

IN THE SUPREME COURT OF SOUTH AFRICA

(APPELLATE DIVISION)

In the matter between:

PLASCON-EVANS PAINTS LIMITED Appellant

and

VAN RIEBEECK PAINTS (PROPRIETARY) LIMITED ... Respondent

Coram: CORBETT, MILLER et NICHOLAS, JJA, GALGUT et HOWARD, AJJA.

Date of hearing: 27 February 1984.

Date of judgment: 21 May 1984

JUDGMENT

CORBETT JA:

Appellant, a company dealing in paints and allied

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products, is the proprietor of a trade mark registered in terms of the Trade Marks Act 62 of 1963 ("the Act"). The trade mark in question consists of the word "Micatex". It was registered on 13 September 1971 in respect of the following goods falling within class 2 of the fourth schedule of the Trade Marks Regulations, 1963 (the regulations current at the time of registration):

"Paints, varnishes (other than insulating varnish), enamels (in the nature of paint), distempers, lacquers, preservatives against rust and against deterioration of wood and anti-corrosives, all containing mica".

Respondent is a company also carrying on business as a dealer in paints and allied substances.

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Early in 1980 appellant instituted motion proceedings against respondent in the Cape Provincial Division, alleging that respondent was using a mark which infringed appellant's registered trade mark and also was wrongfully passing off its goods as being those of the appellant; and claiming interdicts against infringement and against passing off and consequential relief. The application was opposed by respondent, which also applied for the striking out of certain passages in a replying affidavit filed by appellant. The matter came in the first instance before VAN HEERDEN J. At the hearing appellant did not proceed with the cause of action based upon an alleged

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passing off. Further, it was agreed between the parties that certain material in the replying affidavit should be struck out. The Court, having heard argument, granted an interdict restraining respondent from infringing appellant's trade mark, made an order for the delivery up for destruction of all goods, etc. bearing the offending mark and awarded appellant costs of suit (including the costs of two counsel), save for the costs occasioned by the application to strike out, which costs were awarded to respondent.

Respondent appealed to the Full Bench of the Cape Provincial Division against the whole of this judgment and order, save for the portion relating

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to the costs of the application to strike out. Respondent also filed an application to place certain additional evidence on affidavit before the Court, tendering at the same time to pay the wasted costs arising from the application. The Full Bench (VAN DEN HEEVER J, BAKER and SCHOCK JJ concurring) allowed the appeal with costs, save for the costs

of the application to adduce additional evidence on affidavit, but failed, presumably through oversight, to substitute any order for that of the Court of first instance. It would seem, however, from the tenor of the judgment of the Full Bench that it intended to substitute an order dismissing the application with

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costs. Appellant applied to the Full Bench for leave to appeal to this Court. The application was opposed by respondent. The Full Bench granted leave and ordered respondent to pay the costs occasioned by its opposition.

Before I consider the issues and arguments raised on appeal, it is necessary that I should recount the salient facts, as they appear from the affidavits. In this connection I should mention two points. Firstly, at the commencement of the hearing before us appellant's counsel informed the Court that he did not intend to argue the alleged passing off. I think counsel acted wisely for, in my opinion, appellant did not establish,

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on the papers, a cause of action for passing off. It is thus not necessary, in retailing the facts, to refer to the evidence relating solely to passing off.

Secondly, the affidavits reveal certain disputes of fact. The appellant nevertheless sought a final interdict, together with ancillary relief, on the papers and without resort to oral evidence.

In such a case the general rule was stated by VAN WYK J (with whom DE VILLIERS JP and ROSENOW J concurred) in Stellenbosch Farmers' Winery Ltd v Stellenvale Winery

(Pty) Ltd, 1957 (4) SA 234 (C) at p 235 E-G, to be:

".... where there is a dispute as to the facts a final interdict should only be granted in notice of motion proceedings if the facts as stated by the respondents

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together with the admitted facts in the applicant's affidavits justify such an order... Where it is clear that facts, though not formally admitted, cannot be denied, they must be regarded as admitted".

