



IN THE HIGH COURT OF SOUTH AFRICA

/ES

(GAUTENG DIVISION, PRETORIA)

DELETE WHICHEVER IS NOT APPLICABLE	
(1) REPORTABLE: <u>(YES)</u> NO	only for Trade Mark Reports (BIP)
(2) OF INTEREST TO OTHER JUDGES: <u>YES</u> / NO	
(3) REVISED	
DATE 20/4/15	SIGNATURE <i>[Signature]</i>

CASE NO: A743/2013

TM CASE NO: 2007/05561

DATE: 24/4/2015

IN THE MATTER BETWEEN

CHANTELLE

APPELLANT (Opponent in the tribunal *a quo*)

AND

DESIGNER GROUP (PTY) LTD

RESPONDENT (Trade mark applicant in the tribunal *a quo*)

JUDGMENT

PRINSLOO, J

- [1] This is an appeal against the dismissal by the Registrar of Trade Marks of the appellant's opposition to the registration by the respondent of a trade mark CHANTELLE.

- [2] The respondent applied for the registration of the mark CHANTELLE under trade mark application 2007/05561 in Class 3 in respect of:

"Soaps, perfumery, essential oils, cosmetics, fragrances, deodorants and deodorizers, anti-perspirants and body care products."

("The Class 3 application.")

- [3] The Class 3 application was filed by the respondent on 15 March 2007 and advertised in the *Patent Journal* on 26 March 2008.

- [4] The appellant is the registered owner of a trade mark with the identical name, CHANTELLE, registered already in 1964 under no 1964/01137, in Class 25 ("the appellant's trade mark").

- [5] The appellant's trade mark is of full force and effect in this country.

- [6] The appellant's trade mark is registered in Class 25 in respect of the following:

"Girdles, brassiers, articles of underclothing and swim-suits (being articles of clothing), all being knitted or made wholly or principally of knitted materials; and stockings."

- [7] Not long after the advertisement of the Class 3 application in the *Patent Journal*, in March 2008, the appellant's attorney wrote a letter to the respondent, c/o its attorney, in July 2008, requesting it to withdraw the Class 3 application.

It is convenient to quote an extract from this letter for illustrative purposes:

"Our client has been using the trade mark CHANTELLE in relation to articles of clothing designed for women since 1949. Our client has made extensive use of its CHANTELLE trade mark in relation to such products in many countries of the world, including South Africa. As a result of such use, the trade mark CHANTELLE in relation to such goods has acquired an enormous reputation and goodwill vesting in our client. We submit that the CHANTELLE trade mark is in fact a well-known trade mark in South Africa in relation to such goods.

In addition to its common law rights, our client has also secured registration of the CHANTELLE trade mark in many countries of the world. In South Africa, our client's trade mark is registered under trade mark registration no 1964/01137 CHANTELLE in Class 25.

It has come to our client's attention that you have caused an application to be filed for the trade mark CHANTELLE in relation to goods in Class 3. Our client is of the opinion that your registration and use of the trade mark CHANTELLE in relation to the goods of interest to you will result in confusion with our client's well-known CHANTELLE trade mark. In the circumstances our client is of the opinion that your application offends the provisions of section 10(12), 10(14) and 10(17) of the South African Trade Marks Act 194 of 1993."

[8] The respondent's answer to this letter was short and sweet:

"Our client will not withdraw its application."

[9] Although subsections (12) and (17) of section 10 of the Trade Marks Act 194 of 1993 ("the Act") are also mentioned in the letter of demand, the appellant's opposition to the Class 3 application is based primarily on the provisions of section 10(14) of the Act, which stipulate:

"10. **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:

...

(14) subject to the provisions of section 14, a mark which is identical to a registered trade mark belonging to a different proprietor or so similar thereto that the 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 trade mark is registered, would be likely to deceive or cause confusion, unless the proprietor of such trade mark consents to the registration of such mark."

[10] Section 14, mentioned in section 10(14), has to do with "honest concurrent use" and, although it was mentioned in passing in an opposing affidavit offered by the respondent, it was not an issue in these particular proceedings.

[11] It is also common cause that the appellant did not consent to the registration of the proposed CHANTELLE mark in terms of the Class 3 application, as foreshadowed in section 10(14).

[12] The dispute involving the appellant's opposition to the Class 3 application led to a hearing in the tribunal of the Registrar of Trade Marks ("the Registrar") and in a written judgment dated 21 June 2013, the Registrar found against the appellant and made the following order:

- "(a) Trade mark application no 2007/05561 CHANTELLE in Class 3 was to proceed to registration and
- (b) the opposition was dismissed with costs."

[13] The appellant, in terms of section 53 of the Act, noted an appeal against this decision of 21 June 2013 of the Registrar, and the appeal came before us, sitting as a Full Court of this Division.

[14] Before us, Ms Joubert appeared for the appellant, and Ms Cirone appeared for the respondent.

A brief overview of the evidence

(i) Patrice Kretz ("Kretz")

[15] Kretz is the chairman and executive officer of the appellant, which is a French company.

