



THE SUPREME COURT OF APPEAL OF SOUTH AFRICA
JUDGMENT

Reportable
Case No: 20625/2014

In the matter between:

**ADCOCK INGRAM INTELLECTUAL
PROPERTY (PTY) LTD**

First Appellant

ADCOCK INGRAM HEALTHCARE (PTY) LTD

Second Appellant

and

ACTOR HOLDINGS (PTY) LTD

Respondent

Neutral citation: *Adcock Ingram Intellectual Property (Pty) Ltd v Actor Holdings (Pty) Ltd* (20625/14) [2016] ZASCA 41 (24 March 2016)

Coram: Maya AP, Tshiqi, Wallis, Saldulker and Mbha JJA

Heard: 25 February 2016

Delivered: 24 March 2016

Summary: Trade Marks Act 194 of 1993 – s 21 read with s 45(3) thereof empowers the Registrar of Trade Marks to condone the late filing of opposition to an application for the registration of a trade mark and extend the three month period prescribed for the filing of opposition.

ORDER

On appeal from: North Gauteng Division of the High Court, Pretoria (LI Vorster AJ sitting as a court of first instance):

1 The appeal is upheld with costs including the costs of two counsel.

2 The matter is remitted to the North Gauteng Division of the High Court, Pretoria for determination of the condonation application and the merits of the opposition.

JUDGMENT

Maya AP (Tshiqi, Wallis, Saldulker and Mbha JJA concurring):

[1] The crisp issue in this is appeal is whether the Registrar of Trade Marks (the Registrar) has the power to condone the late filing of opposition to an application for the registration of a trade mark and extend the opposition period, where such an extension is requested after the expiry of the three month opposition period prescribed in s 21 of the Trade Marks Act 194 of 1993 (the Act). The appellants appeal, with leave of this court, against the decision of the North Gauteng Division of the High Court, Pretoria (LI Vorster AJ). The court a quo dismissed their opposition to the respondent's application for the registration of trade mark number 2010/11953 LENTOGESIC, in class 5, in its name.

[2] The appellants are companies within the Adcock Ingram Group of Companies, a leading South African healthcare group that develops, manufactures, markets and distributes a wide range of healthcare products in South Africa and the export market. The first appellant, Adcock Ingram Intellectual Property (Pty) Ltd, is an

intellectual property holding company which owns most of the intellectual property used in the Adcock Ingram Group of Companies. It was also the registered proprietor in South Africa of trade mark registration no 1968/00213 LENTOGESIC in class 5 in respect of analgesic preparations since 1968. The second appellant, Adcock Ingram Healthcare (Pty) Ltd, is a manufacturer and distributor of pharmaceutical products. It uses the trade mark LENTOGESIC under licence from the first appellant. The respondent, Actor Holdings (Pty) Ltd is a South African holding company of a pharmaceutical company, Actor Pharma (Pty) Limited.

Background

[3] On 23 February 2009 the first appellant's LENTOGESIC trade mark registration was removed from the trade mark register by reason of non-renewal. According to the first appellant the non-renewal of its trade mark registration, which it always intended to renew, was not due to its mistake but was caused by an administrative error. That is hardly surprising because it had used the mark on various products for over 40 years and there was no apparent reason for it to abandon it. The appellants became aware of the lapse when they were served with a written notice from the respondent's attorneys, on 8 January 2013. The notice advised that the respondent had applied for the LENTOGESIC trade mark with the intention to 'commercially exploit [it] in earnest in early 2013'. The respondent also demanded that the appellants cease all use of the trade mark and forthwith remove all LENTOGESIC products from the market and trade.

[4] As it turned out, the respondent had lodged its trademark registration application on 4 June 2010. The application was accepted by the Registrar on 10 July 2012 and thereafter advertised for opposition purposes in the Patent Journal dated 29

August 2012.¹ In response to the respondent's notice, the appellants claimed the trade mark as theirs. They pointed out that they were unaware of its lapse and would apply to have it reinstated. (An application to restore the trade mark registration was indeed filed around the time of the institution of these proceedings.) They demanded the withdrawal of the respondent's application failing which they would challenge the respondent's use of the trade mark in passing-off proceedings as they believed that it was likely to deceive or confuse consumers.