This rule has been referred to several times by this Court (see Burnkloof Caterers Ltd v Horseshoe Caterers Ltd., 1976 (2) SA 930 (A), at p 938 A-B; Tamarillo (Pty) Ltd v B N Aitken (Pty) Ltd, 1982 (1) SA 398 (A) at pp 430-1; Associated South African Bakeries (Pty) Ltd v Oryx & Vereinigte Backereien (Pty) Ltd en Andere, 1982 (3) SA 893 (A), at pp 923 G - 924 D). It seems to me, however, that this formulation of the general rule, and particularly the second sentence thereof, requires some clarification and, perhaps, qualification. It is correct that, where in proceedings on notice of motion

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disputes of fact have arisen on the affidavits, a final order, whether it be an interdict or some other form of relief, may be granted if those facts averred in the applicant's affidavits which have been admitted by the respondent, together with the facts alleged by the respondent, justify such an order. The power of the court to give such final relief on the papers before it is, however, not confined to such a situation. In certain instances the denial by respondent of a fact alleged by the applicant may not be such as to raise a real, genuine or bona fide dispute of fact (see in this regard Room Hire Co. (Pty) Ltd v Jeppe Street Mansions (Pty) Ltd, 1949 (3) SA 1155 (T), at pp 1163-5; Da Mata v Otto, NO, 1972 (3) SA 585 (A), at p 882 D - H).

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If in such a case the respondent has not availed himself of his right to apply for the deponents concerned to be called for cross-examination under Rule 6(5)(g) of the Uniform Rules of Court (cf. Petersen v Cuthbert & Co Ltd, 1945 AD 420, at p 428; Room Hire case, supra, at p 1164) and the court is satisfied as to the inherent credibility of the applicant's factual averment, it may proceed on the basis of the correctness thereof and include this fact among those upon which it determines whether the applicant is entitled to the final relief which he seeks (see eg. Rikhoto v East Rand Administration

Board, 1983 (4) SA 278 (W), at p 283 E - H). Moreover, there may be exceptions to this general rule,

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But as, for example, where the allegations or denials of the respondent are so far-fetched or clearly untenable that the Court is justified in rejecting them merely on the papers (see the remarks of BOTHA AJA in the Associated South African Bakeries case, supra, at p 924 A).

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From the papers in this case it appears that as a result of various transactions, the details of which are not relevant, appellant acquired from other companies, whose assets now vest in appellant, the rights to various trading styles, including "the Plascon Parthenon Paint Company", the "Crown Asbestos Paint Company" and "Crown Cebestos" and also the registered trade mark "Micatex". The latter was legally assigned to appellant on 3 January 1979 with effect from 15 November 1978.

Some use had been made of the Micatex trade mark by appellant's predecessors in title, but it was only after appellant became entitled thereto (evidently

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some time before the formal assignment to appellant) that the trade mark was exploited on a large scale. Appellant used it with reference to a texture coating sold by it. The term "texture coating" denotes to the trade and to the purchasing public a thick paint-like coating or paint primarily applied to the exterior surfaces of buildings. Because of its thick texture it produces a thick covering which hides surface imperfections, such as those encountered in prefabricated concrete slabs and off-shutter concrete, and fine cracks in imperfect plaster finishes. It furthermore produces an extremely durable finish, which is not easily damaged or destroyed.

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The desirable qualities of texture coatings have rendered them extremely popular in this country and they are produced by numerous paint manufacturers. All these manufacturers describe their products as "texture coatings", "textured coatings", "texture paints" or by minor variations of these terms. The term texture coating is also in general use in the building trade and contract specifications often stipulate for texture coatings of various kinds.

The texture coating sold by appellant under its Micatex trade mark contains the silicate known as mica. The mica ingredient in the texture coating constitutes approximately 9 per cent by weight of the

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texture coating as a whole. It is what is termed a "filler". The other ingredients of appellant's texture coating are pigment and other fillers (not including mica) plus-minus 34 per cent; emulsion (resin) 19 per cent; and water 38 per cent. The use of mica as an ingredient is confined to specialty paints, such as texture finishes, to which it imparts additional strength and resistance to checking and cracking. Another filler substance which Micatex contains is marble.

