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

Case No: 72261/13
DATE: 3/6/2015

In the matter between:

PANDORA A/S Applicant

and

TRUWORTHS LTD Respondent

(1) REPORTABLE: YES / NO
(2) OF INTEREST TO OTHER JUDGES: YES/NO
(3) REVISED.

JUDGMENT

D S FOURIE, J:

[1] This is an application to expunge trade mark registration No 1990/3847 ESSENCE from the Trade Marks Register in terms of section 27(1)(a) and (b) of the Trade Marks Act No 194 of 1993. It is common cause that the applicant is an interested person and has the necessary *locus standi* to bring this application. The application is opposed by the respondent.

BACKGROUND

[2] The trade mark in question is ESSENCE in Class 14 in respect of:

> *"Precious metals and their alloys and goods in precious metals or coated therewith, jewellery, precious stones; horological and other chronometric instruments; parts, fittings, components and accessories for all the aforegoing"*.

[3] The applicant is a corporation duly incorporated under the laws of Denmark. It has designed, manufactured and marketed its hand-finished jewellery since 1982. Today, the applicant's Pandora jewellery is sold in over 70 countries worldwide, including South Africa. The applicant intends to market and sell a specific jewellery collection under the trade mark ESSENCE in South Africa in the near future.

[4] The respondent is one of South Africa's leading fashion retailers with over 600 stores in South Africa. The merchandise offered by the respondent cover a wide range of fashion-related items, such as clothing, footwear, head gear, make-up, fragrance products and jewellery. The respondent is the trade mark proprietor of Trade Mark Registration No 1990/3847 ESSENCE in Class 14 and according to the answering affidavit this brand has formed part of the respondent for the past 23 years.

[5] The applicant contends that the respondent has not used the ESSENCE trade mark on goods in Class 14, whereas the respondent's answer is briefly that it is a leading fashion retailer and has used the ESSENCE trade mark on goods in Class 14.

<u>THE APPLICABLE LAW</u>

[6] In terms of section 27(1)(a) and (b) of the Act a Court may, on the application by any interested person, remove a trade mark from the register if:

- the trade mark was registered without any *bona fide* intention to use it in relation to the goods for which it is registered and there has in fact been no *bona fide* use of the trade mark in relation to those goods up to a date three months prior to the date of the application (ss (1)(a)); or

- that up to a date three months prior to the date of the application, there has been no *bona fide* use thereof in relation to the goods in respect of which the mark is registered for a continuous period of five years or longer (ss (1)(b)).

[7] Once an applicant has brought itself within the parameters of section 27(1)(a) or (b) of the Act, section 27(3) imposes an onus on the proprietor of the trade mark to prove relevant use of the trade mark. This

onus is not a mere shifting of the evidentiary burden, but has the burden of a true onus (Scientific Chemicals (Pty) Ltd v Liqui Seal (Pty) Ltd et al 2002 BIP 85 (T) at p 88).

[8] The concept of *bona fide* use has been the subject of a number of judgments in our law. For present purposes it suffices to say that *bona fide* user "means a user by the proprietor of his registered trade mark in connection with the particular goods in respect of which it is registered with the object or intention primarily of protecting, facilitating and furthering his trade in such goods, and not for some other, ulterior object" (Gulf Oil Corporation v Rembrandt Fabrikante en Handelaars (Edms) Bpk 1963 (2) SA 10 (T) at 24E).

[9] It is trite that the amount of use required to defeat an application for expungement can be small, provided that such use is *bona fide* (cf Wistyn Enterprises (Pty) Ltd v Levi Strauss & Co 1986 (4) SA 796 (T) at 816H-J). What the respondent is therefore required to demonstrate is "clear and unambiguous proof of relevant use during the relevant period" (New Balance Athletic Shoe Inc v Dajee & Others 2012 BIP 102 (SCA) at par 23).

THE EVIDENCE

[10] According to the founding affidavit Internet searches were conducted in respect of the trade mark ESSENCE, but as these searches did not yield any clear results, an investigator was instructed to determine

whether the respondent was using, or had ever used, the ESSENCE mark in relation to the goods for which it has been registered.