- [16] His undisputed evidence is that the appellant designs, manufactures and markets lingerie brands throughout the world. As such, the appellant's garments are specifically designed and aimed at women. The appellant has been dedicated to the art of creating great fitting, high quality intimate apparel, designed to enhance a woman's beauty and self-image, for more than hundred years (according to an allegation made in the replying affidavit, the appellant has been in business since 1876). The appellant is the world's largest French intimate apparel company and its constantly rising turn-over reached 380 million Euro in 2007. (The founding affidavit, supporting the objection, is dated October 2008.)
- [17] It is undisputed that the appellant's 1964 CHANTELLE trade mark in Class 25 is validly registered and in full force and effect. The appellant therefore owns statutory rights in the trade mark CHANTELLE in South Africa.
- [18] The appellant's trade mark is used throughout many countries world-wide, including South Africa, in relation to the goods for which it is registered. The appellant has extensively used its CHANTELLE mark in South Africa for many years. Documentation is attached, emanating from an upmarket boutique in Cape Town, confirming its dealings with the appellant's CHANTELLE goods. This is not disputed.
- [19] The goods in relation to which the appellant's trade mark is registered and used, are items of fashion, particularly intended for and aimed at women. The appellant's CHANTELLE goods are stocked in and sold through various retail outlets and fashion orientated stores. Normally the appellant's CHANTELLE goods are sold in relative

close proximity to competitive brands. Such retail outlets also frequently stock and sell cosmetics and fragrances.

- [20] Articles of clothing such as those of the appellant, as well as cosmetics and fragrances, all constitute items of fashion. Such items are mostly used by women. They go hand in hand with a person's appearance for a promotional photo-shoot, a day at the office, a night on the town or otherwise. These items of fashion compliment each other and are often sold in close proximity to each other in the same retail outlet. Such retail outlets dealing in items of fashion are quite common in South Africa and include stores such as Edgars, Truworths, Foschini and Woolworths.
- [21] Kretz submits that the appellant's CHANTELLE goods can notionally be sold in any fashion outlet, including stores such as those referred to (but not limited only to them) where cosmetics and fragrances are located and sold in close proximity to clothing and other garments.
- [22] Kretz then simply records that the proposed trade mark in the Class 3 application, CHANTELLE, is identical to the appellant's trade mark, CHANTELLE. The respective parties' marks are therefore so similar as to be likely to confuse or deceive. This is one of the central issues of the case and will be dealt with later.
- [23] Kretz then refers to the provisions of section 10(14) of the Act, and, correctly, points out that a mark is unregistrable if it is identical to a registered trade mark belonging to a different proprietor (like here) or so similar to the registered trade mark that use thereof, in relation to the goods in respect of which it is sought to be registered, which

are the same as or similar to those goods in respect of which the trade mark is registered, would be likely to deceive or cause confusion (unless the proprietor of the trade mark consents to the registration of the new mark, which is not the case here).

[24] Kretz then submits that the test for confusing similarity for the purposes of section 10(14) involves a visual, conceptual and phonetic comparison of the marks, bearing in mind the notional use of the marks in relation to the goods for which they are registered and sought to be registered, respectively. He submits that the goods featuring in the Class 3 application are similar to and related to the goods covered by the appellant's trade mark.

[25] The witness goes on to state that the appellant relies on the principles laid down in *Danco Clothing (Pty) Ltd v Nu-Care Marketing Sales & Promotions (Pty) Ltd and another* 1991 4 SA 850 (AD) ("*Danco*"). A discussion of *Danco* follows later.

[26] Kretz submits that the respective uses of the respective goods are similar and overlap in that they are likely to be used as items of fashion to improve a person's appearance. The respective users of the respective goods are the same in that such use would be made by people "wishing to improve their appearance, models, and mostly women". He submits that the physical nature of the goods is that they are both applied to the human body to affect a person's appearance or physical nature and are notionally sold in close proximity to each other. The respective trade channels through which the goods reach the market also notionally overlap and in this regard the witness again makes reference to *Danco*. The witness also submits that the parties' respective goods are competitive in that it is a regular occurrence for manufacturers of, for example,

clothing brands to extend their product lines to also include other items of fashion such as cosmetics and fragrances.

[27] In conclusion, the witness submits that the use of the mark CHANTELLE relating to the Class 3 application, in the course of trade, would be likely to cause confusion and deception in that members of the public would be likely to believe that the respondent is, or is associated with the appellant. There is no connection between the respondent's and the appellant's goods. The respondent's CHANTELLE mark does not distinguish its goods from goods identified by the appellant's CHANTELLE mark. (The emphasis on the repeated use by the witness of the phrases "notional use", "notional" and "notionally" is my own, for reasons which will appear later.)

(ii) Alicia Castleman ("Ms Castleman")

[28] She is a candidate attorney employed by the appellant's attorney or, more correctly, was so employed when deposing to a supporting affidavit in October 2008.

[29] On 8 October 2008 she visited a prominent shopping mall in Centurion, Gauteng, and in particular the retail outlets Edgars, Truworths and Foschini.

[30] During her visit to the department store Edgars, she noted a number of clothing brands as well as perfumes under the same brand sold in close proximity to each other, namely ADIDAS, ROXY, PUMA, GUESS and BONDIBLU.

[31] She is also personally aware that there are a number of perfumes sold in the department stores Edgars, Truworths and Foschini which are also sold as clothing

under the same brand. These include PRADA, LA COSTE, CALVIN KLEIN, CHANEL, DIOR, GUCCI and DIESEL. (She mentioned more, but I only quoted some of the brands from her list.)

- [32] To her affidavit, Ms Castleman then attaches no less than fifteen sets of register sheets (extracts from the Trade Marks register) evidencing the common ownership by clothing manufacturers of marks in both Class 3 and Class 25.

I only mention a few, for the sake of brevity: CHRISTIAN DIOR, HUGO BOSS, CHANEL, CALVIN KLEIN, LA COSTE, PRADA SA, BONDI BLU and PUMA.

- [33] Ms Castleman then concludes by submitting that in the light of the foregoing, it appears as though it is common for manufacturers of clothing to extend their product range under the same mark to, for example, cosmetics and fragrances. She confirms that she also found that these goods are sold in close proximity to each other, all in the same department stores.