From the middle of 1978 appellant mounted a concentrated and costly promotional campaign, through the media of the press, the radio and television, in order to publicise its product Micatex and increase the

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sales thereof. In the course of this campaign Micatex was portrayed as a particularly effective "textured exterior coating" or "exterior coating". Appellant also produced and distributed sales pamphlets and brochures. The total cost of the campaign over the period August 1978 to July 1979 exceeded R300 000. Sales figures over the period January 1978 to July 1979 for the Reef area, Natal and the Cape Province show that as from July/August 1978, when the campaign commenced, there was a dramatic and sustained

increase in the monthly sales of appellant's Micatex. This is demonstrated by the following figures, which are not seriously disputed:

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Period Total sales (in litres) of Micatex Jan to July 1978 63 594 (7 months) Aug 1978 to Jan 1979 603 863 (6 months) Feb to July 1979 835 170 (6 months)

In about October 1978 it came to appellant's notice that respondent was selling and offering for sale in the Cape Province a texture coating under the mark "Mikadek". Appellant immediately objected to the use of this mark as being, inter alia, an infringement of its trade mark Micatex. Without making any concessions respondent agreed to desist from further use of the mark Mikadek. Respondent thereafter filed applications for registration in its name of the marks

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"Mikadecro" and "Mikacote" in respect of paints and similar products. The word "Dekro" is respondent's "housemark" and apparently this in part inspired the conception of the marks Mikadek and Mikadekro.

In about April 1979 appellant became aware of the fact that respondent was selling and offering for sale in the Cape Province a texture coating under the mark Mikacote. The container in which the product was marketed also bore the housemark "Dekro". This use of the mark Mikacote was not authorized by the appellant and, according to appellant, was an infringement of its rights as the proprietor of the registered mark, Mibatex. Appellant's attorneys thereafter wrote on its behalf to respondent

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objecting to this use by respondent of the mark Mikacote, demanding that it cease and making various other demands, which need not be detailed. This elicited a reply from respondent's attorneys denying infringement and refusing to accede to appellant's demands. Respondent continued to use the mark Mikacote in this way and was evidently

still doing so at the time of the hearing before VAN HEERDEN J... During the course of a related appeal in the matter of Plascon-Evans Paints (Tvl) Limited v Decro Paint and Hardware (Pty) Ltd, which was heard by us on the day following the hearing of the present matter and in which the same issues arose, we were informed by counsel that respondent had ceased

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to market its products under the Mikacote mark. Though this renders the real issues between the parties moot, it unfortunately does not relieve us of the task of deciding this appeal.

With regard to the use by respondent of the mark Mikacote it is relevant to note that 'respondent's texture coating does contain mica, the breakdown of this product, shown as a percentage by weight, being the following: pigment and other fillers (not including mica) 32,97; mica 8,72; emulsion (resin) 19,44; water 36,39; additives 2,48. Mikacote does not, however, contain marble, one of the ingredients of Micatex.

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The goods in relation to which the marks Micatex and Mikacote were being used were offered for sale in hardware stores, multiple stores, general dealer's stores and similar outlets. They were purchased, inter alia, by word of mouth, either over the counter or over the telephone, or by selection by appearance. The purchasers included not only persons skilled in the paint trade, but also persons having no specialized knowledge and merely wanting to perform painting work themselves or by means of unskilled employees. It is averred by respondent that such purchasers nevertheless "generally have a more than rudimentary knowledge of the products and the substances contained in them".

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In order to substantiate its claim that respondent was passing off its product Mikacote as appellant's product Micatex appellant adduced evidence of three "trap" approaches made to certain of respondent's retail outlets in the northern suburbs of Cape Town. Precisely what occurred on these three occasions is in dispute; but what does emanate clearly from the undisputed evidence in regard thereto is that the sales assistants at respondent's outlets sold and offered for sale respondent's texture coating under the name Mikacote. Thus, for example, Mrs M Thacker, a saleslady employed by respondent at its shop in Goodwood, stated that —

" on a number of occasions prospective

customers have asked us whether we do stock Micatex, but we have always stated unequivocally that we do not, but that we in fact

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stock Mikacote, which is not the same product as Micatex, as the former does not contain marble, whereas the latter does".

And, in another instance, Mr Cilliers, the manager of a retail store operated by respondent in Belville, conceded that in an interview with Mr H E A Wesson, a director of one of appellant's subsidiaries, he (Cilliers) wrote on a Dekro data sheet relating to Mikacote the words "is presies dieselfde as Micatex". He explained that what he intended to convey was that Mikacote fulfilled the same function as Micatex.