[5] The appellants filed their opposition application in the Tribunal of the Registrar of Trade Marks on 11 January 2013. They sought an order refusing the respondent's trademark registration and ancillary relief. They contended, inter alia, that the respondent's application was mala fide, because it was lodged in the full knowledge of the appellants' proprietorship of an identical, prior and well-established trade mark, in relation to the same goods for which the respondent sought registration, in breach of ss 10(3) and 10(4) of the Act.² The appellants also sought the Registrar's condonation of

¹ In terms of s 16(1) and (2) of the Act governing the procedure for applications for registration which 'shall be made to the registrar in the prescribed manner' whereafter '[s]ubject to the provisions of th[e] Act, the registrar shall ... accept ... the application.' Section 17 of the Act requires that '[w]hen an application for registration of a trade mark has been accepted, the applicant shall, as soon as may be after acceptance, cause the application as accepted to be advertised in the prescribed manner.'

² These provisions respectively prohibit the registration of trade marks 'in relation to which the applicant for registration has no *bona fide* claim to proprietorship' and 'a mark in relation to which the applicant for registration has no *bona fide* intention of using it as a trade mark, either himself or through any person permitted or to be permitted by him to use the mark as contemplated by section 38'.

their late opposition which ought to have been filed within three months of the application's publication in the Patent Journal ie by 29 November 2012.

[6] The respondent opposed the appellants' proceedings. It contended that it brought its trade mark registration application more than 15 months after the removal of the appellant's trade mark registration from the trade marks office register. It also accused the appellants of wilful neglect of their trade mark registration and gross neglect and ineptitude in dealing with the trade mark by failing to inspect the Patent Journal and the trade mark register and ignoring renewal reminders and renewal notifications issued by the Registrar which, the respondent argued, led to the lapse of their trade mark.

[7] The Registrar did not adjudicate the opposition application. Instead, she transferred it for hearing to the court a quo in terms of s 59(2) of the Act which allows that procedure.³ A day before the hearing of the application, the respondent raised a point *in limine* that it was not legally competent for the Registrar to condone the late filing of the opposition where an extension of the opposition period was not requested before the expiry of the stipulated three month period because the Act does not permit it. The court a quo upheld the point *in limine* and accordingly dismissed the appellants' condonation application on this basis without considering the merits of the dispute.

³ Section 59(2) reads, for relevant purposes: 'Where proceedings in terms of section 21 ... are pending before the Registrar, the Registrar may in his discretion refer the proceedings to the court, and shall refer the proceedings to the court on written application of all the parties to such proceedings.'

[8] The court a quo reasoned that s 45(3) of the Act, read with regulations 52(1) and (3) of the Trade Marks Regulations (the regulations),⁴ did not ‘provide authority for the proposition that a late objection can be condoned lawfully by the Registrar of Trade Marks’. According to the court, s 29(1) of the Act read with regulation 52(1) made it clear that an ‘objector to the registration of a trade mark has to request the Registrar not to register the trade mark when requested to do so before the expiry of the term within which opposition can be lodged’ otherwise ‘the Registrar has no option but to refrain from issuing a certificate of registration’ for a further period. In the court’s view s 45(3) read with regulation 52(1) authorised the extension of the period for opposing registration but only if the request was made before its expiry. And s 29(1)(a) limits this power otherwise ‘the Registrar could never register a trade mark when Section 29(1)(a) has been complied with, as, in terms of Section 45(3) read with Regulation 52(3) that trade mark could, at any time after registration of the trade mark be overturned and opposed [which is] clearly an absurd result and cannot have been the intention of the legislature.’ The court concluded that the time limit within which the appellants could lawfully oppose the trade mark registration had expired and could not be extended.

