

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

Case No: 49422/2013

In the matter between:

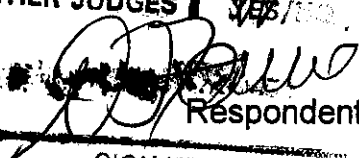
11/4/2015

**LOTTE CONFECTIONARY CO LTD**

Applicant

and

**ORION CORPORATION**

|                                                     |                                                                                                                |
|-----------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| <b>DELETE WHICHEVER IS NOT APPLICABLE</b>           |                                                                                                                |
| (1) REPORTABLE: <del>YES</del> /NO                  |                                                                                                                |
| (2) OF INTEREST TO OTHER JUDGES: <del>YES</del> /NO |                                                                                                                |
| (3) REVISED ✓                                       |                                                                                                                |
| DATE 11/4/15                                        | <br>Respondent<br>SIGNATURE |

**JUDGMENT**

**D S FOURIE, J:**

[1] This is an application in terms of section 24(1) of the Trade Marks Act, No 194 of 1993 ("the Act") for the removal of trade mark registration number 1996/01129 CHOCOPIE from the Register of Trade Marks. The application is opposed by the respondent who is the trade mark proprietor.

**THE PARTIES**

[2] The applicant is a Korean company and manufacturer of confectionary, candy biscuits, chocolates, snacks and ice-cream. It also manufactures a chocolate-coated biscuit sandwich pie which it markets under the name LOTTE CHOCOPIE and which it plans to export to South Africa in the near future. The respondent is also a Korean company and also a

manufacturer of confectionary, candy, biscuits, chocolates, snacks and ice-cream. It is the proprietor of trade mark registration No 1996/01129 CHOCOPIE which forms the subject of this application.

### **GROUND FOR REMOVAL**

[3] In 1996 the respondent secured a registration for the trade mark CHOCOPIE in Class 30 in respect of –

*“chocolates; ice-creams, biscuits, wafers, caramels, candies; breads; cakes; chewing gum; non-medicated confectionary; chocolate beverages with milk, chocolate-based beverages, cocoa-based beverages; cookies, pies, puddings, pastry all containing cocoa or chocolate or having a chocolate flavour.”*

[4] The applicant seeks in terms of section 24(1) of the Act the expungement of the mark from the Register of Trade Marks on the grounds that it is an entry wrongly made in or wrongly remaining on the Register because it is contrary to the provisions of sections 10(2)(a) and (b) as well as section 10(12) of the Act.

### **RELEVANT PROVISIONS OF THE TRADE MARKS ACT**

[5] Section 9 sets out the positive attributes necessary to render a mark registrable. It provides as follows:

*“(1) In order to be registrable, a trade mark shall be capable of distinguishing the goods or services of a person in respect of which*

*it is registered or proposed to be registered from the goods or services of another person either generally or, where the trade mark is registered or proposed to be registered subject to limitations, in relation to use within those limitations.*

*(2) A mark shall be considered to be capable of distinguishing within the meaning of ss (1) if, at the date of application for registration, it is inherently capable of so distinguishing or it is capable of distinguishing by reason of prior use thereof."*

[6] Section 10 sets out the negative attributes which would make a mark unregistrable. The relevant part of section 10 provides as follows:

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

*...*

*(2) a mark which –*

*(a) is not capable of distinguishing within the meaning of section 9; or*

*(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;*

*...*

(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;"*

[7] An entry wrongly made in or wrongly remaining on the Register is dealt with in section 24(1). It provides as follows:

*"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 section 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."*

[8] Section 51 contains provisions relating to the evidential value of the validity of the original registration of the trade mark. It provides as follows:

*"In all legal proceedings relating to a registered trade mark (including applications under section 24) the fact that a person is registered as the proprietor of the trade mark shall be prima facie evidence of the validity of the original registration of the trade mark and of all subsequent assignments and transmissions thereof."*

[9] Having regard to these provisions, I shall now consider the question whether an order for the expungement of the trade mark should be granted or not.