Prior to launching the notice of motion proceedings appellant caused a search to be made in the records of the Registrar of Trade Marks in regard

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to all trade marks containing the word "Mica". There were at the time five such marks. None of them was registered in the same class as Micatex. Moreover, there was no other trade mark registered in class, 2 of the fourth schedule, other than Micatex, which

incorporated the words "Mica" or "Mika". In fact there is no evidence of any use in South Africa in respect of paint or allied products of any trade mark containing the word "Mica", save for the use by appellant of the trade mark "Micatex" and the use by respondent of the marks "Mikadek" and "Mikacote".

On appeal to us the argument revolved mainly around three basic issues. These were:

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- (1) Whether the use by respondent of the mark Mikacote was use as a trade mark.
- (2) Whether the use by respondent of the mark Mikacote infringed appellant's rights as the registered proprietor of the trade mark Micatex.
- (3) Whether the use by respondent of the mark Mikacote was protected by the provisions of s. 46(b) of the Act. In addition, respondent's counsel emphasized the disputes of fact raised by the affidavits and pointed out that appellant never sought to resolve these issues by means of oral evidence. I have already dealt with this aspect of the matter. The existence of disputes of

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fact does not, as I have indicated, necessarily preclude a final interdict being granted. The main consequence is simply that, in terms of the above-mentioned general rule, where the affidavits in this case raise real and bona fide disputes of fact, the appellant is bound to accept the respondent's version of the facts.

I proceed now to consider the three basic issues.

Use as a trade mark

It is provided by s. 44(1)(a) that subject to certain provisions of the Act, which are not immediately relevant, the rights acquired by registration of a trade mark shall be infringed by -

"(a) unauthorized use as a trade mark in relation to goods or services in respect of which the trade mark is registered, of a mark so nearly resembling it as to be likely to deceive or cause confusion." (My italics.)

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In the Court of first instance counsel then appearing on behalf of respondent (different counsel represented respondent before us) conceded that respondent had been unauthorizedly using the mark Mikacote as a trade mark in relation to goods in respect of which appellant's trade mark was registered. In this Court, however, respondent's counsel partly withdrew this concession and submitted that the use of the mark Mikacote by respondent, although unauthorized and in relation to goods in respect of which appellant's trade mark was registered, did not amount to use as a trade mark; Mikacote was a product name, not a brand name and was, therefore, not used as a trade mark.

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Even if respondent's counsel were correct in this submission, I am not sure, in view of the provisions of s. 44(1)(b) - which deals with the unauthorized use of a mark otherwise than as a trade mark - that a finding that Mikacote was not used as a mark would really assist respondent's case. Be that as it may, I do not think that the submission is sound.

In s. 2 of the Act the following definition of "trade mark" is to be found:

" 'trade mark', other than a certification mark, means a mark used or proposed to be

used in relation to goods or services for the purposes of —

(a) indicating a connection in the course of trade between the goods or services and some person having the right, either as proprietor

/ or...

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distinguish the goods in relation to which the mark is used from the same kind of goods connected in the course of trade with any other person. The words "connection in the course of trade" convey a fairly wide concept and would clearly include the role of manufacturer of or dealer in the goods in question.

Where one is considering the use or proposed use of a trade mark in relation to an application (in terms of s. 20 of the Act) by the proprietor thereof for the registration of his mark or in relation to the rights of a registered proprietor, there is no difficulty in applying the statutory definition of "trade mark", quoted above. Where however, the question is whether an alleged

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infringer of the rights of the proprietor of a registered trade mark has unauthorizedly used a mark "as a trade mark" within the meaning of s. 44(1)(a), then, as pointed out in Chowles and Webster, South African Law of Trade Marks, 2nd ed., at pp. 54-5, in certain situations problems arise in the application of the statutory definition. For example, where A has knowingly used, in relation to goods sold by him, a mark which deceptively resembles the registered trade mark of B for the purpose of indicating a connection in the course of trade between the goods and, not himself, but B, the definition does not appear to apply for B is not the proprietor of the mark used by A (see par. (a) of the definition) and A has not used his mark to distinguish his goods from the

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same kind of goods connected in the course of trade with other persons, but in order to create confusion as to the origin of the goods (see par. (b) of the definition): yet in such a case, there has clearly been an infringement of A's rights as proprietor of the registered mark. In Chowles and Webster, op. cit., at pp 54-5 it is suggested that in this type of case the statutory definition of "trade mark" may have to be "adapted" when used in relation to the phrase "use as a trade mark" in s. 44(1)(a). Alternatively, the answer may be that in s. 44(1)(a) the words "trade mark" must be given not their statutory definition, but their

ordinary meaning of a "badge of origin" (see Shalom Investments Ltd v Dan River Mills Inc., 1971 (1) SA 689 (A), at

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pp 699 ff).