(iii) Ian Wilson Martin Isdale ("Isdale")

- [34] He is a director of the respondent, based in Germiston, Gauteng. He is the only witness on behalf of the respondent, and deposed to the answering affidavit.

- [35] The respondent was formed in 1995 as a business specialising in supplying fragrance and personal care products to the retail market and has grown considerably "to become one of the leading suppliers of personal care products in South Africa today".

- [36] The respondent sells an extensive range of personal care products under the mark DESIGNER NOTES. The mark CHANTELLE is used by the respondent for products in that range. The CHANTELLE product was launched in May 2002 and distributes its CHANTELLE products to various stores throughout South Africa and also has a presence in Botswana and Namibia. The CHANTELLE product is the respondent's best selling female variant targeting females in the primary age group from 16 to 35. In the financial year ending September 2008 CHANTELLE products were sold at ex-factory value of over R4 million. The respondent also conducted aggressive advertising campaigns to promote its products, including the CHANTELLE products.
- [37] Isdale submits that the CHANTELLE mark has "undoubtedly" become well-known in South Africa and the mark, when used in relation to goods in Class 3, particularly cosmetic products, has been associated in the minds of the public with the respondent at all relevant times.
- [38] Throughout the whole of the more than six years that the respondent's CHANTELLE products have been sold in South Africa, the respondent has not heard of a single case of confusion with the appellant's goods nor received a single complaint from the appellant regarding any confusion.

Of course, such "complaint" manifested itself in the appellant's opposition to the Class 3 application.

Moreover, it was argued on behalf of the appellant, correctly in my view, that it is unlikely that consumers who were confused or deceived by or between the origin of the appellant's CHANTELLE products and that of the respondent, would go to the trouble of contacting the manufacturer to register or record such confusion. A regular user of the appellant's CHANTELLE products, stumbling upon the respondent's CHANTELLE cosmetics, notionally in the same store, may purchase the latter assuming a common origin with that of the appellant's products. It is precisely because of such deception, that the consumer will not ever think of registering a complaint.

- [39] Isdale testifies that the appellant's claims that its goods are "items of fashion" is "intentionally misleading": the appellant's registration is in respect of girdles, brassiers and other articles of underclothing and swim-suits and stockings. According to the appellant's website, so Isdale states, the appellant's trade is very restricted and it trades in lingerie, particularly intimate apparel and figure enhancement products. He argues that different types of "fashion items" are sold in different ways through different trade channels. He argues that the assertion that the appellant's goods are stocked in and sold through various retail outlets and fashion orientated stores "is irrelevant" as there is no relevant evidence that this statement relates to trade in South Africa. In the replying affidavit, Kretz insists that the evidence shows that in South Africa in many instances articles of clothing and perfumery are sold side by side or in close proximity. He repeats his submission that the appellant's goods are items of fashion and, in any event, lingerie and related products are products used by women, like the applicant's products.

- [40] Isdale complains that there is no "credible evidence" that the appellant's goods are sold in stores such as Edgars, Truworths, Foschini or Woolworths or that they are sold in close proximity to cosmetics and fragrances in the same retail outlets in South Africa.

In reply, Kretz counters this by submitting that having regard to the nature of the goods of the parties, the respective use of the goods, the trade channels through which the appellant's and the respondent's goods can notionally be retailed, there is a likelihood of deception or confusion between the respective trade marks (emphasis added).

- [41] Isdale argues that although the marks of the parties are the same (in fact, it is common cause that they are identical) they are used and are to be used in relation to "totally different" goods and the use would not be likely to deceive or cause confusion.

- [42] In the answering and replying affidavits, both parties dispute the allegations of the other that its mark had acquired a substantial reputation over the years.

- [43] Isdale argues that members of the public who shop at the large departmental and clothing stores do not expect the same mark on "unrelated goods" to indicate the same origin. He also argues that the respective trade channels through which the goods concerned reached the market do not overlap. In reply, these statements are disputed. Kretz argues that the evidence shows that the respective trade channels where the goods of the applicant and the opponent can notionally be retailed are certainly overlapping (emphasis added). He insists that both consumers and retailers associate the goods of interest to the appellant with the goods of interest to the respondent and

vice versa. Kretz submits that in many cases the goods of interest to the appellant are shown in close proximity to the goods of interest to the respondent.

[44] Isdale argues that the major South African brands for products that are of the same nature as the appellant's goods, and he mentions brands like PLAYTEX, WONDERBRA, TRIUMPH INTERNATIONAL and others, are known only for those goods and not for cosmetic products. This is disputed in reply.

[45] Isdale argues that the public knows that cosmetics and fragrances identified by the mark CHANTELLE originate from the respondent. He does not motivate the statement in any way, neither does he offer any independent or other evidence in support thereof. Indeed, with the exception of sales figures and the photograph of a CHANTELLE product featuring in an advertisement, none of the evidence of Isdale is supported independently from other sources. I make this remark because of the all important issue of *onus* to which I will revert.

The Danco judgment

[46] The appellant had been the registered proprietor of two "French Connection" trade marks in Class 25 in respect of clothing since 1980 and 1983 respectively. In 1987 the respondent became the proprietor of the identical "French Connection" mark in Class 3 of the register in respect of, broadly, cosmetics and toiletries. It must be added that the appellant had built up a substantial reputation for its "French Connection" clothing which was sold through national chain stores with numerous branches throughout the country. There is a side issue, for present purposes, in the sense that

the appellant had planned to branch out into cosmetics and toiletries which I will not dwell on for purposes of this judgment.

