
STANDING COMMITTEE ON THE LAW OF TRADE MARKS, INDUSTRIAL DESIGNS AND GEOGRAPHICAL INDICATIONS

SCT 35/4: PROTECTION OF COUNTRY NAMES AGAINST REGISTRATION AND USE AS TRADE MARKS: PRACTICES, APPROACHES AND POSSIBLE AREAS OF CONVERGENCE

WRITTEN COMMENTS AND OBSERVATIONS FROM THE TRADE MARKS DIVISION OF THE COMPANIES AND INTELLECTUAL PROPERTY COMMISSION (CIPC), IN TERMS OF SOUTH AFRICAN TRADE MARK LAW

LAYOUT OF THIS DOCUMENT

This document provides comments and observations from the Trade Marks Division of the Companies and Intellectual Property Commission (hereinafter referred to as “the CIPC”), in response to WIPO Notice C. 8607 of 3 November 2016 on Areas of Convergence as identified in document SCT/36/5, paragraph 13,¹ and set out in detail in document SCT/35/4.

As such, this document sets out, in terms of South African law, the principles applied in respect of the following Areas of Convergence identified in the abovementioned Notice:

- Area of Convergence No. 1 (Notion of Country Name);
- Area of Convergence No. 2 (Non-registrable if Considered Descriptive);
- Area of Convergence No. 5 (Invalidation and Opposition Procedures); and
- Area of Convergence No. 6 (Use as a Mark).

In exemplifying how the principles in respect of each of the Areas of Convergence are applied in the South African jurisdiction, legislation and case law will be referred to throughout this document.

¹ See: http://www.wipo.int/meetings/en/details.jsp?meeting_id=40905.



AREA OF CONVERGENCE NO. 1: NOTION OF COUNTRY NAME

At least for the purpose of examination of marks, and unless the applicable law specifies otherwise, a country name may cover: the official or formal name of the State, the name that is in common use, translation and transliteration of that name, the short name of the State, as well as use of the name in abbreviated form and as an adjective.

There is no express definition of “country” or “country name” in South Africa’s Trade Marks Act 194 of 1993 (hereinafter referred to as “the Act”). There is, however, a remote reference in the form of the definition of “convention country” in section 2(1) of the Act which states:

“2. Definitions

(1) In this Act, unless the context otherwise indicates —

...

convention country means any country or group of countries in respect of which there is in force a proclamation under section 63 declaring such country or group of countries to be a convention country or convention countries for the purposes of this Act.”

Therefore, in accordance with rules of statutory interpretation, the notion of a country is presupposed (and by implication a country name) and should be given its literal meaning. The CIPC’s examination practice certainly conforms with the notion of a country name as set out in document SCT/35/4, page 9 (above).²

CIPC’s trade mark examination practice reflects these conceptions of a country name. Without going into the merits of inherent registrability of country names in South Africa (which will be further elaborated on below), several examples of composite marks from the Register of Trade Marks evidence CIPC’s adoption of the abovementioned conceptions of a country name:

² See: http://www.wipo.int/meetings/en/details.jsp?meeting_id=39524.



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- The official or formal name of the State: Trade Mark Registration No. 2011/23006 LE TOUR DE FRANCE in class 12 subject to the following limitation –

“Registration of this trade mark shall give no right to the exclusive use of the word "FRANCE" separately and apart from the mark.”

- The name that is in common use: Trade Mark Registration No. 2006/23002 MZANSI FO SHO in class 41 subject to the following limitation in respect of the common colloquial term used for South Africa –

“Registration of this trade mark shall give no right to the exclusive use of the word "MZANSI" separately and apart from the mark.”

- Translation and transliteration of a country name: Trade Mark Registration No. 2012/00265 CHINA TELECOM in class 35 subject to the following endorsement –

“The transliteration of the Chinese characters in the mark is ZHONG GUO DIAN XIN which means CHINA TELECOM in English.

Registration of this trade mark shall give no right to the exclusive use of "CHINA" in its geographical connotation, apart from the mark.”

