

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

Case No: 40105/2019

REPORTABLE

NOT OF INTEREST TO OTHER JUDGES

REVISED

In the matter between:

ICOLLEGE (PTY) LTD

APPLICANT

and

**XCELLENCE SKILLS DEVELOPMENT
AND MENTORSHIP CC**

FIRST RESPONDENT

ZA CENTRAL REGISTRY NPC

SECOND RESPONDENT

JUDGMENT

BASSON J

NATURE OF THE RELIEF SOUGHT

[1] The applicant seeks interdictory relief in terms of either section 34(1)(a),(b) or (c) of the Trade Marks Act¹ (the Act). It also seeks an order interdicting and restraining the first respondent from passing off its services as being those of, or as being associated in trade with those of, the applicant by using the trade mark “*ICOLLEGE*”. The remainder of the prayers deal with issues such as costs and the transfer of ownership of the domain name ICOLLEGE.CO.ZA to the applicant. The main purpose of this application is to restrain the first respondent from infringing the applicant’s rights acquired through the registration of its ICOLLEGE trade mark.

¹ 194 of 1993.

THE APPLICANT

[2] The applicant is described as iCOLLEGE (Pty) Ltd which is a private further education and training college registered with the Department of Higher Education and Training. It provides accredited and skills-based training with the Sector Education and Training Authority (SETA) at its 17 campuses nationwide and at an e-learning centre. The applicant states that it presently has about 35 000 enrolled students at its campuses nationwide and approximately 1 000 students enrolled at one distance learning centre.

[3] The applicant is the registered proprietor of the following trade marks (iCOLLEGE):



registered in class 41 under registration no. 2013/32192, in respect of, *inter alia*, education and training services. This mark was applied for and registered on 18 November 2013; and



registered in class 41 under registration no. 2018/02190, in respect of, *inter alia*, education and training services. This mark was applied for and registered on 29 January 2018.

[4] As is evident from the above, the applicant's two marks (the iCOLLEGE trademarks) are identical but for the fact that the latter mark is a colour version of the former mark. The applicant has made extensive and continuous use of the iCOLLEGE trade mark since about 2013.

[5] In addition, the applicant is also the registered proprietor of the domain name "*icollegeint.co.za*" which was registered on 5 November 2013.

[6] The applicant states that its website is visited by approximately 10000 unique visitors per month. The applicant trades under its registered company name

iCOLLEGE (Pty) Ltd and also utilises its iCOLLEGE trade marks in the course of trade.

[7] As already pointed out, the applicant offers various accredited National Qualifications Framework (NQF) level courses ranging from NQF level 2 up to NQF level 5 at its campuses and at its distance learning centre.

THE FIRST RESPONDENT

[8] The first respondent is incorrectly cited in the papers and should have been cited as Xpertease Skills Development and Mentoring CC (and later iCollege). It describes itself as an internet-based business that provides E-Learning courses to consumers located worldwide for international, technology vendor specific information technology certifications.² It currently employs 3 individuals in South Africa, 7 in Bangladesh, 5 in India and 1 in the United States.

[9] Both XpertSkills and iCollege are the respondent's trading entities and not corporate entities. iCollege was created and registered as the domain www.icollege.co.za on 13 January 2012. The domain name www.icollege.co was registered later on 20 September 2014. iCollege is an expansion of the respondent's business. The respondent trades using the following marks:



[10] The respondent does not present classroom-based tuition, does not offer locally (NQF) accredited qualifications and does not offer education products on topics other than information technology towards vendor specific certifications. The respondent conducts business online exclusively. The respondent explains that it

² I will refer to the first respondent as “the respondent” and where applicable to the respondent as “iCollege” as the latter is the vehicle through which it presents its online courses.

commenced its business in 2005 and as ExpertSkills operated as an authorised Microsoft Partner for Learning Solutions (CPLS) and specialised in *“presenting instructor-led, classroom based training programs to predominantly individuals employed as technology specialists within technical departments of corporate companies as well as organisations providing technology solutions.”* The primary objective of the training initially was to equip students with technical skills required to become Microsoft technology engineers and programmers specialising in specific Microsoft technologies and become certified as such. The learning materials are all sourced from third party vendors. The learning products are licensed to the respondent and iCollege resells them via its web publishers and website to consumers. The respondent stresses that it does not and has never owed any of the learning products it uses and that it has always been the property of its suppliers: *“These vendors develop the learning material which includes video-based instructor presented E-learning courses (together with accompanying presentations, quizzes, flashcards and educational games), course material, live practice labs and practice exams.”*

[11] To become certified, an individual would need to study and prepare and sit and pass official Microsoft exams. The exams are proctored by 3rd-party examination centres with locations worldwide (currently this is Pearson VUE). Pearson VUE has numerous centres around the world. Once the specific exams have been passed, the individual would then hold a specific certification.

[12] The respondent explains that as Microsoft technologies evolved over the years, so did the certifications. The current Microsoft certifications are detailed online. The respondent explains that there are thousands of tertiary institutions and schools worldwide that incorporate Microsoft-focused training in their programmes. Currently there are 26 Microsoft official learning partners in South Africa.

[13] The respondent further explains that, initially its focus was on Microsoft technologies, but that the focus has expanded to include certifications from other vendors beyond Microsoft. Some of the later certifications include certification from CompTIA, Cisco, Project Management Institute, Oracle, VMware, the international Information System Security Certification Consortium and ISACA. All the

certifications' programs focus on information technology and/or on vendor-specific technologies and competencies, and the exams are proctored by CertiPort, Pearson VUE and Thomson Prometic. The respondent also explains that similar to Microsoft, thousands of certification programs are available from multiple vendors such as those mentioned hereinabove.