- [47] The appellant applied for the expungement of the respondent's mark from the Trade Mark register on the grounds that the use by the respondent of the identical mark offended against the provisions of, *inter alia*, section 17(1) of the previous Trade Marks Act no 62 of 1963 ("the Old Act") in that its use in relation to cosmetics was likely to deceive or cause confusion in view of the use by the appellant, in relation to clothing, of its earlier marks registered in Class 25. The appellant's evidence as to the likelihood of confusion, which evidence was properly supported by other sources, was that clothing, on the one hand, and cosmetics, toiletries, perfumery and sun-tan preparations, on the other hand, were sold in close proximity and through the same trade channels such as large departmental and clothing stores; that customers at retail stores of that kind would, as a matter of course, associate a mark on cosmetics with the identical mark on well-known and popular brands of clothing; and that the appellant's mark on clothing had indeed been well-known and popular in 1985.
- [48] The appellant failed in the court *a quo*, mainly on technical grounds flowing from an argument as to whether the appellant had the necessary *locus standi*. The court *a quo* made no findings on the merits. The judgment of the court *a quo* is reported at 1990 2 SA 619 (T).
- [49] On appeal, the finding of the learned judge *a quo* as to the *locus standi* argument was reversed.

[50] On appeal, as to the merits, it was held (I quote from the headnote at 852C-F but will visit the actual remarks of the learned Judge of Appeal hereunder) that, for purposes of comparison, use of the mark by both parties concerned was to be postulated, and that the issue was whether such a postulated and fair use by the respondent of the "French Connection" mark in relation to cosmetics in 1985 would have been likely to cause confusion or deception when compared with the use by the appellant of the "French Connection" mark in connection with items of clothing.

It was further held that in expungement proceedings under section 33 of the Act (the "Old Act") the *onus* rested upon the applicant for expungement, if he relied, *inter alia*, on section 17(1) of the (Old) Act, to establish on a balance of probabilities that the notional use of the mark in a fair and normal fashion – in this instance, by the appellant in respect of clothing and by the respondent in respect of cosmetics – would, more likely than not, be deceptive or at least confusing in regard to the source of the respective goods.

It was further held that, having regard to the nature of the goods (the appellant's clothing and the respondent's cosmetics), their respective uses, and the trade channels through which the appellant's and respondent's goods could notionally be retailed, that the likelihood of confusion or deception among a substantial number of persons had been established on the probabilities (emphasis added). The appeal was accordingly allowed.

[51] Section 17(1) of the Old Act reads as follows:

"(1) Subject to the provisions of sub-section (2), no trade mark shall be registered if it so resembles a trade mark belonging to a different proprietor and already on the register that the use of both such trade 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."

This appears to be, by and large, the counter-part of the present section 10(14). Subsection (2) of section 17, referred to in section 17(1), of the Old Act, has to do with "honest concurrent use or of other special circumstances" which, as I have indicated, is not a subject which played a part in these proceedings.

[52] At 860A-B the learned Judge of Appeal says the following:

"This is a case, not of different marks in the same class, but of the same mark in different classes. The marks in question being identical, their resemblance goes without saying; what remains to be contrasted is the use of the identical mark in relation to different classes of goods."

From what has already been stated, it is obvious that the circumstances in the present case are exactly the same. It was common cause before us that the two CHANTELLE marks are identical. The same classes (3 and 25) come into play.

[53] I turn to the issue of notional use, emphasised earlier in this judgment, and repeatedly referred to by Kretz in the founding affidavit of the appellant.

[54] In *Danco*, at 860B-D, the learned Judge of Appeal states:

"Such use, it is trite, does not have to be actual. For purposes of the comparison use of the trade mark by both parties concerned is postulated. The issue is whether such a postulated normal and fair use by the respondent of the trade mark 'French Connection' in relation to a range of cosmetics would be likely to cause confusion or deception when compared with a notional use by the appellant of the trade mark 'French Connection' in connection with items of clothing ... It is equally trite that the deception or confusion must be in regard to the source or origin of the respective goods ..."

[55] According to the *Shorter Oxford English Dictionary* volume 2 p1947, "notional" means:

- "2. of knowledge etc: purely speculative; not based on fact or demonstration;
3. existing only in thought; imaginary;
4. hypothetical; for the purposes of a particular interpretation or theory."

[56] The learned authors Webster and Page *South African Law of Trade Marks*, updated loose-leaf edition paragraph 7.16 state the following under the heading "normal and fair use":

"The test which has been put forward for comparison of marks under section 10(12) requires normal and fair use by the applicant of the trade mark it is seeking to register to be postulated, while the test suggested for section 10(14) requires the tribunal to postulate notional use by the opponent of his registered mark in respect of some or all of the goods covered by the registration and use

in a normal and fair manner of the applicant's trade mark in respect of any of the goods covered by his application for registration. In infringement proceedings notional use of the plaintiff's trade mark is to be considered. Whether notional use of the defendant's mark has to be taken into account is as yet undecided.

Notional use is any normal and fair use which a party could make of his trade mark. This includes not only the range of goods (or services) in respect of which such use could take place or the field of actual purchases but also the fact that the trade mark may be used in association with descriptive matter."

[57] In paragraph 12.8.4, under the heading "notional user", the learned authors state:

"The English courts have adopted the view that the manner in which the respective parties have actually used the marks in question is not the determining factor in deciding whether there is a probability of deception or confusion in infringement proceedings; what is a determining factor is how they can use the marks provided only it is used in a fair and normal manner."