Further evidence on appeal

[9] On appeal before us, the appellants sought to lead further evidence. It was submitted on their behalf that the failure to present it in the court a quo was not as a

⁴The Trade Mark Regulations, GN R578, GG 16373, 21 April 1995. Regulation 52 deals with requests and applications for extension of time and condonation and provides as follows:

‘(1) Any person interested in opposing a trade mark application may request the Registrar, on written notice before the expiry of the term in which the enter opposition to the application in terms of section 21, not to issue the certificate of registration for a period of three months from the date of expiry of the aforementioned term, and the Registrar shall not do so.

(2) In the absence of an agreement between the parties the Registrar may, upon application on notice in terms of regulation 19(4) and on good cause shown, make an order extending or abridging any time prescribed by these regulations or by an order of the Registrar or fixed by an order extending or abridging any time doing any act or taking any step in connection with any proceedings of any nature whatsoever upon such terms as to him seems meet.

(3) Any such extension may be ordered although the application is not made until after the expiry of the time prescribed or fixed, and the Registrar, when ordering any such extension, may make such order as to the recalling, varying or cancelling of the results flow from the terms of any order or from these regulations.’

result of lack of reasonable diligence on their part. They did not adduce it because they could not have foreseen the objection *in limine*, which was not raised in the respondent's papers and was brought up very late, well out of the time of the filing of heads (which the respondents did not even file) as prescribed by the practice directives of the court a quo. It was argued that the evidence was admissible and material to the issue on appeal.⁵ Furthermore, the interests of justice demanded its admission because the decision of the court a quo affected not only the parties but the public at large, including the manner in which the office of the Registrar of Trade Marks functions.

[10] The evidence sought to be placed before us was an affidavit deposed to by Ms Fleurette Coetzee, the Trade Marks Senior Manager in the Companies and Intellectual Property Commission, who fulfils the functions of the Registrar. It was meant to prove the manner in which the Registrar has, since 1991, interpreted and applied the provisions of the Act (and its predecessor, the Trade Marks Act 62 of 1963) and the regulations promulgated thereunder, particularly in relation to the registrar's powers to condone non-compliance with time frames prescribed by the Act and the manner in which the Registrar dealt with applications for extension of the opposition term. We were urged to admit the affidavit on the strength of authorities which have held that where an interpretation to be placed on a statute is not clear from its wording, the manner in which it has been applied by the administering authority can give guidance to its meaning.⁶ However, we dismissed the application (with costs) as we considered the evidence sought to be introduced irrelevant in the view we take of the matter.

The issue on appeal

⁵ *Botha v Regional Magistrate Cox NO & another* [2009] ZASCA 42; [2009] (3) All SA 373 (SCA) para 13; *De Aguiar v Real People Housing (Pty) Ltd* [2010] ZASCA 67; 2011 (1) SA 16 (SCA) para 12.

⁶ See for example, *Dinkel v Union Government* 1929 AD 150 at 165; *University of Pretoria, Adams & Adams and South African Institute of Intellectual Property Law v Registrar of Patents* 2002 BIP 68 (T) at 75F.

[11] Turning to the issue on appeal, the Act provides for opposition to an application for the registration of a trade mark in s 21. In terms of these provisions, ‘[a]ny interested person may, within three months from the date of the advertisement of an application in terms of section 17 or within such further time as the registrar may allow, oppose the application in the manner prescribed.’ Section 45(3) of the Act, upon which the appellants relied for their condonation application, provides that ‘[w]henever by this Act any time is specified within which any act is to be performed or thing is to be done by any person, the registrar may, on application by that person and unless otherwise expressly provided extend the time either before or after its expiration’.

