

IN THE HIGH COURT OF SOUTH AFRICA  
(CAPE OF GOOD HOPE PROVINCIAL DIVISION)

CASE NO:

17225/2007

DATE:

12 DECEMBER 2008

5 In the matter between:

CENTURY CITY PROPERTY

Applicant

and

CENTURY CITY APARTMENTS PROPERTY

SERVICES CC AND TWO OTHERS

Respondent

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JUDGMENT

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DAVIS, J

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This is an application for leave to appeal against a judgment of this Court on 26 November 2008. Ordinarily in an application of this kind there would be no necessity to engage in a further analytical approach to the dispute. However I have been provided with extraordinary careful heads diligently prepared by Mr Talinton who appears on behalf of the applicant in the counter application and the applicant in this case whom I shall continue, for the purposes of this judgement, to refer as the applicant.

In essence Mr Tainton's submission is that there is a reasonable prospect that another Court could come to a different conclusion to this Court regarding the counter application. What is clear in this case is that, as the parties agreed when the matter was first heard before this Court, the entire dispute, as set out in the principal judgment, can be resolved by the determination of the counter application. If the counter application fails, in effect, the blame of the dispute resolves itself.

Crisply the question is whether a party such as the applicant is entitled to make use of the word "Century City" in terms of the trade with which it engages, namely the renting of property within a divestment called "Century City". Mr Tainton submits that the case needs to be examined within the context of the history pertaining to the trademark "Century City". The nature of the trade of the original proprietor of the mark Century City was that of a property developer whose stock in trade was property, it acquired the land, developed and build the entire concept, and then sold it off for substantial profit to thousands of persons who now own property in Century City.

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According to Mr Tainton, any of the owners of property in Century City conducting business on their property may legitimately and naturally wish to use the name Century City in trade in respect of their businesses, the same way as traders owning property in

other geographical locations may wish to do. The name of the place from which goods are sold and services are rendered can be described accordingly: A service station may legitimately and naturally wish to call itself Century City Service Station, a restaurant John Dorey Century City, a pharmacy Century City Pharmacy, an auto dealer Century City Auto.

Considerable emphasis was given to comparative law, particularly the problem of a geographical location as opposed to a preservation of a right in the form of a trademark. Thus in Clarke Equipment Co v Registrar of Trademarks [1964] HCA 55 the question was whether the mark considered, apart from the effect registration, is such that by its use the applicant 'is likely to attain his object of thereby distinguishing his goods from the goods of others'. Mr Tainton went on to develop the distinction as follows:

15 others'. Mr Tainton went on to develop the distinction as follows:  
it can occur that the use of a place name constitutes a 'fancy name' and therefore is dislocated from the geographical origin of the goods and services. To again cite the decision in Clarke Equipment Company which decision was followed thereafter *in re*  
20 Chancellor Masters and Scholars of the University of Oxford /  
University t/a Oxford University Press v The Registrar of  
Trademarks [1990] FCA 175;

"It is well settled that a geographic name when  
used as a trademark for a particular category of

goods may be saved by the nature of the goods or by some other circumstance in carrying its *prima facie* geographic significance and that for that reason it may be held to be adapted to distinguish the applicant's goods. Where that is so it is because to an honest competitor the idea of using that name in relation of such goods or such circumstances would simply not occur ....

This is the case for example where the word is applied to relevant goods is in effect a fancy name such as 'North Pole' in connection with bananas."

According to Mr Tainton, the significant fact which determines whether a geographical name is inherently adapted to distinguish the goods or services of a particular trader at a material time is whether other traders may legitimately require to use the name in trade in respect of such goods and services.

Fundamentally, the point being made in this case is that Century City is, in effect, primarily as it has developed, a significant geographical space within the greater Cape Town area and accordingly traders would wish to use that name in the manner in which I have set it out before.

Again, to cite the Clarke Equipment judgment;

5                   "But the probability that some competitor without  
any impropriety may want to use the name of a  
place on his goods must ordinarily increase in  
proportion to the likelihood that goods of the  
relevant kind will in fact emanate from that  
place... A descriptive word is in like case; the  
10               more apt the word is to describe the goods the  
less inherently apt it is to distinguish them as the  
goods of the particular manufacturer."

Mr MacWilliam who appeared together with Ms Joubert on behalf  
15       of the respondent (both in the counter application and in this  
application) submitted that it was important to bear in mind that  
the trademark had been correctly registered in the first place, and  
that with a counter application, the onus shifted to the applicant to  
justify the basis of its counter application. The trademark existed  
20       before the various property owners had bought their property. It  
was the very basis of the manner in which property subsequent to  
the development of Century City had been acquired and there was  
no basis, on the facts of this case, to ignore a trademark correctly  
registered or, to put it in the converse, as Mr MacWilliam urged

upon me, there was no evidence to justify the conclusion that the applicant had discharged the onus of showing that Century City, as it exists today, is primarily a geographical location.

