation is required and regard must be given to the overall impression given by the marks as a matter of first impression, bearing in mind their distinctive and dominant components. See **Cowbell v ICS Holding Ltd 2001 (3) SA 941 (SCA)**.
35. As it is stated by **Juvena Produits de Beauté SA V BLP Import & Export 1980 (3) SA 210 (T) at 218**, the Court stated the following:

"Counsel for the Applicant has submitted, further that where there are a series of marks registered in the name of the person and having a common feature or common syllables, the circumstances renders the likelihood of deception or

confusion resulting from the use by another of a mark containing the same common feature most likely. The public might be led to believe that such a mark indicate goods produced by and emanating from the same source."

(My underlining).

And in **International Power Marketing (Pty) Ltd v Searles Industrials (Pty) Ltd 1983 (4) SA 163 (T)** the Full Bench remarked:

"... since the public might think that such a mark (having a common feature or common syllable) indicated goods coming from the same source; the strength of this ... objection (is) depending on how distinctive the common feature is".

36. The argument of Mr Morley is further, where he referred to **Adcock Ingram Intellectual Property (Pty) Ltd & Another v CIPLA Medpro (Pty) Ltd & Another 2012 (4) SA 238 (SCA) par [29]**, that it is correct that the principles expressed in Section 17(1) of the 1963 Act continued to be of application. As put by the SCA in the latter case:

"Section 17(1) creates an absolute bar to registration provided that jurisdictional fact is present, namely that the use of both marks in relation to goods or services in respect

of which they are sought to be registered and registered would be likely to deceive or cause confusion. The decision involves a value judgment and... (T)he ultimate test is, after all, as I have already indicated, whether on a comparison of the two marks it can properly be said that there is a reasonable likelihood of confusion if both are to be used together in a normal and fair manner, in the ordinary course of business.”

I am aware of the fact that Section 10(5) of the Act includes a principle that a balance should be preserved between the protection of a right of a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others, and the recognition of the general right of free competition, including the right to copy.

See: Triomed (Pty) Ltd v Beecham Group PLC & Others, Supra 541 H; Premier Hangers CC v Polyoak (Pty) Ltd 1997 (1) SA 416 (A) at 423 D – 424 I.

In regard to Section 10(12) of the Act and the words “inherently deceptive” or “likely to deceive or cause confusion”, the test, as I view it, should be whether there is a “reasonable probability of deception” as opposed to “reasonable possibility of deception”.

See: Webster, *supra*, 6 – 8; The Upjohn Company-case, *supra*.

37. In my view there is no convincing evidence that the get-up of the Applicant's trademark enjoys a reputation as denoting the origin of the opponent's goods. The distinctive sign of the word mark MARLBORO is, in my view, the distinctive sign which really distinguishes the product of the Applicant in indicating the origin thereof. The Applicant has not indicated in the affidavits filed that its get-up has become so associated in the minds of the public with its goods as to be distinctive of the Applicant's goods. See: **Adcock-Ingram Products Ltd v Beecham SA (Pty) Ltd 1977 (4) SA 434 (W) 437.**

38. In my view, there are clear and distinct differences between the two marks, namely the following:

38.1 The dominant word mark KING in the case of the First Respondent' as opposed to the dominant word mark MARLBORO, in the case of the Applicant's marks;

38.2 The First Respondent's mark does not bear the so-called "roof device" that appears on the Applicant's mark;

38.3 As a matter of first impression, the respective marks are not similar in sense, sound and appearance and the First Respondent's mark is neither deceptive, nor confusing, compared to the mark of the Applicant.

See: The Upjohn-matter, *supra* 227 I

SEPERATION OF COMPONENTS:

39. The ordinary purchaser, in my view, would not be confused or deceived, neither would such a purchaser regard the two trademarks to be identical or similar as envisaged for in Sections 10(12) and 10(14) of the Act. As it was further put by the learned **LAW Lord in: Re G E Trade Mark 1973 RPC 297 (HL) at 321**, and quoted with approval in the **Upjohn-matter at 229 B – C**:

“A Judge, though he must use his common sense in assessing the credibility and probative value of that evidence is not entitled to supplement any deficiency in evidence of this kind by giving effect to his own subjective view as to whether or not he himself would be likely to be deceived or confused.”

In using this common sense assessment and approach, the similarity and deceptive or confusing nature of the two trademarks, are absent, in my view, in this instance.

40. The Trademark of the Applicant has to be considered and compared with the First Respondent's intended mark, by adopting a global appreciation, an overall impression given by the marks as a matter of first impression. Each feature or component should not be separated, in the way it is done by the Applicant, in my view. The Applicant has not indicated or shown that its marks

are well-known apart from the formal word mark, MARLBORO or that the “nude” packaging enjoys a distinct reputation denoting the origin of the product.

41. The trademark that the First Respondent proposes to register, would equally not be likely to take unfair advantage, or be detrimental, to the distinctive character or repute of the trademark of the Applicant, notwithstanding the absence of deception or confusion, as meant by the provisions of Section 10(17) of the Act. The jurisdictional facts that are to be established in Section 10(17) are that the mark is to be “identical” or “similar” to the mark already registered. This is not the case here. The First Respondent’s label does not, immediately and strongly bring the Applicant’s registered marks to mind. It is the whole get-up, including the prominent word mark that will impress itself upon the mind and be remembered. See: Webster and Page, *supra* par. 12.24.2 pp12-51 to 12.54.


DESCRIPTIVE:

42. In my view the further contentions raised by the Applicant to the effect that the word KING in First Respondent’s mark is descriptive, because of the fact that it denotes a specific size of cigarette, namely the description of “king size” in industry does not carry any weight.
43. The word “king size” or “Kings” indicated in the trade refers to the size of particular cigarettes, and stands in relation to the particular word (name) of particular cigarettes and the word “King”, standing alone as a trademark, is not

deceptive of the description in relation to the size of cigarettes, in general.

44. In my view the opposition should therefore fail, I therefore make the following orders:

44.1 The opposition falls to be dismissed with costs and the Respondent's mark 2011/11359 is permitted to proceed to registration;


A J H BOSMAN (AJ)
Acting Judge of the High Court

Date of hearing: 13 November 2014

Date of Judgment : 17 November 2014

APPEARANCE FOR APPLICANT'S: Adv Poala Cirone

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