Case No: 423/93 20/95

IN THE SUPREME COURT OF SOUTH AFRICA

(APPELLATE DIVISION)

In the matter between:

SMITHKLINE BEECHAM CONSUMER BRANDS (PTY) LTD

(formerly known as BEECHAM SOUTH AFRICA (PTY) LTD) ... Appellant

AND

UNILEVER PLC ..... Respondent

Coram: CORBETT CJ, JOUBERT, STEYN, EKSTEEN JJA et

OLIVIER AJA

Heard: 17 February 1995

Delivered: 27 March 1995

JUDGMENT

EKSTEEN, JA :

It appears from the papers before us that the appellant company has been selling striped toothpaste in South Africa since 1974. Originally the stripes were in a combination of blue and white, but since 1984 it has also sold a three-coloured toothpaste in blue, red and white, and, since 1986, also in green, red and white. In 1988 the sales of appellant's striped toothpaste in South Africa amounted to some R25 149 000 and comprised 22.2% of the total South African market for toothpaste. Over the years the appellant advertised its striped toothpaste range extensively at considerable expense.

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The appellant applied to the Registrar of Trade Marks for the registration of seven different trade marks. All the applications were in class 3 in respect of toothpaste and dentifrices included in that class.

These applications were opposed by the respondent. The respondent, it appears, is also a seller of toothpaste, and is the proprietor of a trade mark registered on 7 May 1973 for a striped toothpaste in class 3 in respect of dentifrices. The respondent objected to the registration of the applicant's proposed trade marks on the basis that they offended against the provisions of section 17(1) of the Trade Marks Act No 62 of 1963 ("the Act") in that

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they so resembled respondent's registered trade mark that they would be likely to deceive or cause confusion.

The matter came before the Assistant Registrar of Trade Marks in terms of section 29 of the Act, and on 27 April 1992 he refused all seven applications with costs. The appellant thereupon appealed to the Full Bench of the Transvaal Provincial Division, in terms of section 30 in respect of six of the applications. The seventh application was expressly abandoned at the appeal. This appeal was unsuccessful and the appellant now appeals to this Court in terms of section 63 of the Act.

In the light of the form the proceedings have taken there are presently six separate appeals

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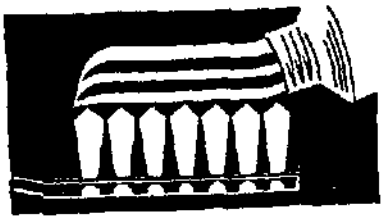
before us, i e one in respect of each of the six trade marks that the appellant seeks to register. The principles applicable in each case are however identical. This prompted both the Assistant Registrar and the Court a quo to deal with all six applications in one compendious judgment. I shall also deal with all the present appeals in this one judgment.

The respondent's trade mark is as follows:

72/2827. in Class 3: Dentifrices, in the name of Unilever Limited, a British company of Port Sunlight, Chesnire, England. *Address for service:* Messrs Spoor & Fisher, Masada Buildings, Paul Kruger Street, Pretoria.



Registration of this trade mark shall not confer exclusive rights to the use of the brush and tube device.

The essential and distinctive features of the mark are the red stripes in white tooth paste as depicted in the representation affixed to the application form.

Associated with No. 70/4167.

Section 24 (1) (b) application.

Filed 24 May 1972.

As can be seen it depicts a piece of white toothpaste with two red stripes in it, being squeezed from a tube into the bristles of a toothbrush. All this is dis-

played against a dark background. Immediately below the representation the following disclaimer appears, viz

> "Registration of this mark shall not confer exclusive rights to the use of the brush and tube device"

and then it goes on to say

> "The essential and distinctive features of the mark are the red stripes in white tooth paste as depicted in the representation affixed to the application form" - i e the representation reproduced above.