### **AN ENTRY WRONGLY MADE IN THE REGISTER**

[10] As I understand the case for the applicant, it is alleged that the mark was *ab initio* unregistrable and that the registration thereof was therefore made without sufficient cause. The words "an entry wrongly made" apply primarily to the registration of a trade mark contrary to the provisions of the Act. The relevant date for the purposes of deciding whether or not the entry was wrongly made is the effective date of the registration of the mark, namely 1996. It is therefore necessary to prove on the facts existing at that date that the entry was made without sufficient cause (Sportshoe (Pty) Ltd v Pep Stores (SA) (Pty) Ltd 1990 (1) SA 722 (A) at 726E).

[11] The evidence presented on behalf of the applicant consists mainly of various Internet printouts and information with regard to a visit to sweet and confectionary wholesalers in Pretoria. According to the supporting affidavits it appears that the Internet printouts were obtained and the visit to the sweet and confectionary wholesalers conducted during January 2009. It was pointed out on behalf of the respondent that this evidence is not supportive of any facts existing at the date that the entry was made (1996) to establish a *prima facie* case that the mark was registered without sufficient cause.

[12] Having regard to the rebuttable presumption in favour of validity (sec 51), I am of the view that a Court should not lightly and without due consideration of all the evidence, conclude that on the relevant date the Registrar made a mistake or caused an entry to be wrongly made or did not apply his mind properly. In the absence of sufficient evidence to justify such a conclusion and having regard to the provisions of section 51, I have to accept that the Registrar was satisfied with the respondent's application for registration on the relevant date, i.e. 1996. The evidence presented does not reach back to this date. Therefore, I am of the view that the applicant has failed to make out a case that the registration of the respondent's trade mark is an entry wrongly made in terms of section 24(1).

#### **AN ENTRY WRONGLY REMAINING ON THE REGISTER**

[13] According to the learned authors of the South African Law of Trade Marks (Webster & Page, South African Law of Trade Marks, 4<sup>th</sup> Edition, p 13-16(2) par 13.17) the reference to an entry which is wrongly remaining on the Register is intended primarily to cover cases where trade marks have become deceptive or lost their distinctiveness as a result of acts occurring after registration. This includes the possibility that a mark can also lose its distinctiveness by being used by several unconnected companies without control. The relevant date for determining the validity of such an entry is the date of the application for removal (Sportshoe (Pty) Ltd v Pep Stores (SA) (Pty) Ltd, *supra*, at 726E). The date of the application appears to be 8 October 2009. Although there is a lapse of approximately 8 months after

obtaining the evidence referred to above, it still relates to a subsequent state of affairs.

[14] It was contended on behalf of the applicant that the CHOCOPIE trade mark is descriptive and not capable of distinguishing as required by section 9 of the Act. It was also submitted that CHOCOPIE is nothing more than an abbreviation of the term "chocolate pie" which is a chocolate pastry consisting of an outer crust and a filling. It was finally contended, with reference to section 10(12), that the CHOCOPIE trade mark is inherently deceptive of the goods "chocolate beverages with milk, chocolate-based beverages and cocoa-based beverages".

[15] In answer thereto it was submitted on behalf of the respondent that CHOCOPIE *per se* is not a word in the English language. The recognition of it as a combination of the two words CHOCO and PIE might not be readily apparent when it is associated with wares other than pies. It was also contended that CHOCOPIE is not inherently descriptive or deceptive, since the wares in respect of which it is registered are self-evidently not "pies".

[16] Since distinctiveness is the very essence of a trade mark, it should follow that once a trade mark has ceased to be distinctive it should be removed from the Register (Webster & Page, *supra*, p 13-17 par 13.17.3). The capability of a mark to distinguish is a factual issue and must be considered having regard to all the evidence and relevant circumstances (Beecham Group v Triomed (Pty) Ltd 2003 (3) SA 639 (SCA) par 20).