[14] The respondent explains that the reason for choosing the name iCollege is the fact that its business is an internet-based (represented by the “i”) institution providing specialized professional education (represented by “college”) focusing on preparing students for international certification exams as XpertSkills has done for many years since 2005. Currently, the platform on which the iCollege website runs is hosted in a cloud environment using “Microsoft Azure” and does not therefore reside in a particular territory.

[15] Because the respondent does not present class-room-based training – it specialises in selling E-Learning to consumers online – it submitted that there is a “*huge difference*” between the business of the applicant and the respondent. To restate: The latter is not class-room bound whereas the former is. It was further submitted that the “*e-learning centre*” of the applicant is a belated and disingenuous attempt to show that the applicant renders the same services as the respondent.

NATURE OF THE BUSINESS OR SERVICES RENDERED

[16] Putting aside for a moment the comparison between the two trade marks in order to concentrate on the nature of the business or services rendered by the respective parties, what are the differences and what are the similarities?

The manner of teaching

[17] The respondent, as already pointed out, submits that there is a difference. The applicant presents qualifications that are accredited nationally on a certain NQF level through teacher-led and classroom-based training at its various campuses nationwide (17 campuses located across six provinces).

[18] iCollege (the respondent), on the other hand, provides pre-recorded, instructor-presented, video courses, live practice labs and practice exams available online in digital form only.

[19] The applicant does not agree with this assessment and points out in its papers that the respondent has approximately 1 000 students at its distance learning centre.

The content of the courses

[20] The applicant presents courses based on qualifications towards marketing, information technology, human resource management and contract centre skills. Some of the courses mentioned by the applicant in its papers are: National Certificate: Call Centre Support; National Certificate: Business Administration Services; Further Education and Training Certificate: Information Technology (A+ Specialisation); Further Education and Training Certificate: Public Administration; Further Education and Training Certificate: Human Resources Management and Practices Support; Further Education and Training Certificate: Marketing; Further Education and Training Certificate: Information Technology (Technical Support); Further Education and Training Certificate: Project Management; National Certificate: Wealth Management. All of these courses are, as already indicated, NQF accredited.

[21] As already pointed out, iCollege, the respondent, offers exclusively online learning and focuses on preparing customers for information technology international certifications exclusively. And to restate, none of its courses are qualifications accredited in South Africa. The respondent also points out that approximately 97.9% of its customers originate from outside of South Africa.

[22] In its papers the applicant compares the services rendered by it with those of the respondent with reference to three areas. In doing so, the applicant submits that the services rendered by the respective parties are the same: (a) Information Technology; (b) End User Computing; and (c) Project Management. However, when comparing the content of the courses with one another in light of what the applicant states in its papers, the actual content of the courses does seem to differ. In respect

of Information Technology, the respondent presents Microsoft courses whereas the applicant does not. The same can be said regarding End User Computing. In respect of both End User Computing and Project Management, the applicant merely claims that it presents a course in “*End User Computing*” and “*Project Management*” without any particularity in respect of the content of the courses, whereas the respondent for example uses in respect of Project Management, “*The Complete Agile and Project Management Professional Bundle*” and “*Project Management Professional (PMP) 6th edition and Certified Associate in Project Management (PMI-CAPM)*” consistent with its claim that it sources the contents of its courses from third party vendors.

[23] It is not the applicant’s case on the papers that it relies on the same educational sources (most notably from Microsoft) as those used by the respondent. In this regard I have referred to the fact that the respondent exclusively uses third party vendors for its courses.

[24] The applicant also does not claim that the respondent offers education services in respect of a whole host of other courses presented by the applicant such as Business Administration Services; Public Administration; Human Resources; Further Education and Training Services; Marketing; Project Management and Wealth Management.

[25] The applicant failed to address three important issues: a) the glaring differences between the methods of teaching (except for the one campus); b) the status of the acquired qualification once successfully passed; and c) the effect that the accreditation of courses would have on the notional customer in choosing a particular course. I will return to these issues herein below.

[26] From the papers it would thus seem that the main similarity between the business of the applicant and the respondent is merely the fact that both render services in relation to “*education and training services*” (I have already pointed out that the applicant’s trade mark is registered in relation to, *inter alia*, “*education and training services*.”) However, in my view, it does not follow that the mere fact that both parties render “*educational and training services*” would mean that they in fact

render the same or similar educational and training services, nor does it follow that the target market for these services (the potential notional customer) is the same.

CORRESPONDENCE

[27] The applicant states that it discovered in October 2017 that the respondent had started using the mark ICOLLEGE in respect of education and training services. And, because the trade mark is, in their view, identical or confusingly similar, the applicant then called upon the respondent to cease using the name ICOLLEGE.

[28] In a letter dated 3 January 2018 the applicant informed the respondent that the respondent's services under the "*ICOLLEGE*" trade mark were identical and/or confusingly similar to those of the applicant and that the respondent's use of the mark and logos wholly incorporated the most distinctive and distinguishing feature of the applicant's company name and the trade mark and thus amounted to unlawful competition and passing-off under the common law. The letter further claimed that members of the public would consider the respondent's business to be either associated with the applicant or endorsed by the applicant, thereby causing deception and/or confusion in the marketplace.

[29] The respondent refused to comply with the demand and in its reply on 11 January 2018 claimed that the word "*iCollege*" is used ubiquitously on the internet. The respondent further claimed that a Google search reflected that universities used these words often and that it is often used for online course offerings: The word is, according to the respondent, a common English word not capable of trade mark protection. Furthermore, the word has been assigned a dictionary meaning on the internet. It is also pointed out by the respondent that section 34(2) of the Act provides protection to the respondent in that the respondent uses the word "*ICOLLEGE*" to indicate its intended purposes namely of services provided over the internet: whereas the applicant offers instructor led courses, the respondent offers e-learning courses. The letter concludes by stating that the respondent will therefore not comply with the demands set out in the letter of demand dated 3 January 2018.