[12] It was argued on the respondent’s behalf that these provisions did not permit the condonation sought by the appellants. Section 45(3) was juxtaposed with ss 20(1) and (2) of the Act⁷ which also fix time frames within which an applicant for the registration of a trade mark must respond to the Registrar’s notice of a non-completed application and, in addition to such time frames, also permit ‘such further time as the registrar may allow’ before the application is deemed to have been abandoned. It was contended that these provisions stipulate default time frames or such times as may be allowed by the Registrar. They do not envisage an extension of the default time frames, as a time period that has expired cannot be extended, and s 45(3) conferred no discretion on the Registrar to do so.

⁷ These provisions read:

‘20 Non-completed applications

(1) If, by reason of default on the part of the applicant, after acceptance of the application, the registration of a trade mark has not been completed within six months from the date of such acceptance, the Registrar shall give notice of the non-completion to the applicant, and, if at the expiration of two months from that notice or of such further time as the Registrar may allow, the registration is not completed, the application shall be deemed to have been abandoned.

(2) If the application is refused or is conditionally accepted and the applicant, having been advised of the Registrar’s objection to the application, or of his conditions for acceptance, fails to take such steps as are available to him under this Act within three months of the date of such advice, or such further time as the Registrar may allow, the application shall be deemed to have been abandoned.’

[13] Thus, so continued the respondent's argument, a late attempt to oppose cannot prevent the registration of a trade mark, which the Registrar will have accepted under s 16(2) of the Act even before the advertisement of the accepted application under s 17 thereof. And to achieve finality and certainty, the Act rather makes provision for various ways in which a registered trade mark may be expunged from the register – (a) under s 53;⁸ (b) by rectification of entries in the register by the Registrar or a court in terms of s 24;⁹ and (c) by removal from the register by a court or the Registrar on ground of non-use under s 27. Accordingly it was submitted that there were other remedies available to the appellants once the mark had been registered in the name of the respondent. Moreover, s 29(1) of the Act, which makes no reference at all to the Registrar's power to extend the opposition period but merely deals with the consequences where there is no opposition, clearly limited the Registrar's power set out in ss 21 and 45(3). Reference was also made to the European Union's Directive on the Harmonisation of Trade Marks laws. This has been applied by the United Kingdom, upon whose legislation South African trade marks law was based. To that end we were referred to similar statutory provisions in various foreign jurisdictions which do not allow extensions of the period of opposition on a request made after the expiry of the statutory period, except in 'a limited and well-defined sense'. To allow what the appellants sought would serve to protract the registration process indefinitely, arbitrarily and cause uncertainty contrary to the legislature's intention.

⁸ Which provides for 'recourse to court, and appeals' and reads in relevant part as follows:

'(1) Without derogating from the provisions of subsection (2), any person aggrieved by any decision or order of the Registrar may, within a period of three months after the date of any such decision or order, apply to the Transvaal Provincial Division of the Supreme Court [renamed the Gauteng Division of the High Court] for relief, and the said court shall have the power to consider the merits of any such matter, to receive further evidence, and to make any order as it may deem fit.'

⁹ Section 24(1) provides that: 'In the event of non-insertion in or omission from the register of any entry or of an entry wrongly made in or wrongly remaining on the register, or of any error or defect in any entry in the register, any interested person may apply to the court or, at the option of the applicant and subject to the provisions of s 59, in the prescribed manner, to the Registrar, for the desired relief, and thereupon the court or the Registrar, as the case may be, may make such order for making, removing or varying the entry as it or he may deem fit.'

[14] In my view, the respondent's contentions not only ignore the express wording of the relevant provisions but render the provisions of s 45(3) of the Act superfluous. There is no ambiguity either in s 21 or s 45(3). They mean precisely what they say. The ordinary wording of s 21 places no limitation on the Registrar's power to extend the opposition period. Section 45(3), in the plainest of terms, governs 'any time' specified in the Act 'within which an act is to be performed' and empowers the Registrar to extend that time, here the three-month period prescribed for the lodging of opposition to an application for the registration of a trade mark, either before or after its expiration, unless otherwise expressly provided. Neither the argument nor the judgment of the court *a quo* paid any attention to the requirement that the power in s 45(3) could only be limited if it was 'otherwise expressly provided'. It cannot be restricted or limited unless there is an express provision saying it will not apply in a particular situation. A limitation by implication is not what s 45(3) contemplates.