- The short name of the State: Trade Mark Registration No. 2013/27570 VINTAGE AMERICA BLUES in class 25 subject to the following limitations –

“Registration of the mark shall give no right to the exclusive use of the word VINTAGE or of the word AMERICA or of the word BLUES each apart from the mark”

- The use of the country name in abbreviated form: Trade Mark Registration No. 2009/19989 USA PRO in class 28 subject to the following limitation –

“Registration of this trade mark shall give no right to the exclusive use word USA separately and apart from the mark.”

- The use of the country name as an adjective: Trade Mark Registration No. 2000/13700 FLAMBOS~MEXICAN~FLAME GRILLED CHICKEN in class 29 subject to the following limitations –

“Registration of this trade mark shall give no right to the exclusive use of the word MEXICAN or of the word GRILLED CHICKEN separately and apart from the mark.”

Furthermore, case law and authoritative legal literature acknowledge the competency of the CIPC, acting as the Registrar of Trade Marks, to obtain information from dictionaries and other sources. The learned authors of Webster and Page: South African Law of Trade Marks state:

“It is competent and proper for the Registrar to consult dictionaries and other similar publications such as encyclopedias or trade directories in considering questions relating to the registration of trade marks.”³

Blockbuster Entertainment Corporation v Registrar of Trade Marks⁴ is an example of a South African court (in relation to a trade mark matter) consulting extrinsic sources.

Therefore, during the examination of a trade mark application the CIPC may consult such sources in determining if the mark as applied for contains matter which fits within one of the conceptions of a country name as set out above.

AREA OF CONVERGENCE NO. 2: NON-REGISTRABLE IF CONSIDERED DESCRIPTIVE

At least for the purpose of examination, trade marks consisting solely of a country name should be refused where the use of that name is descriptive of the place of origin of the goods or services.

³ Webster and Page: South African Law of Trade Marks, page 8-32 at paragraph 8.34.

⁴ Blockbuster Entertainment Corporation v Registrar of Trade Marks 1994 3 SA 402 (T).



South Africa's Act does not contain a general exclusion from subject-matter in the form suggested in Paragraph 10 (page 3) of document SCT/35/4. Therefore, there is no express "*absolute bar to the registration of signs which consist of or contain country names, independently of any other consideration regarding the nature of the sign.*"⁵

However, section 10(2)(b) of the Act finds application in prohibiting the use of names designating the geographical origin of goods or services:

"Unregistrable trade marks

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

...

(2) a mark which –

...

*(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...*⁶

(own emphasis)

In **Discovery Holdings Ltd v Sanlam Ltd and Others**⁷ at paragraph [84], the court held that:

"Section 10(2)(b) ... is not concerned with distinctiveness, but serves a public interest and seeks to preserve the rights of other traders."

The presence of the phrase "consists exclusively" in section 10(2)(b) "*ensures that a geographical name, which is part of a 'complex' trademark, does not fall within its purview.*"⁸

⁵ Document SCT/35/4 at page 3.

⁶ Emphasis added.

⁷ *Discovery Holdings Ltd v Sanlam Ltd and Others* 2015 1 SA 365 (WCC)

⁸ *Nordmilch eG v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* [2004] ETMR 70 paras 44 and 55 cited in *Century City Apartment Property Services CC and Another v Century City Property Owners' Association* 2010 (3) SA 17 (SCA).



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In fully fleshing out the registrability of geographical names in respect of section 10(2)(b), the Supreme Court of Appeal (hereinafter referred to as “the SCA) in the case of **Century City Apartment Property Services CC and Another v Century City Property Owners’ Association**⁹ provided definitive guidance.