The six trade marks which the appellant now seeks to have registered are numbered 82/7640, 82/8530, 82/8767, 82/8768, 82/8769 and 83/5167 and are the following:

.... / 6

82/7640 in Class 3: Toothpastes and dentifrices included in this class; in the name of BEECHAM SOUTH AFRICA (PROPRIETARY) LIMITED, a South African Company of 21 Wrench Road, Isando, Transvaal. Address for Service: Messrs. D. M. Kisch Incorporated, Corporation Building, Commissioner Street, JOHANNESBURG.

Associated with 82/8639.

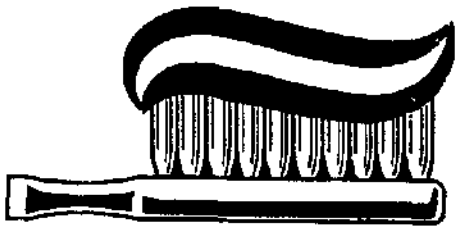
Applicants limit their rights to the blue and white stripes alternating as shown in the representation on the application form.

Applicants undertake that, in use, the blank space appearing in the trade mark will be occupied only by matter of non-trade mark character or by a trade mark registered in the name of the applicants in respect of the same goods, or by a trade mark of which the applicants are Registered Users, in respect of the same goods, or by a trade mark of a Registered User with the consent of the proprietors of such mark.

Toothpaste devices are common in the class.

FILED: 30 September 1982.

82/8530 in Class 3: Toothpaste and dentifrices included in this class; in the name of BEECHAM SOUTH AFRICA (PROPRIETARY) LIMITED, a South African Company, 21 Wrench Road, Isando, Transvaal. Address for Service: Messrs. D. M. Kisch Incorporated, Corporation Building, Commissioner Street, Johannesburg.



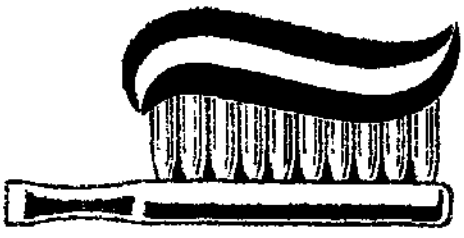
In use the stripes will be restricted to the colours Blue, White and Red.

Registration of this Trade Mark shall give no right to the exclusive use of a device of a toothbrush separately and apart from the mark.

Associated with 82/8767.

FILED: 1 November 1982.

82/8767 in Class 3: Toothpaste and dentifrices included in this class: in the name of BEECHAM SOUTH AFRICA (PROPRIETARY) LIMITED a South African Company of 21 Wrench Road, Isando, Transvaal. Address for Service: Messrs. D. M. Kisch Incorporated, Corporation Building, Commissioner Street, JOHANNESBURG.



Applicants limit their rights to the colours red, white and green.

Registration of this Trade Mark shall give no right to the exclusive use of the device of a toothbrush separately and apart from the mark.

Associated with 82/8530.

FILED: 10 November 1982.

.... / 6(a)

82/8768 in Class 3: Toothpaste and dentifrices included in this class; in the name of BEECHAM SOUTH AFRICA (PROPRIETARY) LIMITED, a South African Company of 21 Wrench Road, ISANDO, Transvaal. Address for Service: MESSRS. D. M. KISCH INCORPORATED, CORPORATION BUILDING, Commissioner Street, JOHANNESBURG.

Applicants limit their rights to the colours red, white and green.

Applicants undertake that, in use, the blank space appearing in the trade mark will be occupied only by matter of non-trade mark character or by a trade mark registered in the name of the applicants in respect of the same goods, or by a trade mark of which the applicants are Registered Users, in respect of the same goods, or by a trade mark of a Registered User with the consent of the proprietors of such mark.

Associated with 82/8769.

FILED: 10 NOVEMBER 1982.

82/8769 in Class 3: Toothpaste and dentifrices included in this class; in the name of BEECHAM SOUTH AFRICA (PROPRIETARY) LIMITED, a South African Company of 21 Wrench Road, ISANDO, Transvaal. Address for Service: MESSRS. D. M. KISCH INCORPORATED, CORPORATION BUILDING, Commissioner Street, JOHANNESBURG.