[15] Section 29(1), which forms part of a suite of provisions dealing with registration and its effects, has no limiting effect on the Registrar's power to extend the opposition as found by the court *a quo*. It reads:

'(1) When an application for registration of a trade mark has been accepted and advertised in the prescribed manner and either—

- (a) the application has not been opposed and the time for notice of opposition has expired; or
- (b) the application has been opposed and has been granted,

the registrar shall register the trade mark as on the date of the lodging of the application for registration, and that date shall, subject to the provisions of section 63, for the purposes of this Act be deemed to be the date of registration: Provided that where it appears to the registrar, having regard to matters which came to his notice after acceptance of an application, that the trade mark has been accepted in error, he may withdraw the acceptance and proceed as if the application had not been accepted.'

[16] To my mind, what these provisions seek to do is merely to mark the date of

registration, where there has been no successful opposition thereto, as the date when the application was lodged unless the application was erroneously accepted, in which case the acceptance will simply be withdrawn. Clearly, the words ‘the time for notice of opposition’ in s 29(1)(a) necessarily include an extension of that time. The ‘absurd result’ adverted to by the court a quo on this interpretation has no basis. Once the Registrar has issued the registration certificate in respect of a trade mark application, she becomes *functus officio* and cannot withdraw it even where it was issued in error. An affected party would, in those circumstances, have to approach and satisfy the Registrar or the court that it was proper to rectify the register accordingly in terms of s 24 of the Act.¹⁰

[17] The Court a quo committed a cardinal error, which led to its misinterpretation of the Registrar’s powers, by impermissibly using regulations (which it incidentally also misconstrued), in particular regulation 52, as an aid to interpret the provisions of the Act.¹¹ I find nothing arbitrary, unlawful or unreasonable about the above reading

¹⁰ *Colgate Palmolive Co v Smith Kline Beecham PLC & another* 2004 BIP 122 (T); *The Open Africa Initiative v Izinyawo Productions (Pty) Ltd t/a Richard Loring Enterprises* 2004 BIP 13 (RTM); *Home Hyper City (Pty) Ltd v Homemark (Pty) Ltd* 2003 BIP 67 (RTM) at 70A.

¹¹ *Moodley & others v Minister of Education and Culture, House of Delegates & another* 1989 (3) SA 221 (A) at 233E-F; *Minister of Health & another NO v New Clicks South Africa (Pty) Ltd & others (Treatment Action Campaign & another as Amici Curiae)* [2005] ZACC 14; 2006 (2) SA 311 (CC) para 446; *National Lotteries Board v Bruss NO & others* [2008] ZASCA 167; 2009 (4) SA 362 (SCA); *Rossouw & another v Firststrand Bank Ltd* [2010] ZASCA 130; 2010 (6) SA 439 (SCA) para 24.

of ss 45(3) and 29(1) of the Act. This is particularly so bearing in mind that the Act vests the Registrar with ‘all such powers and jurisdiction as are possessed by a single judge in a civil action’ in connection with any proceedings before her.¹² She is obviously enjoined to exercise her discretion lawfully in considering an extension application. And some foreign jurisdictions such as the Australia and New Zealand do allow the extension of the opposition period albeit in limited circumstances as acknowledged by the respondent itself. The appellants’ condonation application should not have been dismissed and the appeal must succeed.

[18] Accordingly, the following order is made:

‘1 The appeal is upheld with costs including the costs of two counsel.

2 The matter is remitted to the North Gauteng Division of the High Court, Pretoria for determination of the condonation application and the merits of the opposition.

MML Maya
Acting President

¹² In terms of s 45(1) of the Act.

APPEARANCES

Appellant: R Michau SC (with I Joubert)
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