5 In this connection Mr MacWilliam referred to the judgment in Mid Sydney (Pty) Limited v Australian Tourism Co Limited and Others [1998] FCA 1616 and in particular to the following passage:

10 "In reality Touraust's submissions about character or quality and about the geographical reference do not represent separate arguments:

15 The point of putting the matter either way is that the words "Chifley Tower" denote a connection with the Chifley Tower so that others providing similar services and having a connection with Chifley Tower (particularly tenants of areas within the Chifley Tower) might properly wish to use the name in relation to their services. The evidence showed, it was said, that the Chifley Tower  
20 formed part of the stated or advertised address of tenants with offices within the building and that the building has a very large office tower was one in which a great number of firms carried on business of providing services of various kinds.

We rather doubt that any indication is to be found in the judgment of Kitto, J in Clarke Equipment that he would have regarded a large privately owned office building as analogous to a large and important industrial town or district or to a small town or district which is a seat of manufacture of goods of a particular kind. To say that is not conclusively to answer Touraust's submission. But it does suggest that it may not be so simple a matter as to say that as in a large town so in a large office building there will be found numerous traders who may wish to describe their goods and services by reference to their place of business.

MID acquired a building approaching completion, chose a name for it, at about the same MID applied for the first of its registered marks in relation to property management services intending no doubt to provide those services principally, if not exclusively, in relation to the building. The Chifley Tower is not part of the common heritage in the sense that a town, suburb or municipality is. Chifley Plaza perhaps might answer that description but the registered

trademark does not incorporate that expression. There is no public policy against MID treating those who have come to occupy space within its building as to the way in which they use its name in connection with the goods they produce or services they provide. That being so, it is not easy to see .... why any separate public policy of the kind identified by Kitto, J should apply so as to deprive the name selected by MID of a capacity to distinguish, in circumstances where there could be no legitimate reason for persons other than those carrying on businesses within the Chifley Tower to use its name in connection with their goods and services".

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Mr MacWilliam also referred to a judgment of Schwartzman, J in Permont Global Limited and Another v Warner Projects CC (case number 05/1255) in which, in relation to a question of a "upmarket apartment block", the name of the apartment block could be justifiably protected by way of a trademark. As the learned judge said;

"As a developer of the property the respondent is in the course of building an upmarket apartment block that it will market and sell as sectional title



units. Once it has sold all the units the Respondent will have no further involvement in the completed development. For purposes of the application this fact is relevant. In addition to building apartments that will be sold as sectional title units it is common cause that the Respondent's apartment block will, in addition to providing accommodation, provide purchasers with concierge services, meeting rooms a fully equipped business as a centre, laundry services and the like that to quote the Applicant's heads of argument fall "within the broad penumbra of exhibition facilities, convention facilities and services of a personal nature rendered to meet individual requirements" ... Moreover and in the marketing side of the individual units a development that includes the other services and benefits referred to the Respondent is at the very least engaging in providing "merchandising services."

Mr MacWilliam submitted that the services were provided by the respondent could be considered within the same category and hence the broader development of Century City fell within the

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same categorisation as Chifley Towers as set out in the judgment of Mid Sydney (supra).

There is of course powerful merit in all of these arguments and that is the basis upon which this Court came to its conclusion.

However, there are two questions which do require some further answers. The first is whether this huge development, described by the respondent in its papers as a “prestigious address from which every business would aim to trade”, “a “250 hectare city within a city at the heart of the greater Cape Town metropole which combines offices with residential, retail and leisure”, now falls within the primary category of a geographical location which then would then not provide a justification for the kind of protection afforded to it in this judgment

The second question arises from a submission of Mr Tainton that when the activities of the respondent are examined, could it be said that Century City has either become a ‘fancy name’ which is necessary for the nature of the services which so provided, or, as Mr Tainton submitted, does Century City not differ from Chifley Towers, because it is owned by thousands of different parties. It thus cannot be equated with an apartment block, but, for all practical purposes, is a suburb of Cape Town, part of the common


heritage and a place from which services of the nature reflected in the certificates emanate, from a number of traders, owning property in Century City or their tenants.

5 There is a further issue, tangentially raised in relation to the Casablanca example but which was not argued before me, albeit that it is worthy of consideration. The effect of the judgement in Laugh it Off Promotions CC vs SAB International 2005(8) BCLR 743 (CC) may well be construed to strike the balance between  
10 trade and protection differently from the approach adopted by this Court.

In short, the question for determination is not simply about a geographical location. It is concerned with whether geographical  
15 locations can be so privatised as to provide, in perpetuity, the kind of trademark protection which respondent has sought.

When the case is viewed in this context, it takes on a more complicated nuance. In the light of the authorities which I have  
20 set out fairly exhaustively, another Court may well come to a different conclusion. For all the reasons that I have already set out, LEAVE TO APPEAL IS GRANTED to the Supreme Court of Appeal. Costs are to stand over.

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DAVIS, J.