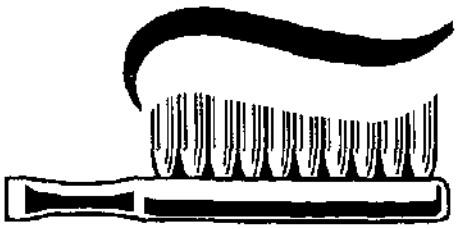
Applicants limit their rights to the colours red, white and blue.

Applicants undertake that, in use, the blank space appearing in the trade mark will be occupied only by matter of non-trade mark character or by a trade mark registered in the name of the applicants in respect of the same goods, or by a trade mark of which the applicants are Registered Users, in respect of the same goods, or by a trade mark of a Registered User with the consent of the proprietors of such mark.

Associated with 82/8768.

FILED: 10 NOVEMBER 1982.

83/5167 in Class 3: Toothpaste and dentifrices included in this class; in the name of BEECHAM SOUTH AFRICA (PROPRIETARY) LIMITED a South African Company of 21 Wrench Road, Isando, TRANSVAAL. Address for Service: MESSRS. D. M. KISCH INCORPORATED, Corporation Building, Commissioner Street, JOHANNESBURG.



FILED: 27 JULY 1983.

As can be seen three of these marks depict pieces of toothpaste on a toothbrush, and the other three merely, what the Assistant Registrar and the Judge a quo refer to as a "slug" of toothpaste - an inelegant and repellant description which tends to conjure up an unpalatable association with the slimy gasteropod which is the bane of many a gardener's life. For lack of a better word I shall simply refer to it as a "piece" of toothpaste. In each instance the mark is displayed against a white background. In the first five the appellant limits its rights to the colours as depicted in each of the respective representations. The only exception is B3/5167 where there does not appear to be any such limitation.

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In the course of his argument before us, however, Mr Puckrin who appeared on behalf of the appellants, tendered a limitation in respect of that trade mark too, to the colours depicted in the representation together with a disclaimer of the brush.

The respondent's objection to appellant's application for the registration of these trade marks was based on the provisions of section 17(1) of the Act. The relevant provisions of that section read as follows:

> "17(1) .... no trade marks 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."

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The touchstone is therefore whether there is such a degree of similarity between the respondent's trade mark and those of the appellant as to give rise to the likelihood of consumer deception or confusion. The ultimate function of a trade mark is, after all, to be a source of identification. It is defined in section 2 of the Act as

> "a mark used or proposed to be used in relation to goods .... for the purposes of
> (a) indicating a connection in the course of trade between the goods .... and some person .... and
> (b) distinguishing the goods .... in relation to which the mark is used or proposed to be used, from the same kind of goods .... connected in the course of trade with any other person."

The onus of proving that there is no likelihood of consumer deception or confusion must

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rest on the appellant who is seeking such registration.

I agree with the conclusion arrived at by Harms J in The Upjohn Company v Merck and Another 1987 (3) SA 221 (T) at p 224 that the word "unlikely" in section 17(1) must refer to a reasonable possibility, in contradistinction to a reasonable possibility.

How a court should approach an issue such as the one confronting us has been considered in a vast array of judgments. The salient guidelines have been conveniently summarised by the present Chief Justice in Plascon-Evans Paints Ltd v Van Riebeeck Paints (Pty) Ltd 1984 (3) SA 623 (A) where at p 641 he remarks that the comparison must have regard to

"the similarities and differences in the two

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marks, an assessment of the impact which the defendant's marks would make upon the average type of customer who would be likely to purchase the kind of goods to which the marks are applied. The 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 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

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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."

The case I have just referred to was one of infringement of a registered trade mark under section 44 of the Act, but the principles to be applied in comparing the competing marks, are equally applicable to the issue before us. Naturally all the criteria referred to might not necessarily find application to the facts of the present case, but they are nevertheless instructive as to the general ambit of the enquiry. (See too American Chewing Products Corporation v American Chicle Company 1948 (2) SA 736 (A); Laboratoire Lachartre SA v Armour-Dial Incorporated

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1976 (2) SA 744 (T).)