And further:

"In accordance with this doctrine the fact that the defendant has used the mark upon goods of a particular quality and has sold them in a particular market at a particular price is irrelevant, so also the fact that the plaintiff has used the registered marks on goods of a different quality and has sold them at a different price in a different market. What is relevant is the fact that the plaintiff, as registered proprietor, is entitled to use his mark upon goods of the

same quality to be sold at the same price in the same market, and it is this fact that the court must take into account in considering the likelihood of deception or confusion." (Emphasis added.)

[58] The learned authors state that the doctrine was first adopted in South Africa in 1974 and thereafter applied in a number of decisions. I do not propose dealing with more of those particulars.

[59] In paragraph 12.23 the learned authors consider, *inter alia*, the requirement "that the goods or services must be so similar to those in respect of which the mark is registered that in such use there exists the likelihood of deception or confusion".

The learned authors also deal with *Danco* and then they refer to *New Media Publishing (Pty) Ltd v Eating Out Web Services CC and another* 2005 5 SA 388 (C) where the learned Judge says the following at 394D-H:

"There is, it seems to me, an interdependence between the two legs of the inquiry: the less the similarity between the respective goods or services of the parties, the greater will be the degree of resemblance required between their respective marks before it can be said that there is a likelihood of deception or confusion in the use of the allegedly offending mark, and vice versa." (Emphasis added.)

In this regard, of course, the marks relating to the present case are identical. Consequently, as a general proposition, if the approach of the learned Judge is correct,

the fact that the marks are identical should bolster a case for confusion and similarity, rather than militate against it.

[60] In *Eating Out*, the learned Judge, at 394F-G, quotes the learned authors, *Webster and Page*, *op cit* as stating the following with reference to section 34(1)(b) of the Act:

"On a proper interpretation of the South African section the degree of resemblance between the marks and the degree of resemblance between the goods or services must be such that their combined effect will be to produce a likelihood of deception or confusion when that mark is used on those goods or services."

This passage is quoted by the learned authors themselves at 12-42.

The passage in *Eating Out* is also quoted with approval in *Mettenheimer v Zonquasdrif Vineyards* 2014 2 SA 204 (SCA) at 209D-F.

[61] With regard to the factors to be taken into account in an effort to determine whether or not there is similarity between the goods, a case often referred to is that of *British Sugar plc v James Robertson & Sons Ltd* [1996] RPC 281 where the learned Judge, at 296-297, proposes that the following factors may be relevant in considering whether or not there is similarity:

- "(a) the respective uses of the respective goods or services;
- (b) the respective users of the respective goods or services;
- (c) the physical nature of the goods or acts of service;

- (d) the respective trade channels through which the goods or services reach the market;
- (e) in the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) the extent to which the respective goods or services are competitive.

This enquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors."

The learned authors, *Webster and Page*, paragraph 12.23 p12-41, criticise the approach of the English Judge in the sense that he appears to regard the question of the similarity of goods as being wholly independent of the particular mark. The learned authors, as I have already pointed out, argue that the test cannot be applied to the degree of similarity between the goods or services without having regard to the degree of similarity between the marks. They also argue that the learned English Judge did not appear to take due account of the British Act itself which "requires the court to determine whether there is a likelihood of confusion arising from the combined effect of the similarity between the marks and similarity between the goods or services in question and that the degree of similarity in each respect may well affect the question of whether their combined effect is to produce a likelihood of confusion or deception".

It is perhaps appropriate, then, to consider the factors listed in *British Sugar* against the background of the remarks of criticism made by the learned authors: it seems to

me that the evidence of Kretz, on behalf of the appellant, already quoted in greater detail above, is informative on this subject and it is also, as explained, to a large extent undisputed. The appellant has extensively used its mark in South Africa for many years. Its goods are items of fashion, particularly intended for and aimed at women. Its goods are stocked in and sold through various retail outlets and fashion orientated stores. Normally its goods are sold in relative close proximity to competitive brands. Such retail outlets also frequently stock and sell cosmetics and fragrances. Articles of clothing such as those of the appellant, as well as cosmetics and fragrances, all constitute items of fashion. Such items are mostly used by women. They go hand in hand with a person's appearance. These items of fashion compliment each other and are often sold in close proximity to each other in the same retail outlet. Importantly, the appellant's goods can notionally be sold in any fashion outlet, including stores such as Edgars, Truworths and others where cosmetics and fragrances are located and sold in close proximity to clothing and other garments.

Kretz goes on to submit that the respective uses of the respective goods are similar and overlap in that they are likely to be used as items of fashion to improve a person's appearance. He suggests that the respective users of the respective goods are the same in that such use would be made by people wishing to improve their appearance "and mostly women". With these submissions I find myself in respectful agreement.

Kretz then goes on to suggest that the physical nature of the goods "is that they are both applied to the human body to affect a person's appearance or physical nature and are notionally sold in close proximity to each other". It is not clear whether the learned English Judge, in *British Sugar*, when stating that the "physical nature of the

goods" is a factor relevant when considering whether or not there is similarity, meant that the test in this regard is whether the physical nature of the goods are the same or similar. On this narrow interpretation, I cannot agree with Kretz that the cosmetics and the clothing are physically similar. The learned Judge of Appeal, in *Danco*, at 860G-H, also said, correctly in my respectful view, that the goods are widely divergent in nature. The learned Judge in *Danco*, of course, did not have the benefit of considering *British Sugar*, which was reported well after *Danco*. On the broader approach evidently propagated by Kretz, namely that "the physical nature of the goods is that they are both applied to the human body to affect a person's appearance", there may be a, somewhat tenuous, case to be made out for an argument, if that is what Kretz has in mind, that the physical nature of the goods are similar in that sense. However, it seems to me that such an approach would be artificial and unconvincing.