[11] It is alleged that a customer service consultant of the respondent has indicated that the ESSENCE range falls under the respondent's "formal range" and can be found in selected stores. When this person was asked whether the ESSENCE brand was used in respect of jewellery, handbags and other accessories, she indicated that this brand had only been used in respect of ladies' formal clothing.

[12] During a visit at a Truworths store at Cresta Shopping Centre, it was noticed that the brand is appearing on a range of ladies' clothes and digital images thereof were then obtained. It is further alleged that, according to a manager at the store, the ESSENCE brand had only been used in respect of women's clothing and never in respect of jewellery or other accessories.

[13] According to the answering affidavit the respondent has sold merchandise under the ESSENCE trade mark for the past 23 years. It is also alleged that many of the garments forming part of the ESSENCE range of clothing feature embellishments with a jewellery type appearance. The jewellery attached to some of the clothing can also be detached from the clothing and worn separately as a distinct and independent item. As evidence of this reference is made, by way of example, to annexures "EC13" to "EC18".

[14] Annexure “EC13” is a copy of a style card. It is dated May 2010 in respect of a white ESSENCE structured shirt with necklace detail. The necklace itself is depicted on annexure “EC14”. According to the evidence this necklace can be detached and worn separately apart from the garment. This necklace appears to be an item of jewellery and bears the trade mark ESSENCE. Annexures “EC15” and “EC16” are photographs of actual garments displayed in the respondent’s stores that are sold together with detachable items of jewellery.

[15] According to annexure “EC13” the product in question is identified by reference to a type number, style number, a sales department reference and a category reference. A stock sheet appears in the centre of the right-hand portion of the page. It is evident from the legend at the top of the page that this was last updated on 28 August 2013, shortly prior to the date on which the answering affidavit was signed. The relevant dates are, however, recorded on the document itself. From this it is evident that there were sales of the garment, including the necklace, during the period 17 May 2010 to 5 July 2010. According to the evidence 500 items were delivered to the respondent’s stores and the stock reduced from 403 on 17 May 2010 to 98 on 5 July 2010, indicating that 305 garments were sold.

DISCUSSION

[16] It was contended on behalf of the applicant that the respondent has not demonstrated use in any commercially coherent category of goods in

Class 14. It was also submitted that none of the “adornments” depicted in the annexures are items of “jewellery”. They constitute decorations, embellishments and trimmings which are attached to clothing and not sold separately as items of jewellery.

[17] It was contended on behalf of the respondent that where the goods in question are made up of constituent parts, all of which do not fall within the class for which a particular trade mark is registered, it is necessary to identify whether or not the trade mark is being used in relation to the goods covered by the registration. The test is an objective one and is aimed at determining what the reasonable customer would think.

[18] I agree with this submission. The Class for which this trade mark is registered includes jewellery. Jewellery is defined in the Shorter Oxford English Dictionary (sixth edition) as “gems or ornaments made or sold by jewellers, *esp.* precious stones in mountings; jewels collectively or as a form of adornment” and in Collins Concise Dictionary as “objects that are worn for personal adornment, such as rings, necklaces, etc., considered collectively.”

[19] In Shalom Investments (Pty) Ltd v Dan River Mills Inc 1971 (1) SA 689 (A) at 704G-705A use of the trade mark DAN RIVER on swing-tags in relation to the fabric used to make dresses was held also to constitute use of the trade mark in relation to the dresses themselves. Having regard to these guidelines and the evidence, more particularly annexures “EC13” and “EC14” to the answering affidavit, it seems to me that the trade mark ESSENCE has

been used in relation to the goods (i.e. jewellery such as a necklace) covered by the registration. Put differently, this particular garment includes an item of jewellery covered by Class 14 registration and therefore this item constitutes goods in respect of which the trade mark is registered.

[20] It is also apparent that each of the style cards referred to above shows that the items in question were held in stock and sold over periods of time, all of which fall within the "material date". The evidence indicates that during the period May 2010 to July 2010 500 items were delivered to the respondent. The stock reduced from 403 to 98 indicating that 305 garments, including the necklace, were sold. This clearly indicates that use took place in the context of commercial activity. In the result I am of the view that the respondent has discharged the onus to demonstrate clear and unambiguous proof of relevant use during the relevant period.

ORDER: The application is dismissed with costs.

D S FOURIE
JUDGE OF THE HIGH COURT
PRETORIA

Date: 28 May 2015