[17] This brings me to a consideration of the evidence. The deponent on behalf of the applicant refers in his affidavit to certain product images and Internet printouts which according to him is evidence to show the widespread and extensive use of the abbreviation within every day descriptors such as "choco-cherry", "choco-cream", "choco-brown", "choco-slab" and "choco-mint". According to the confirmatory affidavit of the attorney all of these products (listed as product images) were purchased in South Africa and the printouts were made from South African websites. It is also alleged, with reference to another annexure containing product images, that there are at least two other manufacturers using the word "CHOCOPIE" as a descriptor in relation to confectionary products in South Africa.

[18] In the answering affidavit it is pointed out that the respondent has registered rights in CHOCOPIE dating back over 14 years and that the unlawful use of CHOCO-marks by third parties can hardly serve as a ground for the relief sought by the applicant. It is also alleged that it was the respondent who coined the unusual combination of "chocolate" and "pie" into the novel word CHOCOPIE for its goods and then proceeded to use and register that combination as a trade mark. The deponent also indicated that although it is alleged that CHOCO is used in South Africa, he is unaware of such use. Had the respondent been aware of it, it would have acted to stop it.

[19] In Triomed (Pty) Ltd v Beecham Group, *supra*, at 533E Smit J pointed out that a mark is inherently not capable of distinguishing when it

cannot do the job of distinguishing without the public first being educated that the sign is a trade mark. Another consideration in determining whether a mark is inherently capable of distinguishing is whether other traders are likely, in the ordinary course of their business and without any improper motive, to desire to use the same mark, or some mark merely resembling it, upon or in connection with their own goods (Distillers Corporation (SA) v Stellenbosch Farmers Winery 1979 (1) SA 532 (T) at 536G).

[20] The respondent does not dispute that there are products reflecting the use of the word "CHOCO" in combination with other words. According to the evidence before me the various Internet printouts and product images clearly show the widespread and extensive use of the abbreviation within every day descriptors such as "choco-cherry", "choco-brown" and "choco-mint". Furthermore, it also appears that there are at least two other manufacturers using the word "CHOCOPIE" as a descriptor in relation to confectionary products in South Africa. This became apparent during a visit at Sweet and Confectionary Wholesalers in Pretoria by one of the attorneys acting on behalf of the applicant. According to the images annexed to the founding affidavit there is also another CHOCOPIE product, being an ice-cream named SUCKERS CHOCOPIE. Again, these allegations have not been denied by the respondent.

[21] It therefore appears that subsequent to registration the respondent's trade mark has become surrounded by various other marks of a similar nature which appears to be an established practice in the trade. The

fact that the deponent on behalf of the respondent was unaware of this practice is in my view no answer. The respondent is apparently trading in South Africa and as trade mark proprietor supposed to protect its interests. Inaction may result in a trade mark losing its distinctiveness which, in my view, is the case here.

[22] Having regard to the evidence it seems to me that the respondent's trade mark has lost its distinctiveness for mainly two reasons: first, there is sufficient evidence to show the widespread and extensive use of the abbreviation "choco" within every day descriptors and second it appears that other traders are, in the ordinary course of their business and probably without any improper motive, using the same mark in connection with their own goods. In the result I have to conclude that the respondent's trade mark is no longer capable of distinguishing as required by the provisions of section 9(1) read with section 10(2)(a) of the Act. In view of this conclusion it is not necessary to consider whether the mark is also inherently deceptive.

### **ORDER**

- (1) It is ordered that trade mark registration number 1996/01129 CHOCOPIE in Class 30 registered in the name of the respondent (Orion Corporation) be removed from the Register in terms of section 24(1) of the Trade Marks Act 194 of 1993;

- (2) The respondent is ordered to pay the costs of this application.

  
**D S FOURIE**  
JUDGE OF THE HIGH COURT  
PRETORIA

Date: 1/4/15.