An important feature in the present case is the colour combination in the various marks. In the registration of respondent's mark it is expressly stated that

> "the essential and distinctive features of the mark are the red stripes in white tooth paste."

These features - viz the red stripes in white tooth-paste - are what respondent explicitly relies on to make its mark distinctive; i e to distinguish its toothpaste from the toothpaste of another not connected with it in the course of trade (see section 12 of the Act). Section 40 of the Act provides that -

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"40(1) A trade mark may be limited in whole or in part to a particular colour or colours, and in case of any application for the registration of a trade mark the fact that the trade mark is so limited shall be taken into consideration by any tribunal in deciding whether it is distinctive or not.

(2) In and so far as a trade mark is registered without limitation of colour, it shall be deemed to be registered for all colours."

Here the respondent did not seek to register his mark for all colours but chose to limit it, for the purposes of distinguishing it from other marks, to the red stripes in white toothpaste. Mr Ginsburg who appeared on behalf of the respondent, conceded in argument, as indeed he was bound to do, that the words I am considering, amounted to a limitation as to the particular colours as envisaged by section 40. This,

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to my mind, seems to be an important consideration in the present case. Respondent must be seen not to have sought, nor to have obtained, a monopoly on the use of any striped toothpaste in a trade mark, but only to the use of red stripes in white toothpaste. Due regard must be had to this in considering the degree of similarity between respondent's mark and each of the appellant's marks.

Another feature to be borne in mind when comparing the marks is the disclaimer registered against respondent's mark viz that such registration does not confer exclusive rights to the brush and tube device depicted in its mark. The reason for this disclaimer seems to have been that the toothbrush and

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the tube are common to the trade in toothpaste, or otherwise that they are of a non-distinctive character (cf section 18 of the Act). In the present case it was common cause that these are common to the trade and it was not disputed that they, in themselves, are of a non-distinctive character. Mr Ginsburg, however, submitted that despite the disclaimer, the court was nevertheless to have regard to the whole mark, including the disclaimed matter, in its comparison of the various marks. This would mean that those marks of the appellant which depict a piece of toothpaste on the bristles of a toothbrush must be compared with respondent's mark which also depicts a piece of toothpaste on the bristles of a toothbrush. For purposes

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of comparison, therefore, the disclaimers would carry very little if any weight. He relied for this submission on the decision of this Court in Registrar of Trade Marks v American Cigarette Co 1966 (2) SA 563 (A). This case concerned the refusal by the Registrar of Trade Marks of an application to register a trade mark in respect of cigarettes. The mark the applicant sought to register consisted of

> "a man, dressed in the elaborate uniform of an officer in a more leisurely age standing upon a substantial pedestal, on the front panel of which appear the words 'Lafayette of Yorktown Fame 1737-1834'." (p 569 G-H)

The Registrar refused to register this mark because of its resemblance to another mark already on the register in respect of similar goods. This mark

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consisted of

> "a male figure, holding a pistol and wearing a cocked hat and a frock coat, standing, with trousers thrust into high top-boots, above bold printing reading '20 cigarettes'. Above the man's hat, appears, in even bolder printing, the word 'Lafayette'." (p 569H-570A)

Both the word "Lafayette" and the numeral "20" were disclaimed.

In the course of his judgment in this Court, Ogilvie Thompson JA remarked at p 572 E-F that

> "The circumstance that the proprietor of mark 61/0743"

(i e the mark which was already on the register)

> "has, by reason of the disclaimer, no exclusive right to the word 'Lafayette' does not *necessarily preclude the possibility of* confusion or deception occurring among members of the smoking public in the event of

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applicant's cigarettes and tobaccos being marketed under its proposed mark."

He summarized this view succintly in the aphorism that

"A disclaimer does not go out into the market with the goods for sale"

i e that since the consumer public would be unaware of the terms of the registered disclaimer confusion would not necessarily be excluded merely by such disclaimer.