Perhaps more persuasively, Kretz argues that the respective trade channels through which the goods reach the market also notionally overlap. In this regard, Kretz also relies on the following remarks by the learned Judge of Appeal in *Danco* at 861C-E:

"It was a matter for comment that there was no evidence of actual deception or confusion – but since there were no side by side sales of the respective commodities this is hardly surprising. According to the evidence the respondent did not market its deodorant product through the retail channels being utilised by the appellant.

Having regard to the evidence relating to the nature of the goods (the appellant's clothing and the respondent's cosmetics), their respective use, and the trade channels through which the appellant's and the respondent's goods

can notionally be retailed, the likelihood of deception or confusion amongst a substantial number of persons has, in my opinion, been established on the probabilities." (Emphasis added.)

Against this background, I find myself in respectful agreement with the submission of Kretz, particularly if one constantly bears in mind the principles flowing from the doctrine of notional use.

It seems to me that the same remarks should apply to the learned English Judge's factor (e), dealing with the self-service consumer items and where the competing goods are likely to be found with reference to the same or different shelves. At least notionally, which is the relevant consideration, it would seem that a case for similarity is made out.

Finally, Kretz turns to factor (f) in *British Sugar*, dealing with the extent to which the respective goods or services are competitive. The learned English Judge appears to qualify this by linking the enquiry to trade classification and whether or not the goods would be found in the same or different sectors. Kretz submits that the goods are competitive "in that it is an often (*sic?*) occurrence for manufacturers of, for example, clothing brands to extend its product lines to also include other items of fashion such as cosmetics and fragrances". In this regard Kretz relies on the uncontested evidence of Ms Castleman, which I earlier described in detail and will not repeat. In the light of the evidence of Ms Castleman, and the application of the doctrine of notional use, and, finally, the manner in which the English Judge appeared to qualify his proposed factor (f) relating to the competitiveness of the goods, it appears that there is merit in

the submissions of Kretz. Against this background, it seems to me that a conclusion that a case has been made out for similarity in the present instance would not be inappropriate. I am also of the view that such a conclusion must be fortified by the application of the doctrine of notional use and that the issue of similarity and the likelihood of confusion must be determined from the combined effect of the similarity between the marks and similarity between the goods. For the apparent failure by the learned English Judge to take the latter aspect into account, he was duly criticised, as I pointed out, by the learned authors *Webster and Page*.

[62] I return to *Danco*.

[63] At 860G-861C the learned Judge of Appeal says the following:

"Cosmetics and clothing, being goods accommodated in different classes on the register, are indeed goods of a widely divergent nature. According to the appellant the link between these classes of goods is established by a variety of considerations. Clothing, on the one hand, and cosmetics, toiletries, perfumery and sun-tan preparations, on the other, are sold, according to the undisputed evidence, in close proximity, through the same trade channels such as large departmental and clothing stores, of which Edgars and Truworths are examples. In addition, several prominent and knowledgeable persons in the trade have deposed that customers in retail outlets of this sort would as a matter of course associate a mark on cosmetics with the identical mark on well-known and popular brands of clothing; and that the appellant's mark was indeed well-known and popular on clothing in 1985. This is a trend which began with prestige goods, and which has been adopted by a number of

manufacturers of more popular brands of clothing who now market cosmetics, perfumery and the like under the same brand names as their clothing. Cohen then states:

'It is my experience that, resulting from the above trend, the public now associate a particular brand of cosmetics, perfumery, toiletries or sun-tan preparations with clothing bearing the same trade name.'

This assertion was neither contradicted or qualified."

- [64] Before us, Ms Cirone for the respondent argued that the present matter is distinguishable from *Danco*. She said that in *Danco* the court found that the appellant's trade mark had a substantial reputation in clothing. She submitted that this was the starting point from which the court proceeded to determine likelihood of deception or confusion as to the source or origin of the goods. She submitted that *Danco* is distinguishable from the present matter on the basis that it was decided prior to the promulgation of the (current) Act. The Old Act did not afford, according to her, protection to well-known trade marks. She submitted that *Danco* sought to protect proprietors of well-known trade marks. She relied on the same passage from the judgment, from 860H onwards, which I have quoted. She argued that the court held in *Danco* that the proprietor of a well-known Class 25 trade mark was, on the strength of the well-known status of the mark, able to impede the registration of a similar or identical Class 3 trade mark on the basis that there would be confusion. She argued that this is because of the "trend" that well-known fashion clothing manufacturers also market perfumes and cosmetics. Because, so it was submitted, the present appellant

did not make out a case that its CHANTELLE mark is well-known, the judgment in *Danco* is distinguishable.

[65] In his judgment now under attack, the learned Registrar quoted the submissions made before him by counsel for the respondent (then the applicant for registration of a trade mark) and adopted that reasoning as correct.

[66] I am not persuaded that this argument offered by the respondent, and adopted by the learned Registrar, is correct.

Firstly, and inasmuch as it may be relevant, which I consider not to be the case, there is, in my view, no compelling support on the evidence for Ms Cirone's argument that "the appellant has not made out a case that its CHANTELLE trade mark is well-known". Kretz, as I have pointed out, offered the following evidence which is largely undisputed: he is the chairman and executive officer of the appellant. The appellant designs, manufactures and markets lingerie brands throughout the world. The garments are specifically designed and aimed at women. The appellant has been dedicated to creating these quality items of clothing to enhance a woman's beauty and self-image for more than a hundred years. The appellant has been in business since 1876. It is the world's largest intimate apparel company with a rising turn-over of some 380 million Euro in 2007. Kretz has personal knowledge of all this, speaks with authority and has been with the appellant since 1985. The appellant's mark is used throughout many countries world-wide, including South Africa. The appellant has extensively used its CHANTELLE mark in South Africa for many years. Supporting evidence, in the form of the Waterfront boutique's documents, was

submitted. The appellant's CHANTELLE goods are stocked in and sold through various retail outlets and fashion orientated stores.