[30] In reply to this letter and on 13 March 2018, the applicant confirmed that it owns the “*ICOLLEGE*” trade mark by virtue of its trade mark registration no 2013/32192 in class 41. Furthermore, the applicant’s common law rights grant the applicant the exclusive right to use the “*ICOLLEGE*” trade mark in South Africa in respect of education and related services. The applicant thus rejected the respondent’s contention that the “*ICOLLEGE*” trade mark does not qualify for registration on the basis that it is descriptive. The applicant further points out in this letter that its own research revealed that only one other entity is using the mark in the United States. The applicant further pointed out that if an internet search is limited to South Africa only, the results of the search revealed only two entities use the “*ICOLLEGE*” mark and that is the applicant and the respondent. The letter ends off with the applicant reiterating that the respondent’s use of the “*ICOLLEGE*” trade mark amounts to trade mark infringement in terms of section 34(1) of the Act and in addition, to unlawful competition and passing off under the common law in that members of the public will consider the respondent’s business to be either associated with, linked to or endorsed by the applicant thereby causing deception and/or confusion in the market place.

REJOINDER AFFIDAVIT

[31] On 16 March 2020 the respondent delivered a so-called “*Rejoinder Affidavit*” (a fourth affidavit). The applicant took issue with this further affidavit by way of a Rule 30 notice and opposed the admission of this further affidavit and has, to this effect, delivered a notice in terms of Rule 6(5)(d)(iii).

[32] Although much is made in the papers and the written heads of argument about the further affidavit, nothing much turned on this and the court was not asked to specifically make a finding on this point. I will therefore turn to what is really in dispute in this matter.

TRADE MARK INFRINGEMENT: APPLICABLE LEGAL PRINCIPLES

[33] It appears from the Notice of Motion that the applicant casted its net as wide as possible to rely on all three sub-paragraphs of section 34 to substantiate the relief

sought. Although the Notice of Motion premises the relief sought on section 34(1)(a); (b) and (c), the argument mainly focused on the infringement as contemplated in section 34(1)(a).³ The applicant in principle argued that the marks are identical or so nearly resemble each other as to be likely to deceive or cause confusion. In addition, the marks are used in respect of “*identical services*” namely education services covered by virtue of its registration. It was further submitted that the respondent’s use of the ICOLLEGE trade mark is calculated to take unfair advantage and/or be detrimental to the distinctive character of the repute of the applicant’s trade mark registration.

GENERAL

[34] Section 34(1)(a), (b) and (c) of the Act provides as follows:

“(1) *The rights acquired by registration of a trade mark shall be infringed by—*
(a) *the unauthorized use in the course of trade in relation to goods or services in respect of which the trade mark is registered, of an identical mark or of a mark so nearly resembling it as to be likely to deceive or cause confusion;*
(b) *the unauthorized use of a mark which is identical or similar to the trade mark registered, in the course of trade in relation to goods or services which are so similar to the goods or services in respect of which the trade mark is registered, that in such use there exists the likelihood of deception or confusion;*
(c) *the unauthorized use in the course of trade in relation to any goods or services of a mark which is identical or similar to a trade mark registered, if such trade mark is well known in the Republic and the use of the said mark would be likely to take unfair advantage of, or be detrimental to, the distinctive character or the repute of the registered trade mark, notwithstanding the absence of confusion or deception: Provided that the provisions of this paragraph shall not apply to a trade mark referred to in section 70(2).”*

[35] Section 34(3)(a) provides that where a registered mark has been infringed, a court may grant the trade mark proprietor relief in the form of an interdict. Section

³ Paragraph 25 *et seq* of the heads of argument of the applicant.

34(3)(b); (c) and (d) provides that the court may order delivery up of any material bearing the infringing mark, damages and/or an enquiry into damages.

[36] The infringement provided for in section 34(1)(a) and (b) requires that a respondent uses the infringing mark in relation to goods or services which are either identical or so similar to the goods and services in respect of which the trade mark has been registered, that there is a likelihood to cause deception or confusion.⁴

[37] Section 34(1)(a) provides for primary infringement protection in that it makes provision for the protection of the proprietor's rights acquired by the registration of a trade mark and is thus aimed at protecting the business of the proprietor of the trade mark in respect of particular goods or services.⁵ In respect of section 34(1)(b) the infringement is not limited to the precise goods or services covered by the trade mark registration. The goods or services rendered by the respondent must, however, be so similar to the goods or services in respect of which the trade mark is registered that there exists the likelihood of deception or confusion. In respect of the infringement provided for in section 34(1)(c) the proprietor must show that the mark is well-known in South Africa as explained by the court in *Mettenheimer and Another v Zonquasdrif Vineyards CC and Others*.⁶

“[11] The respondent clearly used its impugned mark in the course of trade and it is not suggested that it had been authorised by the appellants to do so. That limits the enquiry to the issue of confusing similarity. Unlike s 34(1)(a), the provisions of s 34(1)(b) do not require that the offending mark be used in relation to goods in the class for which the trade mark had been registered. It contemplates two elements, namely, (a) a mark identical or similar to the trade mark used in relation (b) to goods which are so similar to those for which it had been registered, that it gives rise to a likelihood of deception or confusion. As to the relationship between these two elements, I agree with the sentiments expressed by Thring J when he said in New Media Publishing (Pty) Ltd v Eating Out Web Services CC 2005 (5) SA 388 (C) at 394C – F:

⁴ *Discovery Holdings Ltd v Sanlam Ltd and Others* 2015 (1) SA 365 (WCC) at para 31.