After contrasting the facts of the case he was considering with those in Re Loftus' Trade Mark 11 RPC 29, the learned Judge went on to say - (at p 574 G-H)

"In the present case, unlike Loftus' case, the relevant disclaimed word - 'Lafayette' - is not one of mere commendation but, on the contrary, is the somewhat striking - and, I venture to think, in this country, relatively

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unfamiliar - name of an historical figure. In relation to such circumstances, I concur in the view advanced in Chowles and Webster, 'South African Law of Trade Marks', p 61 that -

> 'the presence of a word or words, which although disclaimed, are less well known and are less currently used, may result in confusion'.

In short, regard must, in my judgment, be had, not merely to the existence of a disclaimer, but also to the nature of what is disclaimed."

This seems to me to have been the basis upon which the Court in that case came to the conclusion that, in comparing the marks as a whole - i e having regard to the device together with the disclaimed feature, there was such a similarity as to be reasonably likely to cause confusion. Although, therefore, the word "Lafayette" was expressly disclaimed it was nevertheless such a dominant feature of both marks,

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and was, in this country at any rate, so striking and unusual, that if used in both marks deception and confusion would be likely to ensue. Where a disclaimed feature is so dominant or so striking as it was in that case, it may well have the effect of overriding any differences which might be apparent in the devices themselves. The ultimate test is, after all, as I have already indicated, whether on a comparison of the two marks it can properly be said that there is a reasonable likelihood of confusion if both are to be used together in a normal and fair manner, in the ordinary course of business. Where the disclaimed features are common to the trade, or are of such a commonplace and non-distinctive character as the

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brush and tube device in the present case, then full effect should be given to the disclaimer. Although one would still have regard to the marks as a whole, the disclaimed features will, in such event, be of less account than if they had been more dominant or striking.

In Loftus' case (supra) the two marks appertaining to whisky differed toto caelo except for the words "Unco guid" which were common to both, and which had been disclaimed by the registered proprietor. These words are clearly commendatory in character, and, as such, unlikely to confuse. This, no doubt, prompted North J to remark (at p 33 of the report) that

> "I must say, looking at these marks myself, I come to the conclusion that there is not any such resemblance as to be calculated to

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> deceive. I do not see how the use in one of what is admitted by both to be common property, and not exclusively belonging to either, can in itself be sufficient to make the mark containing the words disclaimed by the first calculated to deceive when used by the second."

In the final result, therefore, this Court must have regard to the degree of similarity or dissimilarity between the appellant's marks and that of the respondent. Bearing in mind the principles I have ennuciated above, we must seek to envisage the circumstances in which confusion is or is not likely to arise.

In considering these marks the Assistant Registrar came to the conclusion that

> "Visually, these marks are almost identical. Even when subjected to close scrutiny, the marks disclose hardly any points of difference."

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This view was fully subscribed to by the Full Bench in its judgment. To my mind, however, this view is, to say the least of it, grossly overstated. When one has regard to them there are obvious and significant differences.

In the first place, as I have pointed out, respondent has no monopoly of all forms of striped toothpaste but is subject to a limitation as to colour, viz red stripes in white toothpaste. Due regard must be given to this limitation. Appellant's trade mark 82/7640 depicts a piece of toothpaste, without any brush or tube device, consisting of blue and white stripes. Respondent's marks depicts what is clearly a piece of white toothpaste with two narrow stripes

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running horizontally along its whole length up to where it emerges from the mouth of the tube. Appellant's mark on the other hand has no such narrow stripes. The so-called "stripes" appear to be of equal width, so that it cannot really be said to be piece of white toothpaste with a blue stripe in it, or a piece of blue toothpaste with a white stripe in it. Indeed, if stripes they be, they bear no resemblance to the form of the stripes appearing on respondent's mark. The background of appellant's mark, too, is white in contradistinction to respondent's dark background. Comparing these two marks as a whole there are significant differences, and if one furthermore has regard to the respondent's limitation as to colours,

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the differences are simply accentuated.