In the present case, however, it is not necessary to come to any decision on these matters for, as I understood the argument of respondent's counsel, it was that respondent's use of the mark Mikacote was not as a badge of origin at all or as in any way either indicating a connection in the course of trade or distinguishing the goods to which the mark was applied. As counsel put it, Mikacote was a product name, not a brand name. The distinction between a "brand name" and a "product name" is not immediately apparent to me. Moreover, the evidence, to which I have already referred, shows that respondent's texture coating was normally sold under the name Mikacote; that when customers came to respondent's retail outlets

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and asked for Micatex, they were told, so it is said by respondent's witnesses, that respondent did not stock Micatex, but that it did stock Mikacote; and so on. Moreover, at a certain stage, as already indicated, respondent made application in terms of the Act for the registration of the word Mikacote as a trade mark. Generally, I am satisfied that respondent's use of the word Mikacote in relation to its goods was "use as a trade mark". This issue must accordingly be resolved in favour of the appellant.

Infringement

I have already referred to the provisions of s. 44(1)(a) which defines the infringement committed by the use of a mark as a trade mark. As has been indicated,

it is not disputed that respondent unauthorizedly

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used the mark Mikacote in relation to goods in respect of which appellant's trade mark is registered; and I have held that respondent used Mikacote "as a trade mark". The only remaining issue in regard to infringement is whether the mark used by respondent so nearly resembled appellant's registered trade mark —

"as to be likely to deceive or cause confusion".

The meaning of these words and the general principles governing their application to the facts of a particular case have frequently been canvassed in our courts. In the recent case of International Power Marketing (Pty) Ltd v Searles Industrials (Pty) Ltd. 1983 (4) SA 163 (T), MARGO J, delivering the judgment

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of the Transvaal Provincial Division, gave a full review of the legal principles applicable to such an issue and cited most, if not all, of the relevant cases. It is not necessary to repeat these citations of authority. The main legal principles relevant to the decision of the instant case may be briefly summarized as follows:-

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

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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, i.e. 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.

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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

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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 consideration must be given

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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.

In certain of the decided cases it has been held that the Court should include in its comparison what has been termed the "notional use" of the registered mark and of the alleged infringing mark (see e.g. adidas Sportschuhfabriken Adi Dassler K.G. v Harry

Walt & Co Ltd, 1976 (1) SA 530 (T) at pp 534 A to 535 H; Hudson & Knight (Pty) Ltd v D H Brothers Industries (Pty) Ltd T/A Willowtown Oil and Cake Mills and Another, 1979 (4) SA 221 (N), at p 224 F; Juvena Produits de Beaute SA v BLP Import and Export,

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1980 (3) SA 210 (T), at p 218 B-G; and see Chowles and Webster, op. cit. pp 200-01). As explained by Chowles and Webster (at the pages cited) this means that in making the necessary comparison the court is not confined to the manner in which the parties have actually used their respective marks: it may have regard to how they can use the marks in a fair and normal manner. Respondent's counsel contended that while the notional user test might be appropriate in cases of the opposed registration of a mark, it was not correct to apply it in an infringement case. I can well see that in considering the question of infringement the court should have regard not only

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to the plaintiff's actual use of his registered mark, but also to notional use, that is to all possible fair and normal applications of the mark within the ambit of the monopoly created by the terms of the registration (cf remarks of BOTHA J in the adidas case, supra, at p 535 B-D). I have some difficulty, however, in applying the notional user approach to the use by the defendant of his mark, especially as regards the type of goods to which the mark is applied. If the actual proven user by the defendant falls outside the ambit of the plaintiff's monopoly, then I fail to see how it can be said to infringe merely on the ground that a notional fair and normal user of his mark - which

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had not in fact occurred - would trespass upon the plaintiff's monopoly. To take a pertinent example: suppose respondent in this case had used a mark which was deceptively similar to plaintiff's mark in relation to an insulating varnish (an item specifically excluded from the goods in respect of which appellant's mark was

registered). I doubt whether the suggestion that the respondent's mark might also fairly and normally be used in relation to other varnishes would establish infringement on respondent's part. It is not necessary, however, to express a final opinion on these points for the mark actually used by respondent in this case was applied to the same class of goods as the

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registered mark and, in my opinion, the issue of deceptive or confusing resemblance can be decided on the basis of the actual user by both parties.