⁵ *Rembrandt Fabrikante en Handelaars (Edms) Bpk v Gulf Oil Corporation* 1963 (3) SA 341 (A). at 347 – 348.

⁶ 2014 (2) SA 204 (SCA).

'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. Of course, if the respective goods or services of the parties are so dissimilar to each other that there is no likelihood of deception or confusion, the use by the respondent even of a mark which is identical to the applicant's registered mark will not constitute an infringement; also, if the two marks are sufficiently dissimilar to each other no amount of similarity between the respective goods or services of the parties will suffice to bring about an infringement....'"

[38] The applicant's trade mark is registered in respect of, *inter alia*, education and training services hence the applicant's reliance on the primary protection granted in section 34(1)(a).

[39] As will be pointed out herein below, whilst both the applicant and the respondent use their trade marks in respect of "education and training services" (in respect of which the applicant registered its trade mark), the educational / academic products and services presented by the applicant and the respondent are not identical, nor is the training vehicle by which the different educational services are offered the same. Most importantly, the educational status acquired by the courses presented by the applicant and the respondent is different: the applicant's courses are NQF accredited whilst the respondent's courses do not acquire such accreditation; the qualification accredited by the third party vendors such as Microsoft certifies or validates a person's knowledge and skills to work with specific Microsoft technologies (or in respect of any of the other courses).

COMPARISON BETWEEN THE TRADE MARKS

[40] The general test to be applied in establishing whether trademarks are deceptively or confusingly similar is set out by the court in the often-quoted decision of *Plascon-Evans Paints Ltd v Van Riebeeck Paints (Pty) Ltd*:⁷

“In an infringement action the onus is on the plaintiff to show the probability or likelihood of deception or confusion. It is not incumbent upon the plaintiff to show that every person interested or concerned (usually as customer) in the class of goods for which his trade mark has been registered would probably be deceived or confused. It is sufficient if the probabilities establish that a substantial number of such persons will be deceived or confused. The concept of deception or confusion is not limited to inducing in the minds of interested persons the erroneous belief or impression that the goods in relation to which the defendant's mark is used are the goods of the proprietor of the registered mark, ie the plaintiff, or that there is a material connection between the defendant's goods and the proprietor of the registered mark; it is enough for the plaintiff to show that a substantial number of persons will probably be confused as to the origin of the goods or the existence or nonexistence of such a connection.

The determination of these questions involves essentially a comparison between the mark used by the defendant and the registered mark and, having regard to the similarities and differences in the two marks, an assessment of the impact which the defendant's mark would make upon the average type of customer who would be likely to purchase the kind of goods to which the marks are applied. This notional customer must be conceived of as a person of average intelligence, having proper eyesight and buying with ordinary caution. The comparison must be made with reference to the sense, sound and appearance of the marks. The marks must be viewed as they would be encountered in the market place and against the background of relevant surrounding circumstances. The marks must not only be considered side by side, but also separately. It must be borne in mind that the ordinary purchaser may encounter goods, bearing the defendant's mark, with an imperfect recollection of the registered mark and due allowance must be made for this. If each of the marks contains a main or dominant feature or idea the likely impact made by this on the mind of the customer must be taken into account. As it

⁷ 1984 (3) SA 623 (A) at 640G – 641E.

has been put, marks are remembered rather by general impressions or by some significant or striking feature than by a photographic recollection of the whole. And finally consideration must be given to the manner in which the marks are likely to be employed as, for example, the use of name marks in conjunction with a generic description of the goods.”

And as stated in *Adcock Ingram Ltd v Suresh Patel t/a Dolly Lou*⁸–

“(a) person or persons will be deceived into thinking that the respondent's product is that of the applicant or where there is a material connection between the respondent's product and the applicant's as a manufacturer and marketer of the product in issue”.

[41] The onus is on the applicant as explained in *Plascon*:

*“In an infringement action the onus is on the plaintiff to show the probability or likelihood of deception or confusion. It is not incumbent upon the plaintiff to show that every person interested or concerned (usually as customer) in the class of for which his trade mark has been registered would probably be deceived or confused. It is sufficient if the probabilities establish that a substantial number of such persons will be deceived or confused. The concept of deception or confusion is not limited to inducing in the minds of interested persons the erroneous belief or impression that the goods in relation to which the defendant's mark is used are the goods of the proprietor of the registered mark, ie the plaintiff, or that there is a material connection between the defendant's goods and the proprietor of the registered mark; it is enough for the plaintiff to show that a substantial number of persons will probably be confused as to the origin of the goods or the existence or non-existence of such a connection.”*⁹

⁸ [2005] JOL 15298 (T)) at 4 – 5.

⁹ *Supra* n 7 at 640G – I..

[42] The enquiry into confusingly similarity comprises of two legs that are interconnected: This was explained as follows by the court in *New Media Publishing (Pty) Ltd v Eating Out Web Services CC*:¹⁰

“The enquiry in this matter consists of two separate but closely interrelated questions: first, are the two marks identical or sufficiently similar to one another; and secondly, is the respondent's mark being used unauthorisedly in the course of trade in relation to services which are so similar to the applicant's goods in respect of which its mark is registered that in such use there exists the likelihood of deception or confusion? There is no question here but that the respondent is using its mark without the applicant's authority and is doing so in the course of trade. 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. Of course, if the respective goods or services of the parties are so dissimilar to each other that there is no likelihood of deception or confusion, the use by the respondent even of a mark which is identical to the applicant's registered mark will not constitute an infringement; also, if the two marks are sufficiently dissimilar to each other no amount of similarity between the respective goods or services of the parties will suffice to bring about an infringement. I respectfully agree with the learned authors of Webster and Page South African Law of Trade Marks 4th ed para 12.23 (at 12-41), where they say, with reference to s 34(1)(b) of the Act:

'(O)n 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.'