Much the same considerations apply in respect of the comparison between appellant's marks 82/8768 and 82/8769, on the one hand, and respondent's mark on the other. Both these marks of the appellant consist of rather stylized representations of a piece of toothpaste with, in one case, green, white and red stripes, and in the other blue, white and red stripes. Again the stripes appear to be of more or less the same width, so that one cannot describe the piece of toothpaste as being of any one of these colours. In fact the "stripes" may perhaps be more accurately described as coloured "layers" of equal thickness laid one upon the other. Again the background is white

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and the brush and tube device is absent. So even comparing the marks as a whole, significant differences are apparent, and respondent's limitation as to colour merely serves to underline these differences.

Appellant's marks 82/8530, 82/8767 and 83/5167 all depict a piece of toothpaste on the bristles of a toothbrush against a white background. There is, however, no representation of a tube in any of them. The piece of toothpaste is, in each case, highly stylized. In the first of these marks, the piece of toothpaste has equally wide stripes or layers coloured red, white and blue, in the second mark red, white and green and in the third white and blue. In this latter mark the white section is considerably broader than the

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blue portion. It appears to be a piece of white tooth-paste with a topmost section of blue. One could not, by any stretch of imagination, describe it as a piece of white toothpaste with blue stripes. In the first place there are no stripes in the piece, such as are depicted in respondent's mark, but merely a blue layer on top of the piece of white toothpaste. The device of the brush is common to both appellant's and respondent's marks in these instances, although the actual representations differ in certain insignificant respects. In the light of respondent's disclaimer of the commonplace and non-distinctive representation of a brush - an object common to the trade in toothpaste - not much can be made of this

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similarity. None of the pieces of toothpaste - except that depicted in 83/5167 - can be said to be white, and none of them have the type of red stripes appearing in the respondent's mark.

There are, therefore, in my view, very real differences between respondent's mark and each of appellant's marks, and they can hardly be described as "almost identical". The question then is whether they are so different as to obviate the probability of confusion or deception in the mind of a consumer of average intelligence buying with ordinary caution, and who may have but an imperfect recollection of respondent's mark. Comparing the marks as a whole, with due regard to the limitations as to colour and

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the disclaimer, the impression left on me is that the differences are so significant that it is unlikely that the consumer I have postulated would be confused as to the origin of the goods. The narrow red stripes in an otherwise ordinary white piece of toothpaste as depicted in respondent's mark against a dark background is such a distinctive feature, and one which is not present in any of the appellant's marks, that I do not think that there is any reasonable likelihood that the ordinary consumer, of average intelligence, having proper eyesight, and buying with ordinary caution, would be confused as to the origin of the toothpaste he or she is buying, nor be deceived into thinking that there may be some connection between the two.

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The stripes, if they may be so called, in appellant's mark differ so significantly, not only in colour, but also in form, that there seems to me to be scant room for confusion. It is perhaps worthy of mention that despite the fact that the appellant has been marketing its striped toothpaste since 1974 there does not appear to have been any confusion during all these years, between its toothpaste and that of the respondent. The respondent does not, in its papers, suggest that any such confusion has ever arisen.

In all the circumstances, therefore, I am of the view that the Assistant Registrar of Trade Marks was wrong in the conclusion to which he came. He ought to have accepted each of the appellant's proposed trade marks

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for registration, with the one qualification, as tendered by Mr Puckrin in argument before us that mark 83/5167 should be limited to the colours white and blue as depicted, and that there be a disclaimer as to the device of the toothbrush.

In the result therefore it is ordered that

(1) the six appeals are allowed with costs, such costs to include the costs of two counsel;

(2) the order made by the Court a quo is set aside and for it the following order is substituted viz -

the order of the Assistant Registrar in respect of the six appeals before the Court

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is set aside and replaced by an order granting the application with costs against the opponent in each case, with the qualification, however, that the mark 83/5167 in the sixth appeal be limited to the colours white and blue as depicted in the application, and with a disclaimer of the exclusive right to use the toothbrush device.

JPG EKSTEEN, JA

CORBETT, CJ)
JOUBERT, JA) concur
STEYN, JA)
OLIVIER, AJA)