In the face of this evidence, the learned Registrar, in his or her judgment, said the following:

"In this instance currently before the Tribunal the Opponent could not adduce evidence of its alleged involvement in the design, manufacture and marketing lingerie for more than 100 years. As such the Tribunal could not find the Opponent's mark to be well-known, so as for the principles in the *Danco* case to also be applicable to this case."

In my view, this remark represents a clear misdirection on the part of the learned Registrar considering the unequivocal and undisputed evidence of Kretz on the point.

In any event, the *onus*, as I will illustrate, is on the respondent to dispel the likelihood of confusion amongst consumers.

Secondly, the argument offered on behalf of the respondent, as I understand it, fails to take the doctrine of the notional user into account, either properly or at all. I have dealt with this doctrine at some length, but may be permitted to revisit the following words of the learned authors (paragraph 12.8.4):

"In accordance with this doctrine the fact that the defendant has used the mark upon goods of a particular quality and has sold them in a particular market at a particular price is irrelevant, so also is the fact that the plaintiff has used the registered marks on goods of a different quality and has sold them at a

different price in a different market. What is relevant is the fact that the plaintiff, as registered proprietor, is entitled to use his mark upon goods of the same quality to be sold at the same price in the same market, and it is this fact that the court must take into account in considering the likelihood of deception or confusion."

I also take the liberty, recognising that I may be neglecting the ever present requirement of brevity in the circumstances, to revisit the words of the learned Judge of Appeal in *Danco* at 860B-C:

"Such use, it is trite, does not have to be actual. For purposes of the comparison use of the trade mark by both parties concerned is postulated. The issue is whether such a postulated normal and fair use by the respondent of the trade mark 'French Connection' in relation to a range of cosmetics would be likely to cause confusion or deception when compared with a notional use by the appellant of the trade mark 'French Connection' in connection with items of clothing ... It is equally trite that the deception or confusion must be in regard to the source or origin of the respective goods."

While at it, and still paying only lip-service to the requirement of brevity, I revisit the following words of the learned Judge of Appeal at 861D:

"It was a matter for comment that there was no evidence of actual deception or confusion – but since there were no side by side sales of the respective commodities this is hardly surprising. According to the evidence the respondent did not market its deodorant product through the retail channels being utilised by the appellant."

Ms Joubert for the appellant also referred us to the following remarks by the learned Judge in *Kahn's Chemical Industry CC v Unilever plc* 2004 BIP 107 (RTM) at 109C-F, with the learned Judge acting as the Registrar of Trade Marks:

"The dispute between the parties is whether the applicant's mark is so similar to the opponent's mark 'that the use thereof in relation to goods ... in respect of which it is sought to be registered and which are the same as or similar to the goods ... in respect of which such trade mark is registered, would be likely to deceive or cause confusion' (section 10(14) of the Act). The wording of this subsection does not require any party to prove extensive use. The manner or extent of use of marks by the respective parties would only be relevant should it have a bearing on a finding as to whether or not there is a likelihood of deception or confusion as to the origin of the goods. In one case it may carry much weight but may be wholly irrelevant or of very slight insignificance in another. The premise is that each party uses its mark in a normal and fair manner. Whether or not contesting marks could likely deceive or cause confusion is a matter of fact to be decided on the facts of each particular case. It is common cause that the applicant bears the *onus* of proof to satisfy this tribunal that there is no reasonable probability of deception or confusion and that the mark is therefore registrable."

Against this background, it seems to me that the main thrust of the respondent's argument, namely that the appellant had failed to make out a case that its trade mark is well-known, is in any event of little or no consequence.

While the learned Registrar, in the judgment under consideration, remarked only fleetingly (record pp98 and 99) to the fact that the appellant's (then the Opponent's) counsel alluded to the issue of notional use, the learned Registrar took this no further and never dealt with this, what I consider to be, important subject in the judgment. In my view, this is another material misdirection on the part of the learned Registrar. Perhaps not surprisingly, paragraph 1.4 of the notice of appeal reads as follows:

"In this regard, the Registrar failed to have regard to the normal and fair use both the appellant and the respondent may make of their respective trade marks, as he was required to do. The Registrar specifically erred in having regard to the manner in which the respective parties' goods were in fact marketed and sold, rather than the notional use that could be made of these goods."

Thirdly, as the learned Judge pointed out in *Kahn's Chemical Industry*, the wording of section 10(14) does not require any party to prove extensive use.

Indeed, that issue may come into play in proceedings under section 10(17) which did not come before us, and where the requirement of deception and confusion is also dispensed with.

Fourthly, while the learned Judge of Appeal, in *Danco*, did indeed make reference to well-known and popular brands of clothing he did not single out these aspects in his conclusionary remarks at 861E, which I am also taking the liberty to revisit:

"Having regard to the evidence relating to the nature of the goods (the appellant's clothing and the respondent's cosmetics), their respective use, and

the trade channels through which the appellant's and the respondent's goods can notionally be retailed, the likelihood of deception or confusion amongst a substantial number of persons has, in my opinion, been established on the probabilities." (Emphasis added.)

- [67] In the circumstances, I am not persuaded that the principles laid down in *Danco* are distinguishable from the present case.