I come now to compare the marks in this case, Micatex and Mikacote. Viewed side by side the marks exhibit similarities and differences. They are both trisyllabic; they both have as their first two syllables the word "mica". (Though in respondent's case this is spelt "mika", phonetically the words are identical.) On the other hand, the only similarity between the suffix "cote" and the suffix "tex" is that they are both monosyllabic.

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As I have emphasized, however, the comparison must not be confined to a viewing of the marks side by side. I must notionally transport myself to the market place (see remarks of COLMAN J in Laboratoire LaCharte SA v Armour-Dial Incorporated, 1976 (2) SA 744 (T), at p 746 D) and consider whether the average customer is likely to be deceived or confused. And here I must take into account relevant surrounding circumstances, such as the way in which the goods to which the marks are applied are marketed, the types of customer who would be likely to purchase the goods, matters of common knowledge in the trade and the knowledge which such purchasers would have of the goods in question and the marks applied to them.

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As I have already mentioned, the goods to which the Micatex and Mikacote marks were applied were offered for sale in hardware stores, multiple stores, general dealer's stores

and similar retail outlets. Potential purchasers included not only persons skilled in the paint trade, such as building and painting contractors, but also persons having no specialized knowledge and wanting merely to perform painting work themselves or by means of unskilled employees. I doubt very much whether the former, ie persons skilled in the paint trade would be deceived or confused by respondent's mark Mikacote, but the position of the latter, ie persons having no specialized knowledge, is by no means so clear.

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In my opinion, the dominant impression or idea conveyed by each of the marks centres on the word "mica". "Mica" constitutes in each case the first two syllables of the mark. It is the portion of the mark which makes the initial impact and on which stress is laid in pronunciation. It is a known word for a known substance. In the painting trade appellant's use of the word "mica" in its registered trade mark was unique among trade names, until respondent commenced using the mark Mikacote. The suffixes "tex" and "cote" make less of an impression, particularly as they appear to be derived from the term "texture coating" or, at any rate, would be understood by a substantial number of

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interested customers as being so derived. As, the evidence shows, the term texture coating is one generally used in the trade to denote the products to which the marks Micatex and Mikacote were applied. Consequently, a potential customer, with no specialized knowledge in this field and an imperfect recollection of appellant's trade mark, would tend to recall it as "Mica-something" or "a word starting with mica". At any rate, in my view, a substantial number of such customers would probably have this type of recollection. A person with such an imperfect recollection who went, say, to a hardware store to purchase appellant's product and encountered, or was offered,

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a tin of Mikacote could well, in my opinion, be deceived into thinking that this was the product he was seeking;

and it is likely that this could occur on a substantial scale. Moreover, I think that a substantial number of such persons, knowing that the product they were seeking was a "texture coating"; would be likely to be confused between "Micatex", the suffix being the first syllable of "texture", and "Mikacote", where the suffix is a phonetic transcription of the first syllable of "coating". At the very least, I consider that the resemblance between the marks is sufficient to cause a substantial number of such customers to be confused as to whether or not there was a material connection between respondent's goods,

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bearing the mark Mikacote, and the proprietor of the Micatex mark.

The Court *quo*, which decided the infringement issue adversely to appellant, appears to have based its decision mainly on a verbal comparison of the two marks and upon the conclusion (thereby differing from the Judge of first instance) that in practice the two marks would not be used in conjunction with the generic description "texture coating". I am inclined to agree with this latter conclusion, but in my view, a purely verbal comparison is not enough. As I have said, in cases such as this the Court must transport itself to the market place and try to visualize how

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customers of the goods, in relation to which the marks are used, would react.

The case is not an easy one. This is shown by the division of judicial opinion which has occurred in this case and in the parallel case in the Orange Free State Provincial Division (see Decro Paint and Hardware (Pty) Ltd v Plascon-Evans Paints (Tvl) Ltd, 1982 (4) SA 213 (0)), the matter which came before us on appeal immediately after the present one. Having carefully considered the matter, however, I am of the view, for the reasons stated,

that appellant established an infringement of its registered trade mark Micatex by the use by respondent of its mark Mikacote.