Importantly, the SCA set out the historical rationale for provisions prohibiting the use of names designating the geographical origin of goods or services. In this regard, Harms DP stated:

“The reasons for these provisions [are] that the vocabulary of the English language is common property which belongs to all and that no one should be permitted to prevent other members of the community from using ‘for purposes of description’ a word that has reference to character or quality of goods and one assumes, geographical names (Eastman Photographic Materials Co Ltd’s Application, Re; Eastman Photographic Materials Co v Comptroller-General of Patents, Designs and Trademarks [1898] AC 571 (HL) per Lord Herschell).”¹⁰

Having set out the historical rationale, further on in the judgment, Harms DP, in harmony with the above assertions of Lord Herschell in the English case of **Eastman Photographic Materials**, stated that the purpose of the current section 10(2)(b):

“...serves a public interest, permitting all to use such descriptive signs freely by preventing them from being reserved to one undertaking alone.”¹¹

Furthermore, His Lordship, with reference to English case law stated:

“it is in the public interest that they [geographical names] remain available, not least because they may be an indication of the quality and other characteristics of the categories of goods concerned, and may also, in various ways, influence consumer tastes by, for instance, associating the goods with a place that may give rise to a favourable response

⁹ *Century City Apartment Property Services CC and Another v Century City Property Owners’ Association* 2010 (3) SA 1 (SCA).

¹⁰ *Century City* at 2010 (3) SA 10 (SCA).

¹¹ *Century City* at 2010 (3) SA 13 (SCA).

*(Windsurfing Chiemsee Produktions-und Vertriebs GmbH v Boots-und Segelzubehor Walter Huber and Franz Attenberger [1999] ETMR 585 para 26.)*¹²

The judgment also dealt extensively with the issues surrounding registration of geographical names in relation to the absolute ground for refusal (in this case, expungement) in terms of section 10(2)(b) of the Act. In this regard His Lordship cited **Peek & Cloppenburg KG's Application**¹³ stating that the said provision:

“prohibits the registration of geographical names as trademarks ‘solely where they designate specified geographical locations which are already famous, or are known for the category of goods or services concerned, and which are therefore associated with those goods in the mind of the relevant class of persons’. It also prohibits the registration of geographical names as indications of the geographical origin of the category of relevant goods or services.” (Emphasis added)

In **Peek & Cloppenburg**, it was held that the assessment of whether a mark designates geographical origin, reference must be had to the goods or services concerned and the understanding that the relevant class of persons have with the geographical name.¹⁴ Therefore:

*“In making that assessment the [Trade Marks] Office is bound to establish that the geographical name is known to the relevant class of persons as the designation of a place. What is more, the name in question must suggest a current association, in the mind of the relevant class of persons, with the category of goods or services in question, or else it must be reasonable to assume that such a name may, in the view of those persons, designate the geographical origin of that category of goods or services.”*¹⁵

Section 10(2) of the Act, which defines that marks which are inherently unregistrable, must be read with the proviso to section 10 which states that:

¹² *Century City* at 2010 (3) SA 13-14 (SCA).

¹³ *Peek & Cloppenburg KG's Application* [2006] ETMR 33 para 34 cited in *Century City* at 2010 (3) SA 13 (SCA).

¹⁴ *Century City* at 2010 (3) SA 14 (SCA).

¹⁵ *Peek & Cloppenburg KG's Application* [2006] ETMR 33 para 38.



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“... a mark shall not be refused registration by virtue of the provisions of paragraph (2) ... if at the date of application for registration, it has in fact become capable of distinguishing within the meaning of section 9 as a result of the use made by the mark.”

In South Africa, a refusal on absolute grounds based on section 10(2)(b) of the Act as outlined above in relation to a simpliciter geographical name does not find application in relation to a composite mark. This situation arises where the country name is not *“the sole element of the mark ... including additional matter”* as referenced in document SCT/35/4, page 3.

In this regard, cognisance must be taken of section 15 of the Act which empowers the Registrar with a discretionary power in the following terms:

“15. Registration subject to disclaimer

If a trade mark contains matter which is not capable of distinguishing within the meaning of section 9, the registrar or the court, in deciding whether the trade mark shall be entered in or shall remain on the register, may require, as a condition of its being entered in or remaining on the register-

- (a) that the proprietor shall disclaim any right to the exclusive use of all or any portion of any such matter to the exclusive use of which the registrar or the court holds him not to be entitled; or*
- (b) that the proprietor shall make such other disclaimer or memorandum as the registrar or the court may consider necessary for the purpose of defining his rights under the registration:*

Provided that no disclaimer or memorandum on the register shall affect any rights of the proprietor of a trade mark except such as arise out of the registration of the trade mark in respect of which the disclaimer is made.”