I also agree with Mr Sholto-Douglas, who appears for the applicant, that the proper approach in a trade mark infringement case of this kind is to compare the applicant's registered mark and any fair notional use of it, on the one hand, with the allegedly offending mark and the manner in which it is actually used by the respondent, on the

¹⁰ 2005 (5) SA 388 (C) at 394C–I.

other. For the purposes of this enquiry distinctiveness on the part of the registered mark is assumed, for distinctiveness must be taken to have been established as required by s 9 of the Act at the time of registration.”

[43] In comparing the marks to determine whether such confusion or deception is likely to arise (the second leg of the enquiry), the court must have regard to the impact which the marks would make on the so-called “notional customer” of average intelligence having proper eyesight and buying with ordinary caution and who is likely to buy the goods or use the services to which the marks are applied.¹¹ The average consumer of the goods or services in question¹² must be deemed to be reasonably well informed and reasonably circumspect and observant. But, a court should bear in mind that the average consumer does not necessarily have at its disposal the two marks to make a comparison sought to be made and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question.¹³ The court in *American Chewing Products Corporation v American Chicle Company*¹⁴ explains:

“... The Court must not only consider the marks when placed side by side, but must have regard to the position of a person who might at one time see or hear one of the marks and later, possibly with an imperfect recollection of that mark, come across the other mark.”

[44] When comparing the marks, they must “*be appreciated globally*” considering the visual, aural or conceptual similarity of the marks.¹⁵ As the court in *Plascon* stated: “The comparison must be made with reference to the sense, sound and appearance of the marks. The marks must be viewed as they would be encountered in the marketplace and against the background of relevant surrounding circumstances. The marks must not only be considered side by side, but also separately.”¹⁶ This does not mean that the two marks should be scrutinized under a magnifying glass. The court in *Klimax Manufacturing Ltd and Another v Van*

¹¹ *Plascon supra* n 7 at 640G – 641E.

¹² *Sabel BV v Puma AG, Rudolf Dassler Sport* [1998] E.T.M.R. 1 at [23].

¹³ *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 at [27].

¹⁴ 1948 (2) SA 736 (A) at 744.

¹⁵ *Sabel supra* n 13 at [23].

¹⁶ *Plascon supra* n 7 at 641.

*Rensburg and Another*¹⁷ explains that the emphasis should be on the general appearance of the two marks:

“[30] It follows, therefore, that the general impression of the two marks should be considered. The enquiry is not whether there are differences, but whether the general appearance is such that a person looking casually at the marks (with an imperfect recollection), would be deceived.”

[45] The question of the likelihood of confusion or deception is a matter of first impression. A court should therefore not peer too closely at the marks to find similarities or differences.¹⁸ As the court in *Sabel*¹⁹ explained:

“. . . (T)he perception of marks in the mind of the average consumer of the type of goods or services plays a decisive role in the global appreciation of the likelihood of confusion. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details.”

[46] Ultimately, the court is required to make a value judgment.²⁰ In considering whether there is a likelihood of confusion or deception, the court is required to notionally transport itself into the marketplace and stand in the shoes of a potential customer²¹ and, in doing so, the court must be mindful of the fact that it is the dominant, overall or central feature of a mark that is likely to make an impact on the

¹⁷ 2005 (4) SA 445 (O).

¹⁸ *Adidas AG and Another v Pepkor Retail Limited* [2013] JOL 30976 (SCA) at [22].

¹⁹ Quoted in *Cowbell AG v ICS Holdings Ltd* 2001 (3) SA 941 (SCA) at para 14.

²⁰ See *Yuppiechef Holdings (Pty) Ltd v Yuppie Gadgets Holdings (Pty) Ltd (Formerly Yuppie Stuff Online CC)* [2016] JOL 36650 (SCA) at para 26.

²¹ *Oude Meester Groep Bpk & Another v SA Breweries Ltd; SA Breweries Ltd and Another v Distillers Corporation (SA) Ltd and Another* 1973 (4) SA 145 (W) at 161C – E:

“I am required, notionally, to transport myself from the court room to the market place, and to stand in the shoes or sit in the chairs of those who buy beer. I am to remember that the consumers of beer, in South Africa, include white, black and coloured people, many of whom are uneducated or ill-educated, and some of whom use English and Afrikaans imperfectly but interchangeably. I must remember the fact that not all beer drinkers are careful or logical people, and that not all of them articulate clearly. I think it relevant to bear in mind, also, the fact that on a convivial occasion, enlivened by the use of beer or spirits, recollection may fade and articulation may deteriorate with the passage of time. I must ignore the advantages of looking at the two relevant marks side by side, and I must allow for the imperfect recollection which is characteristic of most human beings.”

consumers mind.²² The court in *Adidas Sportschuhfabriken Adi Dassler KG v Harry Walt & Co (Pty) Ltd*²³ explains:

“[t]he marks must be considered as wholes; one must look for the main idea, or the general impression, conveyed to the mind by each of the marks and at the essential features, rather than the exact details, of each.”

[47] From the foregoing it thus appears that deception or confusion will arise where there is a probability that the notional consumer viewing the trademarks will think that the goods or services of one producer are that of another or that there is a material connection between the products or services of the one and those of another or that there is some connection or association between the goods or services from different producers.²⁴ This is in keeping with the essential function of a trade mark and that is to indicate the origin of the goods in connection with which it is used. The court in *The Upjohn Company v Merck and Another*²⁵ explains:

“In considering whether the use of the respondent's mark would be likely to deceive or cause confusion, regard must be had to the essential function of a trade mark, namely to indicate the origin of the goods in connection with which it is used. It is said to be a badge of origin.”