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S. 46(b) of the Act

S. 46 of the Act provides —

"No registration of a trade mark shall interfere with -

(a) any bona fide use by a person of his own name or of the name of his place of business, or of the name of any of his predecessors in business, or of the name of any such predecessor's place of business; or

(b) the use by any person of any bona fide description of the character or quality of his goods or services."

It was submitted by respondent's counsel that respondent was protected from an infringement action by s. 46(b) of the Act because its use of the mark Mikacote was a bona fide description of the character or quality of its product.

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Appellant's counsel, on the other hand, contended that s. 46(b) does not afford protection where the person concerned has used so-called descriptive words (which prima facie infringe a registered trade mark) as a trade mark and he referred in this connection to what is said by Chowles and Webster, op. cit., at pp 223-4. While there may be something to be said for this viewpoint, I do not find it necessary to decide this issue and will assume in respondent's favour that the fact that it used the word Mikacote as a trade mark does not prevent it from availing itself of the defence provided by s. 46 (b).

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In Shalom Investments (Pty) Ltd v Dan River Mills Inc., 1971 (1) SA 689 (A), this Court had occasion to consider the meaning of s. 46(b). OGILVIE THOMPSON JA, who delivered the judgment of the Court, referred to with approval, and adopted as being equally applicable to the provisions of s. 46 (b) of the Act, certain remarks of LAWRENCE LJ, made with reference to the identically-worded s. 44 of the English Trade Mark Act of 1905 in the well-known case of J B Stone & Co Ltd v Steelace Manufacturing Co Ltd, (1929) 46 RPC 406, at p 417. The learned Lord Justice said:

"In my opinion the object of Section 44 was to safeguard traders in cases where the registered trade mark consisted of more or less descriptive words forming

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part of the ordinary English language, without the use of which other traders would find some difficulty in describing certain qualities of their goods; but was never intended and does not operate to enable a trader to make use of a rival trader's registered trade mark consisting of a fancy word having no reference to the character and quality of the goods in order more readily to sell his own goods."

In the Shalom Investments case, supra, the respondent was the proprietor of the mark "Dan River", registered in regard to, inter alia, cotton goods and articles of clothing. The respondent operated a large textile mill in the USA and the Dan River mark was used in relation to its textile products. Without respondent's consent, appellant obtained material manufactured by respondent, made it up into ladies dresses and marketed

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them, each with a label indicating that it was made from a Dan River fabric. Appellant was held by the trial Judge to have infringed respondent's mark. On appeal to this Court, in addition to attacking the infringement finding, appellant sought to rely on s. 46 (b). After the quotation from the J B Stone case, supra, OGILVIE THOMPSON JA went on to deal with the applicability of s. 46 (b) - at p 708 E - G:

"In the present case, respondent's registered trade mark 'Dan River' does not fall within the category of 'more or less descriptive words': it consists of words of a geographical connotation having no reference to the character or quality of the dresses. I agree with Mr Welsh's submission that, had the appellants indeed wished to describe the character or quality of their dresses, they might have said that they were manufactured out of cotton material imported from the United States; and, further, that there was no necessity for appellants to use the registered trade mark 'Dan River' unless they intended to make use of the goodwill

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attaching to that particular mark. In my opinion the circumstances point irresistibly to the appellants having indeed had the intention to make use of the goodwill attaching to respondent's mark."

In Gulf Oil Corporation v Rembrandt Fabrikante en Handelaars, 1963 (2) SA 10 (T), the Court was concerned with an application, in terms of s. 136 of the Designs, Trade Marks and Copyright Act, 9 of 1916 (the corresponding provision in the Act is s. 36), for a trade mark to be taken off the register on the ground that for a period of five years there had been no "bona fide user" thereof by the registered proprietor in respect of certain goods. With reference to the meaning of the phrase "bona fide user", as used in s. 136, TROLLIP J stated (at p 24 E) that it —

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"means a user by the proprietor of his registered trade mark in connection with the particular goods in respect of which it is registered with the object or intention primarily of protecting, facilitating, and furthering his trading in such goods, and not for some other, ulterior object".