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Therefore, in terms of section 15(a), a mark which contains a country name with additional matter would only be registered subject to the Applicant disclaiming the right to the exclusive use of the country name. In **Cadbury (Pty) Ltd v Beacon Sweets & Chocolates (Pty) Ltd and Another**¹⁶ the SCA stated that section 15:

“provides that, if a trade mark contains matter which is not capable of distinguishing within the meaning of [section] 9, a Court may require that the proprietor disclaim any right to the exclusive use of such matter.”

Therefore, “[s]ection 15 is not concerned with the question whether a trade mark itself is incapable of distinguishing, but whether matter contained in a trade mark lacks this capability.”¹⁷

In terms of section 15(b), the Registrar, at the stage of examination, may require as a condition of registration an endorsement to be entered by the Applicant which is “*necessary for the purpose of defining his rights under the registration.*” South African courts have recognised this discretionary power (albeit in exceptional circumstances) in relation to special forms of disclaimers where geographical names are in question.

In **Cambridge Plan AG v Moore**,¹⁸ the court stated the following in this regard:

“[A] disclaimer of any right to the word solely in its geographical connotation is all that is necessary ... It is not intended to cover, and does not cover a use of the word “Cambridge” in a connotation which is not exclusively geographical.”

This approach has been followed by the SCA in **Roodezandt Ko-Operatiewe Wynmakery Ltd v Robertson Winery (Pty) Ltd and Another**¹⁹ where the following practical remarks were made:

¹⁶ *Cadbury (Pty) Ltd v Beacon Sweets & Chocolates (Pty) Ltd and Another* 2000 (2) SA 771 (SCA).

¹⁷ *Cadbury* at 2000 (2) SA 771 (SCA).

¹⁸ *Cambridge Plan AG v Moore* 1987 4 SA 821 (D) 844.

¹⁹ *Roodezandt Ko-Operatiewe Wynmakery Ltd v Robertson Winery (Pty) Ltd and Another* (503/2013) [2014] ZASCA 173 (19 November 2014) at paragraph 9.



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“[A]lthough Robertson is not a constructed or invented word, but the name of a town, this does not necessarily mean that it could never acquire distinctiveness with reference to wine. The example that comes to mind is the one given by Harms DP in Century City Apartments Property Services CC v Century City Property Owners’ Association 2010 (3) SA 1 (SCA) para 33, of Windhoek as distinctive with reference to beer, albeit that it is also the capital of Namibia. Where, as in this case, the name ‘Robertson’ had been used exclusively with reference to the wine of a specific producer for a period in excess of 60 years, I can see no reason why the Windhoek example would not apply. Moreover, what is clear to me, and in fact it was conceded, that Roodezandt is not using the word Robertson in its label ‘Robertson Hills’ with reference to the town, but in order to distinguish its wines from others, ie as a trademark.”

With reference to the Register of Trade Marks in South Africa, Trade Mark Registration No. 2002/14235 ROBERTSON VINEYARDS in class 33 is registered subject to a disclaimer and exemplifies the approach of the abovementioned case law. The disclaimer reads as follows:

“Registration of this trade mark shall give no right to the exclusive use of the geographical name ROBERTSON where used bona fide as an indication of origin, apart from the mark.”

AREA OF CONVERGENCE NO. 5: INVALIDATION AND OPPOSITION PROCEDURES

The grounds for refusal described in possible areas of convergence No 2.....above should constitute grounds for invalidation of registered marks, and where the applicable law so provides, also grounds for opposition.

(Note: this comment from CIPC is limited to area of convergence 2 for now, as areas of convergence 3 and 4 are still to be discussed by the SCT member states)

With reference to document SCT/35/4, page 5, the Act contains specific provisions in respect of opposition proceedings under section 21, and rectification proceedings, under section 24 of the Act. These two procedural steps will be briefly fleshed out in turn below. In doing so, it is clear, that under South African law, there are adequate pre- and post- grant mechanisms.