COMPARISON OF THE TWO MARKS

[48] At issue here is the comparison between the following marks:



(the applicant's registered marks)

v



²² *Cowbell supra* n 21 at 947 – 948.

²³ 1976 (1) SA 530 (T) at 536B – C.

²⁴ *Juvena Produits de Beaute SA v BLP Import & Export* 1980 (3) SA 210 (T) at 217H – 218H

²⁵ 1987 (3) SA 221 (T) at 227D – E.

(the respondent's marks)

[49] The common denominator in both the names is the combination of the pre-fix “i” and the word “college” (the “i” referring to the internet). Apart from the obvious similarity between the two marks with reference to the words –“iCollege” and “ICOLLEGE” (albeit that the font and casing are different) there is no visual or conceptional similarity between the pictures accompanying the written words particularly having regard to their positioning, colour and design: in the applicant's trade mark the picture is on top of the words whereas in the respondent's trade mark it is in front of the mark.

[50] But for the word iCollege / ICOLLEGE, the two marks are not, in my view, similar. The ultimate test however is, as stated by the court in *Cowbell*,²⁶ whether, on comparison of the two marks, there is a likelihood of confusion if both marks were used together in the ordinary course of business particularly in circumstances where both these marks are used (as in this matter) in relation to “education and training services”. See *Bata Ltd v Face Fashions CC and Another*²⁷ where the court explained as follows:

“[8] The only question that has to be decided in respect of the alleged infringements under s 34(1)(a) is whether the appellant has established that a substantial number of persons will probably be deceived into believing or confused as to whether there is a material connection in the course of trade between the respondents' clothing and the appellant's trade mark (see Plascon-Evans at 640G - I).”

[51] It is important, as pointed out by the court in *Discovery*,²⁸ to contrast the “relevance of ‘use as a trade mark’” i.e. that “trade mark use (as an indication of origin [badge of honour])” is to be distinguished (or contrasted) with “descriptive use”. This accords with what is stated in section 2 of the Act which defines a trade mark as

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²⁶ *Supra* n 21 at para 10.

²⁷ [2000] ZASCA 192.

²⁸ *Supra* n 4 at para 34.

“‘trade mark’, other than a certification trade mark or a collective trade mark, means a mark used or proposed to be used by a person in relation to goods or services for the purpose of distinguishing the goods or services in relation to which the mark is used or proposed to be used from the same kind of goods or services connected in the course of trade with any other person;”

[52] Trade mark use is thus the use of a registered trade mark to identify the origin of the goods, in the sense that it establishes a material link between the mark and the goods or services to which it applies. Hence, as the court said in *Discovery*²⁹ “... the use of a mark purely for the purposes of describing the goods is not regarded as use as a trade mark”. The important purpose of trade mark use was confirmed by the court in *Verimark (Pty) Ltd v BMW AG*³⁰ as follows:

“[5] It is trite that a trade mark serves as a badge of origin and that trade mark law does not give copyright-like protection. Section 34(1)(a), which deals with primary infringement and gives in a sense absolute protection, can, therefore, not be interpreted to give greater protection than that which is necessary for attaining the purpose of a trade mark registration, namely protecting the mark as a badge of origin. In Anheuser-Busch the ECJ was asked to determine the conditions under which the proprietor of a trade mark has an exclusive right to prevent a third party from using his trade mark without his consent under a primary infringement provision. The ECJ affirmed (in para 59) that

‘the exclusive right conferred by a trade mark was intended to enable the trade mark proprietor to protect his specific interests as proprietor, that is, to ensure that the trade mark can fulfil its functions and that, therefore, the exercise of that right must be reserved to cases in which a third party’s use of the sign affects or is liable to affect the functions of the trade mark, in particular its essential function of guaranteeing to consumers the origin of the goods’.

That is the case, the ECJ said (in para 60), where the use of the mark is such that it creates the impression that there is a material link in trade between the third party’s goods and the undertaking from which those goods originate’. There can only be

²⁹ *Id.*

³⁰ 2007 (6) SA 263 (SCA).

primary trade mark infringement if it is established that consumers are likely to interpret the mark, as it is used by the third party, as designating or tending to designate the undertaking from which the third party's goods originate.”

[53] In the present instance the outstanding feature of both trademarks is the word “college” –both with the prefix “i” which refers to the internet. The word “college” is a common-place word mainly used as a noun to describe an educational institution where students (or scholars) receive educational training. The “marketplace” in the present instance is the educational sphere or environment. Put differently, the word “college”, in my view, is a common-placed word purely used to describe the “vehicle” (the nature of the educational institution) through which educational services are presented and is in that sense similar to a university (tertiary education) or a school, all of which offer educational services albeit on different educational levels. The word “college” is therefore not distinctive enough on its own (even if used with the prefix “i”) to distinguish its products (educational courses) from that of the respondent. The word “college” is not descriptive of any particular educational services or courses. The word “college” is, as already stated, purely descriptive of the type of educational institution that offers certain educational services and training which may include academic, non-academic and/or practical courses. It is also noteworthy to point out that the applicant is cited in the papers as “*ICOLLEGE (PTY) LTD*” (the proprietor of the trade mark “*iCOLLEGE*”). It is also instructive that the applicant further describes itself as a “college”: “*a registered Private Further Education and Training (FET) College*”. The fact that the applicant describes itself as a “college” highlights the descriptive nature of the word as a vehicle or institution to present educational services and training. Some of the definitions offered by Oxford Advanced Learner's Dictionary to define the word “college” (an educational institution) includes the following:

“(in the UK) a place where students go to study or to receive training after they have left school... SEE ALSO college of further education, college of higher education, community college (1), sixth-form college, technical college, tertiary college”

“(often in names) (in the US) a university where students can study for a degree after they have left school.”