The decision of TROLLIP J was confirmed on appeal by this Court (see Rembrandt (Edms) Bpk v Gulf Oil Corporation, 1963 (3) SA 341 (A)) and, in delivering the

judgment of the Court, STEYN CJ endorsed the interpretation of TROLLIP J in the following words (at p 351 E):

"The question is whether the evidence shows that the user was not bona fide in the sense contemplated in sec. 136. I do not propose to attempt a comprehensive definition of what the expression "no bona fide user" means in this section. Whatever the full meaning of the phrase may be, it seems clear that user for an ulterior purpose, unassociated with a genuine intention of pursuing the object for which

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the Act allows the registration of a trade mark and protects its use, cannot pass as a bona fide user.

It seems to me that some assistance may be derived, by way of analogy, from this case in regard to the interpretation of s. 46 (b) of the Act.

Having regard to the foregoing and without attempting to give an exact or comprehensive definition of what constitutes a bona fide description for the purposes of s. 46 (b), it seems to me that what the Legislature intended to safeguard by means of the provisions of the subsection is the use by a trader, in relation to his goods, of words, which are fairly descriptive of his goods, genuinely for the purpose of describing the character or quality of the goods:

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the use of the words must not be a mere device to secure some ulterior object, as for example where the words are used in order to take advantage of the goodwill attaching to the registered trade mark of another. In the case before us the evidence establishes that the word "mica" is not one generally used in the paint trade to describe paint products (cf. the Coca-Cola Co of Canada Ld v Pepsi-Cola of Canada Ld, (1942) 59 RPC 127, at p 133). Appellant's predecessor in title hit upon the idea of using the word "mica" to create the composite word "Micatex" for use as a trade mark; and appellant used this mark for

its texture coating. By dint of a vigorous marketing and advertising campaign and, no doubt, also because it was a good product,

appellant established a substantial market for Micatex

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and consequently considerable goodwill attached to the trade mark. Until respondent commenced using the marks Micadek and, later, Mikacote, no other paint manufacturer had used the word "mica", either by itself or in combination, as a trade mark for his goods.

It is true that mica is, by percentage of weight, a minor ingredient of both appellant's and respondent's products, and the products of other manufacturers as well. Had respondent genuinely wished by means of some description to draw the attention of the purchasing public to the fact that its product contained mica, there are several obvious ways in which it could have done so without in any way infringing

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appellant's trade mark. Yet respondent chose to do so by incorporating the word "mica" (spelt "mika") in a trade mark which bore a deceptive resemblance to appellant's trade mark.

Mikacote is not a word in ordinary use. It is a fancy name, and the way in which it was composed would not necessarily be apparent to an uninitiated person reading the word on the label attached to the tin containing respondent's texture coating. There would be no reason for him to think that it was a word descriptive of the character or quality of the paint in the container. A person who genuinely wished to communicate to the reader that his paint contained

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mica and that it was a texture coating would not use the spellings "Mika" and "cote". Clearly the respondent used the word as his trade name for the paint contained in the tin and not as a fair description of the character or quality of the paint. Moreover, all the circumstances emphasized above, indicate the probability that the name was devised so as to resemble appellant's trade mark Micatex; and that respondent used the name not for purposes of description, but with the ulterior object of deceiving or confusing and of making use of the goodwill attaching to the Micatex mark.

Accordingly, I am satisfied that respondent's use of its mark Mikacote did not constitute the use

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of a bona fide description of the character or quality of its goods, within the terms of s. 46 (b) of the Act.

During the course of his argument respondent's counsel argued strenuously that appellant could not claim a monopoly in the word or prefix "mica", a well-known mineral substance often used as an ingredient of paint; that appellant was not entitled to describe its product, by means of a trade mark, which included the word "mica", a non-distinctive word; and so on. He referred in this connection to cases such as Corn Products Refining Co v African Products Manufacturing Co., 1922 WLD 163 and Aktiebolaget Hjorth and Co. v Aktiebolaget

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Optimus, 1932 TPD 177. In so far as counsel's argument is aimed at the validity of the original registration of appellant's trade mark, it is off target because the trade mark has been registered in part A of the register for more than seven years (see s. 42 of the Act) and neither of the requisites posed by subsections (a) or (b) of s. 42 is present; and in so far as the argument is really directed at the defence provided by s. 46 (b), it has already been dealt with.

In the result, therefore, it is ordered as follows:

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(1) The appeal is allowed with costs, including the costs of two counsel.

(2) The order of the Court a quo is set aside and there is substituted therefore the following:

"Appeal is dismissed with costs".

M M CORBETT

MILLER JA)

HOWARD AJA)