Opposition

As noted above, in South Africa, trade mark examination encompasses both absolute and relative grounds for refusal. Likewise, an opposition, pre-registration, can be based on the same grounds.

Section 21 of the Act states that within three months from the date of advertisement of the application in terms of section 17, or within such further time as the Registrar may allow in terms of Regulation 52, any interested person may oppose the application in the manner prescribed.

Therefore, an opposition to a mark which consists exclusively of a country name can be based on the absolute ground in section 10(2)(b) as set out above. A further ground for refusal could be section 10(12) of the Act, which states that a mark cannot be registered if it:

“...is inherently deceptive or the use of which would be likely to deceive or cause confusion ...”

Generally speaking, this ground for opposition *“is designed largely for the protection of the public against all forms of deception.”*²⁰ It is recognised in South African law that deception of origin can be as to the goods’ geographical origin:

*“Where a trade mark is such that it suggests origin from a particular country, such as a shamrock in regard to Ireland [or indeed a country name], its use on goods not produced in that country is calculated to deceive.”*²¹

It is worth noting, however, that a mark deemed to be inherently deceptive as to the geographical origin of goods at the stage of examination can be resolved by requiring the Applicant to enter a country or place of origin endorsement. This endorsement must be requested where the mark could possibly indicate a source of origin that might mislead or confuse the consumer. Usually, a geographical location would be disclaimed.

²⁰ *The Law of South Africa: Volume 29 Trade Marks*, page 72 at paragraph 104.

²¹ *The Law of South Africa: Volume 29 Trade Marks*, page 73 at paragraph 105.

In the case of **Kentucky Tobacco Corp. v. Registrar of Trade Marks**,²² Slomowitz AJ held at page 341 that “*if the mark is likely to deceive or cause confusion, the disclaimer would not save it.*”

Slomowitz AJ went on to state that to avoid any confusion in the marketplace, the appellant’s suggestion of clearly displaying on the packaging that the goods are indeed produced in South Africa would be an agreeable solution. The rule of thumb, therefore, is unless the proprietor is willing to restrict their goods to being goods made or originating from a particular place, an undertaking must be endorsed against the application that the country of origin must be clearly indicated on the packaging of the goods themselves.

Section 10(13) also provides another ground for opposition in this regard:

*“[This provision] precludes the registration of a mark which, as a result of the manner in which it has been used, would be likely to deceive or cause confusion.”*²³

How this ground intersects with country names is that it “*will ... prevent the registration of trade marks that in use are confusing or deceptive as to origin.*”²⁴

It is therefore possible to have, in relation to the same application consisting of a composite mark, (a) a disclaimer of the geographical word appearing in the mark, and (b) an undertaking that the country of origin will be clearly indicated on the goods, as these two endorsements fulfil two different functions, yet both contribute towards the registrability requirements of the mark as applied for.

Rectification

Section 24(1) of the Act provides that:

²² *Kentucky Tobacco Corp. v. Registrar of Trade Marks* 1984 (2) SA 337 (T).

²³ *The Law of South Africa: Volume 29 Trade Marks*, page 34 at paragraph 32.

²⁴ *The Law of South Africa: Volume 29 Trade Marks*, page 34 at paragraph 32 citing *Advocaat Trade Mark* 1978 RPC 252.



“[i]n the event of non-insertion in or omission from the register of any entry, or of an entry wrongly made or wrongly remaining on the register, or of any error or defect in any entry in the register, any interested person may apply for an order for the making, removal and variation of the entry.”²⁵

As per section 59(1) of the Act, this type of application can be made to the court of the Registrar of Trade Marks unless the trade mark in question is already the subject of proceedings, in which case, it would be a counter-application (in an infringement matter).

These provisions, therefore, afford interested persons an opportunity post-grant to attack a registered trade mark. If an entry was wrongly made, the application can be based on the same grounds for refusal/opposition as described above in the form of section 10(2)(b), section 10(12) and/or section 10(13).

