

# WHAT IS WORTH COPYING IS WORTH PROTECTING

## Trade marks

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***Rights in a trade mark akin to those that may be acquired by registration' can be built up under the common law by the use of the trade mark. By 'use' is meant the sales of goods under the mark and the promotion and advertising of such goods. The strength of the so-called common-law rights generated by use is, generally speaking, directly proportional to the extent of the use of the trade mark.***

The common-law rights in a trade mark are, however, also dependent upon factors such as its inherent distinctiveness. The more distinctive it is, the quicker and easier it will be to build up effective common-law rights in it. The key is the repute of the trade mark. A trade mark such as 'Kodak' is likely to develop a repute in legal terms far more quickly than a trade mark such as 'Baby Love'. A trade mark such as 'Wonder' for bread is unlikely to build up a repute in the sense of distinctiveness that is adapted to indicate the origin of the goods to which it is applied.

The nature of the common-law rights in a trade mark built up through extensive use is basically similar to that of the rights acquired by registration of a trade mark. Common-law rights also cover the use not only of an identical mark but also a confusingly similar mark. There are, however, a number of important differences that serve to make common-law rights in a trade mark a far less effective weapon for protecting it than the statutory rights acquired by registration under the Trade Marks Act 62 of 1963.

The two most significant shortcomings of common-law rights are that they are difficult to prove in court proceedings, and that, unlike a registered trade mark, when comparing two competing trade marks under the common law one must have regard not only to the trade marks themselves as applied to the two competing products but to the 'get-ups' of the two products as wholes.

Before one can enforce common-law rights in a trade mark in court proceedings (known as passing-off or, sometimes, unlawful-com-

petition proceedings) it is necessary to satisfy the court about the existence and strength of such common-law rights. Generally, one must do so by presenting evidence to the court in regard to and detailing and documenting fully the use that has been made of the trade mark in which rights are claimed from the inception of that use up to the present. The presentation of this evidence may be both time-consuming and expensive. The result is that easy and prompt enforcement of common-law rights is very difficult. An extremely serious disadvantage of the common-law remedy is the fact that an 'infringer' of common-law rights can avoid a claim of passing-off brought against him simply by showing that, notwithstanding his use of the trade-mark owner's identical mark or substantially similar mark, confusion between his product and the trade-mark owner's product is unlikely because there are other features of his product that serve to distinguish the two products.

Conversely, however, an advantage of passing-off proceedings under the common law is that a trade-mark owner's rights are not confined to particular goods or services, as they are with a registered trade mark. The only criterion is whether the use complained of is likely to cause confusion or deception among the public. The greater is the similarity between the trade-mark owner's goods or services and the infringer's goods or services, the greater is the prospect of showing the likelihood of such confusion or deception. A good example of the outer limits of protection against passing-off was provided by a case in which the court decided that the common-law rights of the hotel group owning the trade mark 'Holiday Inn' were infringed by the use of this trade mark in relation to a business and shopping centre. A further example of this protection was afforded by the prohibition by a British court of the use of the trade mark 'Kodak' in relation to bicycles.

The common-law remedy of passing-off is a valuable weapon in the armoury of an owner of a trade mark, but it is best used as a supple-

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<sup>1</sup>See 'Protection of Trade Marks' (1985) 15 BML 33.



ment to statutory trade-mark rights and not as a substitute.

The law of copyright, which is regulated by the Copyright Act 98 of 1978, protects, amongst other items, so-called literary works and artistic works. In the context of trade marks, slogans, but not mere words, could in certain circumstances constitute literary works, while labels, devices and containers could constitute artistic works.

Copyright comes into existence automatically upon the creation of the work in question, provided it is original. The work that is created must be the independent effort of the maker and must not be copied from another work. There are certain requirements regarding the personal circumstances of the maker of the work and the place at which copies of the work are first released to the public, but in general any artistic or literary work that is made by a person who lives in the Western world or that is first released in the Western world will meet these requirements and enjoy copyright in South Africa.

The copyright in a literary or artistic work is infringed, amongst other circumstances, when that work or a substantial part of it is reproduced without the authority of the copyright holder. In practical terms, the concept of 'a substantial part of a work' is comparable with the concept of 'confusing similarity' under trade-mark law. In effect, a copyright holder may prevent the exploitation not only of his identical work but of a work that is substantially similar to his work. It is, however, an essential feature of copyright infringement that copying must take place. The adoption of a trade mark similar or even identical to an existing trade mark cannot give rise to copyright infringement if it takes place independently and without copying. It is always incumbent upon a copyright holder who alleges copyright infringement to prove that actual copying has taken place.

As with common-law rights, and contrary to statutory trade-mark rights, the existence of copyright in a work must be proved by way of evidence in copyright-infringement proceedings. This requirement usually involves the adducing of evidence by the maker of the work on the effort and originality that went into making it and the circumstances of its first release to the public. In many respects this requirement constitutes a disadvantage of reliance on copyright. Proof of actual copying is frequently also difficult to obtain. Copyright can be a valuable weapon in the hands of a trade-mark owner, but, like common-law rights, is best used as a supplement to and not as a substitute for statutory trade-mark rights.

As I have shown, the owner of a trade mark may have potentially three causes of action for protecting his trade mark from being filched by another party. These causes of action, depending upon the circumstances,

may be trade-mark infringement, passing-off under the common law, or copyright infringement. Depending upon the circumstances, he may be able to rely on one or more of these causes of action in the same proceedings.

The remedies may be pursued against the unauthorized use of the identical trade mark, as in counterfeiting, or against substantially similar trade marks. All three causes of action provide for basically the same relief against an infringer, namely, an interdict restraining the use of the spurious mark, 'delivery-up' of all articles bearing the spurious mark in the possession or under the control of the infringer, payment of such damages as can be proved to have been suffered by the trade-mark owner, and legal costs.

Apart from these civil-law remedies, trade-mark infringement and copyright infringement may in certain circumstances give rise to the institution of criminal prosecutions against infringers. The criminal sanctions in connection with trade-mark infringement are contained in the Merchandise Marks Act 17 of 1941, read together with the Trade Marks Act, while the criminal sanctions for copyright infringement are contained in the Copyright Act itself.

The Merchandise Marks Act makes it an offence, amongst other things, to forge a registered trade mark, falsely to apply to goods any registered trade mark or to apply any false trade description to goods. Furthermore, it is an offence to sell goods to which a forged trade mark or a false trade description has been applied or in relation to which any trade mark has been falsely applied. The penalties for which the Merchandise Marks Act makes provision are, however, trivial, being a maximum of R100 for a first offence and R400 for a subsequent offence.

In terms of the Copyright Act it is a criminal offence to make an unauthorized reproduction of a work for purposes of trade or to sell or otherwise trade in goods that are or to which have been applied unauthorized reproductions of a work in the knowledge that such reproductions are unauthorized. The maximum penalties imposed under the Copyright Act are substantial.

It is clear that the law provides trade-mark owners with powerful weapons with which to combat filching of their valuable property, and they would be well advised to do everything possible to equip themselves with them so that encroachment upon their property may be dealt with efficiently and severely. They should do so in advance at the earliest available opportunity. Protection should not be sought only when the problem manifests itself. It has often been said that anything that is worth copying is worth protecting, but trade-mark owners should not wait until copying has taken place before organizing the protection that is available to them.