[54] I am also not persuaded that the use of the word “college” (even with the prefix “i”) establishes a “material link” between the trade mark and the product (the educational and training services) of the applicant to the extent that it can be said it is a “*badge of origin*.”

[55] But, ultimately, the question is how the notional customer (in this case a prospective learner or student) will perceive the trade mark (even though the trademarks consist of a common-place word that is, in my view, purely descriptive).³¹

NOTIONAL CUSTOMER

[56] This brings me to a consideration of who the “*notional*” customer is. Ultimately, the onus is on the applicant to establish for purposes of an alleged infringement under section 34(a) of the Act that a substantial number of persons will probably be deceived into believing or being confused as to whether there is a material connection in the course of trade between the applicant’s trade mark and the educational or training services presented by the respondent.

[57] I have already referred to the fact that the courts generally describe the notional customer as the “*average type of customer who would be likely to purchase the kind of goods to which the marks are applied. This notional customer must be conceived of as a person of average intelligence, having proper eyesight and buying with ordinary caution.*”³²

[58] Unfortunately, the applicant did not advance any substantial submissions in respect of *who* the potential or notional customer for education services in the present matter is. Who the notional customer is must therefore be determined with reference to the relevant surrounding circumstances in the marketplace where the trade marks *in casu* are encountered.³³ I should also mention in passing that the

³¹ *Verimark supra* n 33 at para7.

³² *Plascon supra* n 7 at 641.

³³ This much is clear from what the court said in *Plascon supra* n 7 at 641 :

“The marks must be viewed as they would be encountered in the market place and against the background of relevant surrounding circumstances.”

applicant has not placed any evidence before the court about any alleged customer confusion as was done by the applicant in *Yuppiechef* (although the court in that case was unmoved by the evidence of confusion amongst several customers).³⁴

[59] From the papers it appears that the alleged infringement was discovered when a search was done on the internet. The applicant explains in its papers that it supports its trading activities in South Africa by using the internet, Twitter, Facebook and various publications. It is significant to note that the applicant discovered the alleged infringement when it clicked on the URL for the domain ICOLLEGE.CO.ZA. The applicant was then directed to the website <http://www.icollege.co/>. Although I take note of the fact that the applicant also makes use of more traditional forms of advertising, it would seem safe to conclude that the bulk of its advertising is done via the internet. From the respondent's papers it appears that it exclusively makes use of the internet to conduct its trade.

[60] Although, as I have indicated, the applicant did not pertinently address the question who the notional consumer in the present matter is, it would seem that, in light of the fact that the respondent exclusively operates through the internet, the possible confusion between the two trademarks will arise when a potential customer uses the internet to search for educational or academic services and possibly by typing in a word such as “college”. This is, as I have indicated, how the applicant came to know that the respondent is using the trade mark “iCollege” in respect of the courses offered by it. In the letter dated 3 January 2018, the applicant conveyed the following to the respondent:

“8. It has come to our client’s attention that you are now using our client’s registered trade mark on your website, i.e <http://www.icollege.co>. A brief search of the website <http://www.icollege.co.za>, which directs one to the website <http://www.icollege.co>, reveals that you trade under the name ICOLLEGE in relation to educational services”.

³⁴ See *John Craig (Pty) Ltd v Dupa Clothing Industries (Pty) Ltd* 1977 (3) SA 144 (T) at 151H – 152A. The court, however, pointed out that the “availability of evidence of actual confusion makes the Court's task easier but evidence of actual confusion is not essential.”

[61] I should also point out that a substantial portion of the applicant's papers is devoted to demonstrating to the court, with reference to the respondent's website and domain, how the respondent uses the ICOLLEGE trade mark on its (the respondent's) website. I should also mention that it is not the applicant's case that, apart from the fact that the ICOLLEGE mark is displayed on the respondent's website, the mark is also used on more traditional advertising products such as pamphlets.

[62] In light of the foregoing it can therefore safely be concluded that it will predominately be an internet user searching for educational services who may be redirected to the respondent's website. The question then arises how discerning is the internet user and how likely is it that a potential customer doing a search on the internet for educational products and/or services may be confused into believing that there is a material link between the applicant's trade mark and the respondent's educational services? The court in *Yuppiechef* accepted that a customer who shops online may not be so easily confused into distinguishing between different products:

"[36] In considering the likelihood of deception or confusion it is necessary to ask whether the nature of the two enterprises, that is, online retailers, affects the matter. The type of customer is one who is moderately familiar with computers and not afraid to shop online. They will be familiar with search engines and willing to visit several sites to find what they are looking for. They will be aware that the first suggestion by the search engine is not necessarily their target and will probably have some appreciation of the distinction between advertisements and other listings. They will also be familiar with drop down menus and how to navigate these to find the desired site. Lastly I think they will accept that occasionally haste, inadequate typing skills or failure to read thoroughly may take them to a destination other than the one they had in mind. If they encounter separate websites with no hyperlink connecting them they will not expect them to be connected.

[37] There is an inherent safeguard against confusion between sites in the light of the mechanism for purchasing items on online retail sites. This is not as simple as handing over a credit card or cash at a shop counter. Substantial security features are built into the process because it involves the use of a credit card. The purchaser will have to create an identity and provide information such as their name, address

(both physical and email), telephone number and importantly credit or debit card details. Usually the identity will include a password and these details are retained by the online retailer. As the customer selects an item to purchase it is placed in a metaphorical basket, trolley or cart and the customer is asked whether they wish to continue shopping or proceed to check out. At every stage of the check out and payment process details will have to be confirmed. So the shopping process always provides time for reflection. A person confronted at every stage of this process with Yuppie Gadgets is unlikely at the end of this to believe that they are dealing with Yuppiechef. When dealing with return customers the process is not repeated as they are usually invited to log in to their existing account. So the possibility of confusion is restricted to persons being led astray in initially accessing the site.