In the case of a non-insertion in or omission from the register of any entry, the following matters are primarily in question:

- Disclaimers;
- Conditions of registration; and
- Memoranda.

This ground would, therefore, relate to a situation where a composite mark containing a country name has been registered without a disclaimer of the country name or where a mark is inherently deceptive, but can be cured by a country/place of origin endorsement in accordance with the principles above.

AREA OF CONVERGENCE NO. 6: USE AS A MARK

Appropriate legal means should be made available for interested parties to prevent the use of country name if such use is likely to deceive the public, for instance as to the nature, quality or

²⁵ *The Law of South Africa: Volume 29 Trade Marks*, page 120 at paragraph 188.

geographical origin of the goods or services and to request the seizure of goods bearing false indications as to their source.

With reference hereto, there are various applicable legislative frameworks in South Africa. Some of these are outside the ambit of trade mark legislation.

This part of the document will first deal with the provisions in trade mark legislation which prohibit the use of a mark which is misleading or deceptive as to geographical origin, and then will briefly set out the applicability of other legislative frameworks. Each legislative framework provides for its own procedures and mechanisms for sanctioning the use of marks which are misleading and deceptive as to geographical origin.

Sections 10(13) and 26 of the Trade Marks Act 193 of 1994

The scope of section 10(13) has already been fleshed out above. One further comment is necessary to indicate how this provision can curb deception as to geographical origin as a result of use which has been made of a mark. In this regard, it is accepted in South African law that:

“This subsection applies equally to use after registration leading to deception or confusion.”²⁶

Under section 26 of the Act, if a trade mark fails to comply with any condition entered in the register in relation to the registration (such as the failure to comply with a country/place of origin endorsement), any interested person may apply to court or to the registrar for any order varying or removing the registration.

²⁶ *The Law of South Africa: Volume 29 Trade Marks*, page 34 at paragraph 32 citing *New South Wales Dairy Corporation v Murray Goulburn Co-operative Co Ltd* 1991 RPC 144.

Sections 6 - 11 of the Merchandise Marks Act 17 of 1941 (as amended)

Sections 6-11 of this Act contains provisions, statutory powers and criminal sanctions in respect of the following:

- Applying false trade description and alteration of trade mark (section 6);
- Sale and hiring out of goods bearing false trade descriptions (section 7);
- Sale of imported goods bearing name or make of South African manufacturer or trader, unaccompanied by indication of origin (section 8);
- Sale of imported goods bearing marks in official language, unaccompanied by indication of origin (section 9);
- Power to require indication of origin and compliance with specified standards in the case of certain classes of goods (section 10); and
- Minister may prescribe what indication of origin of goods to be made (section 11).

Sections 24, 29 and 41 of the Consumer Protection Act 68 of 2008

This piece of legislation contains numerous provisions (some specific, some general and procedural) which may prohibit the use of a mark which is misleading or deceptive as to geographical origin. The relevant provisions are:

- Product labelling and trade descriptions (section 24);
- Part E: Right to fair and responsible marketing - General standards for marketing of goods or services (section 29); and
- False, misleading or deceptive representations (section 41).

Section 9 of the Liquor Act 59 of 2003

This Act is an example of a legislative framework which is aimed at regulating a specific industry. As such, section 9 of the Act imposes certain advertising restrictions:



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“Advertising restrictions

(1) A person must not advertise —

(a) any liquor or methylated spirits —

(i) in a false or misleading manner;

(ii) in a manner intended to target or attract minors; or

(b) any substance that is prohibited in terms of this Act.”

CONCLUSION

The Trade Marks Division of the CIPC welcomes the opportunity to provide comments and observations. We trust that you find the above comments to be of assistance to you in this process. The Trade Marks Division of CIPC is looking forward to continued and active engagement with WIPO on this matter.

A handwritten signature in black ink, reading 'Fleurette Coetzee', is positioned above the typed name.

Fleurette Coetzee (Ms)

SENIOR MANAGER: TRADE MARKS

7 December 2016