Brief remarks about the issue of confusion

- [68] Ms Joubert, for the appellant, pointed out that it has been held that it is not necessary that the deception or confusion created by the similarity of the marks be more than momentary. Proof of the likelihood of initial confusion, even though it is capable of being cleared up, is sufficient – *International Power Marketing (Pty) Ltd v Searles Industrials (Pty) Ltd* 1983 4 SA 163 (TPD) at 170A-B.

- [69] Ms Joubert also referred us to the following passage from *Orange Brand Services v Account Works Software* [2013] ZA SCA 158 (22 November 2013) at paragraph [13]:

"... confusion need not be lasting for it to disqualify a mark from registration. It is sufficient if it is confusing only for a short time, sufficient to attract initial interest, albeit that the confusion may later be cleared up."

- [70] In paragraph 7.2 of their work, the learned authors *Webster and Page* state:

"The deception or confusion need last only a fraction of time and only one of the persons involved need be deceived or confused. In practical terms this

means that proof of the likelihood of initial confusion, even though it is capable of being cleared up, is sufficient."

- [71] An argument offered on behalf of the respondent, on the issue of confusion, was that the appellant's goods, protected by its Class 25 mark, cannot be described as "clothing". It was argued that it would rather be "underwear, undergarments and swim-wear" but not clothing.

The very classification of the appellant's goods in terms of its Class 25 registration describes the "girdles, braziers, articles of underclothing and swim-suits" as articles of clothing. Despite this, the learned Registrar adopted the argument of the respondent and found that the goods are "not clothing". In my view this is a clear misdirection on the part of the learned Registrar. At coastal resorts and swimming areas, for example, one finds people walking around all day, doing shopping and embarking on other activities, in their swimming outfits and swimming trunks. In the *Concise Oxford Dictionary*, p176, "clothes" are defined as "things worn to cover the body and limbs". "Clothing" is "clothes collectively".

- [72] In all the circumstances, and on the weight of the evidence, I have come to the conclusion that it is likely that the average observant consumer of the appellant's goods, stumbling upon the respondent's cosmetics, bearing the identical mark, notionally in the same shop and notionally a few counters away, would be confused and deceived into believing, albeit perhaps momentarily, that the cosmetics of the respondent originate from the same source as the clothing of the appellant. The fact that the appellant's products consist of lingerie and swim-wear, as opposed to "outer"

garments, would, in my view, make no difference to this incidence of confusion and deception.

The all important issue of *onus*

[73] On behalf of the appellant we were referred to the following passage in *Accurate Watch Co v Accurist Watches Ltd* 2004 BIP 115 (RTM) at 117B-C:

"The applicant has the *onus* of proving that a trade mark qualifies for registration. If there is any doubt whether the mark should be registered, the application should be refused. What the applicant has to establish is that there is no reasonable probability, ie no likelihood, of consumer deception or confusion."

- See also the *Upjohn Co v Merck and another* 1987 3 SA 221 (TPD) at 224C-I.

[74] The learned authors, *Webster and Page*, put it as follows in paragraph 6.6.7:

"There is an *onus* upon the applicant seeking registration to satisfy the Registrar that there is no reasonable probability of confusion or deception.

If the Registrar is left in doubt on the issue of likelihood of deception or confusion it is his duty to refuse registration."

- The relevant authorities are in the footnotes on p6-16.

[75] While the *onus* in proceedings for the registration of a mark rests upon the applicant for registration to negate the reasonable possibility of confusion with marks already in

use (like here, and as stated also in *Danco* at 860D) the learned Judge of Appeal, in *Danco*, points out that in subsequent proceedings for the expungement of a mark the *onus* rests upon the applicant for expungement (like in *Danco*). That, of course, does not apply in the present instance, but the mere fact that the appellant in *Danco*, applying for expungement, succeeded in discharging the *onus* under what I have found to be comparable circumstances, could suggest that the present respondent could have a difficult *onus* to discharge in its quest to prove the contrary.

- [76] The learned Registrar, in the judgment under discussion, failed to apply these relevant principles relating to *onus* at all. His or her conclusionary finding that "the Opponent (read appellant) failed to prove that the applicant's (read respondent's) application was in breach of the provisions of section 10(14) of the Act" is clearly wrong. This is another material misdirection on the part of the learned Registrar which, in my view, together with the other misdirections I have listed, would enable this court to interfere with the judgment of the learned Registrar.

Conclusion

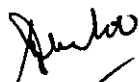
- [77] In view of the foregoing, I have come to the conclusion that the respondent failed to discharge the *onus* of proving that there is no reasonable probability of confusion or deception in this particular case.
- [78] At the very least, I am of the view that the Registrar, on a proper consideration of the case, should have been left in doubt on the issue of likelihood of deception in which case it was his or her duty to refuse registration in any event.

[79] In the result, the appeal ought to succeed.

The order

[80] I make the following order:

1. The appeal is upheld with costs.
2. The order of the Registrar of Trade Marks is set aside and replaced with the following:
 - "(i) the opposition to the application for registration is upheld;
 - (ii) the application for registration of the subject trade mark is refused;
 - (iii) the trade mark applicant is ordered to pay the costs of the opposition."



W R C PRINSLOO

JUDGE OF THE GAUTENG DIVISION, PRETORIA

A743-2013

I agree



M F LEGODI

JUDGE OF THE GAUTENG DIVISION, PRETORIA

I agree



C PRETORIUS

JUDGE OF THE GAUTENG DIVISION, PRETORIA

HEARD ON: 18 MARCH 2015
 FOR THE APPELLANT: Ms I JOUBERT
 INSTRUCTED BY: SPOOR & FISHER
 FOR THE RESPONDENT: Ms P CIRONE
 INSTRUCTED BY: ADAMS & ADAMS