[38] All of these features to my mind serve to minimise the risk of deception or confusion. At the end of the day the argument revolved around the centrality of the word 'yuppie' in Yuppiechef's brand identity. As to that there are many cases in which it has been said that it is not the purpose of trade marks or copyright to enable people to secure monopolies on the commons of the English language. Yuppie is an ordinary word in common use. And as Lord Simonds said in Office Cleaning Services:

'So long as descriptive words are used by two traders as part of their respective trade names, it is possible that some members of the public will be confused whatever the differentiating words may be. I am ready to believe that in this case genuine mistakes were made. I think they ought not to have been made.'

[63] Apart from the fact that the applicant placed no evidence before the court to substantiate a likelihood of confusion within the context of this matter, I am not persuaded that any customer would be confused into believing that the educational services presented by the respondent are somehow linked to the applicant. I have already pointed out that there are material differences between the content of the courses presented by the parties as well as their respective teaching methods. The common element of the marks (“college” or the composite mark “icollege”) is, at best, weak in that it is, as already pointed out, descriptive of the educational vehicle both parties use to offer their educational services. The mark does not describe the applicant’s or respondent’s educational services. In fact, the trade mark does not tell

the potential customer anything about the product.³⁵ As such, the trademarks do not serve as a badge of origin of the educational services it presents. Adding the prefix “i” (composite mark) also does nothing more than to refer to the internet.

[64] Accordingly, the applicant has not discharged the onus of proof on a balance of probabilities by showing that there is a likelihood that a substantial number of likely customers would be confused as to whether the respondent's products are those of the applicant or whether there exists a material connection between the products or services of the respondent and that of the applicant as a manufacturer or originator of this type of product.³⁶ The applicant's contentions based on section 34(1)(a) of the Act must therefore fail. For the same reasons the applicant's contentions based on section 34(1)(b) of the Act must likewise fail.

PASSING OFF

[65] This brings me to section 34(1)(c) of the Act – also referred to as the anti-dilution provision. Very little argument was presented in respect of this section and only scant reference is made to this section in the papers. The fact is that the applicant merely states in the papers that *“the distinctive character of the ICOLLEGE Trade Marks is diluted and compromised by the Respondent's actions and as such, it cannot be permitted to continue”*. It is further stated in the papers that the applicant has a *“substantial reputation and goodwill”* and that the respondent is unlawfully passing itself and its business off as being related to the applicant.

[66] The case advanced by the applicant in its heads of argument is this:

“Also what must be accepted is the fact that the applicant's ICOLLEGE trade mark qualifies as a well-known mark. This then would also entitle the applicant to relief under section 34(1)(c) of the Trade Marks Act and on the grounds of passing-off. This observation is really only relevant insofar as the applicant was unable to meet the requirements of section 34(1)(a) – which it has in fact met.”

³⁵ See the discussion in *Adcock Ingram Ltd v Suresh Patel t/a Dolly Lou* [2005] JOL 15298 (T)) at 6. See also *Oude Meester Groep Bpk and Another v SA Breweries Ltd; SA Breweries Ltd and Another v Distillers Corporation (SA) Ltd and Another* 1973 (4) SA 145 (W) at 160G.

[67] As the applicant has not met the requirements of section 34(1)(a) of the Act, the question then is whether the applicant has made out a case for passing off notwithstanding the absence of confusion or deception. The court in *Laugh It Off Promotions CC v South African Breweries International (Finance) BV t/a Sabmark International*³⁷ explains that this section is not concerned with either origin or confusion: “*It protects the economic value of a trade mark, more particularly its reputation and its advertising value or selling power.*”

[68] The test for passing off with regards to section 34(1)(c) is set out by the court in *Laugh It Off Promotions*:

“[20] This provision has arisen but parenthetically in our case law. At first blush its meaning is clear. In order to establish infringement, the owner of the trade mark must establish:

(a) the unauthorised use by the defendant of a mark

(b) in the course of trade

(c) in relation to any goods or services

(d) the mark must be identical or similar to a registered trade mark

(e) the trade mark must be well known in the Republic, and

(f) the use of the defendant's mark would be likely to take unfair advantage of, or be detrimental to, the distinctive character or the repute of the registered trade mark.

As mentioned, the defendant's use need not be in relation to similar goods or services and the liability is not dependent on confusion or deception.”

[69] No particulars were placed before the court to substantiate in what way the use of the mark by the respondent would likely result in it (the respondent) taking unfair advantage of the reputation of the applicant's trade mark and in what way the use would be detrimental to the distinctive character or repute of the applicant's trade mark. The applicant's reliance on section 34(1)(c) of the Act can therefore also not succeed.

³⁷ 2005 (2) SA 46 (SCA) at para 13.

[70] In light of the conclusions reached, the relief sought in prayers 3, 4, 5 and 6 cannot succeed. Costs should follow the result.

ORDER

[71] In the event the following order is made:

1. The application is dismissed.
2. The applicant is to pay the costs of the respondent such costs to include the costs occasioned by the employment of senior counsel.

AC BASSON
JUDGE OF THE HIGH COURT
GAUTENG DIVISION OF THE HIGH COURT, PRETORIA

Delivered: This judgment was prepared and authored by the Judge whose name is reflected and is handed down electronically by circulation to the Parties/their legal representatives by email and by uploading it to the electronic file of this matter on CaseLines. The date for hand-down is deemed to be 19 July 2021.

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Date of hearing:	11 MARCH 2021 (virtual hearing)
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