

IN THE TRIBUNAL OF THE REGISTRAR OF TRADE MARKS TRADE MARKS ACT, ACT 194 OF 1993

Applicant

and		
BRITISH AMERICAN TOBACCO BRANDS LIMITED		Opponent
	JUDGMENT	

PHILLIP MORRIS PRODUCTS S.A.

The Applicant is Phillip Morris Products S.A., a Swiss company of Qui Jeanrenaud, 3, CH-2000 Neuchatel, Switzerland (hereinafter referred to as "the Applicant").

The Applicant had applied to register trade mark no. 2006/20863 MARLBORO WIDES in class 34 in respect of:

"Tobacco, raw or manufactured, including cigars, cigarettes, cigarillos, tobacco for rolling your own cigarettes, pipe tobacco, chewing tobacco, snuff tobacco, tobacco substitutes (not for medical purposes), smokers' articles, including cigarette paper and tubes, cigarette filters, tobacco tins, cigarette cases and ashtrays not of precious metals, their alloys or coated therewith, pipes, pocket apparatus for rolling cigarettes, lighters and matches".

The application was filed on 1 September 2006, and advertised in the Patent Journal of 30 July 2008.

The Opponent is British American Tobacco (Brands) Limited, an England and Wales Company of Globe House, 4 Temple, London WC2 2PG, England (hereinafter referred to as "the Opponent").

The Opponent did not oppose the registration of the Applicant's trade mark *per se*. Through the opposition Opponent had sought relief that the Applicant's trade mark application be registered subject to a disclaimer being entered with regard to the word "WIDES".

Counsel for the Opponent submitted that the word "WIDES" was descriptive and reasonably required for use in the tobacco industry to describe a cigarette or tobacco product which was wider than a standard cigarette. This she said was evidenced by the Applicant's own description of its MALBORO WIDES products as being "shorter and wider".

Disclaimers are governed by Section 10(15) of the Trade Marks Act 194 of 1993 ("the Act") which provides as follows:

"15. Registration subject to disclaimer:-

If a trade mark contains matter which is not capable of distinguishing within the meaning of section 9, the registrar or the court, in deciding whether the trade shall be entered in or shall remain on the register, may require, as a condition of its being entered or remaining on the register-

- (a) That the proprietor shall disclaim any right to the exclusive use of all or any portion of any such matter to the exclusive use of which the registrar or the court holds him not to be entitled, or
- (b) That the proprietor shall make such other disclaimer or memorandum as the registrar or the court may consider necessary for the purpose of defining his rights under the registration:

Provided that no disclaimer or memorandum on the register shall affect any rights of the proprietor of a trade mark in respect of which the disclaimer is made". The Opponent's opposition to the registration was limited to the provisions of Section 10(2)(b) of the Act, in that the Applicant's trade mark was not capable of distinguishing, because it contained the word which was descriptive and reasonably required for use in the tobacco industry.

Section 10(2)(b) of the Act provides as follows:

"10. Unregistrable trade marks:-

The following marks shall not be registered as trade marks or, if registered, shall, subject to the provisions of section 3 and 70, be liable to be removed from the register:

(2) a mark which-

(b) consists exclusively of a sign or indication which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or other characteristics of the goods or services, or the mode or time of production of the goods or of rendering of the services"

Counsel for the Opponent submitted that the opposition entailed a two fold enquiry:

- (a) First, whether the word "WIDES" fell within the scope of Section 10(2)(b), and
- (b) If it did, then the Registrar should consider whether he should exercise his discretion in favour of the Opponent by directing that the proposed disclaimer be entered in respect of the subject trade mark application.

Regarding the first question, one had to have regard to the dictionary definition of the word "WIDES" to understand how it was descriptive of the goods in question. The Concise Oxford Dictionary defines the word as, *inter alia:*

"measuring much more that other things of the same kind across or from side to side."

It was contended that this description was also apt in its application to cigarettes, as was evident from the Applicant's own communications where it described its MALBORO WIDES cigarettes as "shorter and wider". It was further submitted that other cigarettes manufactures also used the word WIDES in respect of their wider cigarettes variant, e.g. LUCKY STRIKE WIDES, CAMEL WIDES and HOGSHEAD WIDES LIGHTS.

Counsel for the Opponent submitted that in view of the above-mentioned examples, it was clear that the word WIDES was simply descriptive of one of the variants of cigarette. The word SLIMS was similarly said to be descriptive as it referred to a narrower diameter than standard cigarette.

Counsel for the Opponent stated in her heads or argument that MALBORO WIDES should not be allowed registration without a disclaimer since the Applicant also used similar descriptors such as VIRGINIA SLIMS. The name WIDES was the name of a particular type or size of cigarette, rather than the Applicant's product. It therefore fell squarely within the scope of Section 10(2)(b) of the Act, as being a descriptive word. In <u>FNB of SA Ltd v Barclays Bank Plc</u> 2003 (4) SA 337 (SCA) at 344A (para 110 it was stated that:

"Epithets, laudatory or otherwise, are by definition adjectives because they are descriptive and a trade mark, at least a word mark, is as a general rule not an adjective."

In <u>Century City Apartments Property Services CC v Century City Property</u>

<u>Owners' Association 2010 (3) SA 1 (SCA)</u> the Court stated the following with regard to Section 10(2)(b) in the context of geographical names:

"Section 10(2)(b) must be read in context. It also deals on the same basis with marks that may designate the kind, quality, quantity, intended purpose, value, or other characteristics of the goods or services. It is not concerned with the distinctiveness or its loss. That is dealt with in section 10(2)(a), which in turn is the counterpart of Section 9 to which it refers. The prohibition is not directed at protecting trade mark use only, but goes wider: it is sufficient if the name may designate the geographical origin of the goods or services.

It has been said that the provision serves a public interest, permitting all to use such descriptive signs freely by preventing them from being reserved to one undertaking alone because they have been registered as trade marks."

Counsel for the Opponent submitted that the same principles applied to words which were descriptive of the kind of goods, such as WIDES in the instance of cigarettes.

Regarding the alleged non-use of WIDES in South Africa, Counsel for the Opponent countered that the Opponent was not required to show that the mark WIDES was in fact being used in South Africa or that any one entity had acquired a reputation in WIDES in South Africa in relation to cigarettes. Should the Tribunal find that the term WIDES might be required in the trade to describe a type of cigarette, this would be sufficient for the second stage of the enquiry to be entered into.

Counsel for the Opponent further contended that the Applicant had not attempted to explain its own use of the phrases WIDES and SLIMS or other descriptive phrases. Counsel for the Opponent opined that the Applicant's failure to provide a satisfactory explanation as to why WIDES would not constitute a description, spoke volumes. It was submitted that the Applicant had not succeeded in casting any doubt on the assertions made by the Opponent.

The entry of the disclaimer in respect of trade mark lied with the discretion of the Registrar. The consideration as to whether that discretion should be exercised constituted the second part of the enquiry.

The issue of the Registrar's discretion was considered in <u>Cadbury (Pty) Ltd v Beacon</u>

<u>Sweets & Chocolates (Pty) Ltd and Another</u> 2000(2) SA 771 (SCA) at 780J-781E,

where the Supreme Court of Appeal stated that:

"A disclaimer is, theoretically, never necessary since registration of a trade mark cannot give rise to any rights except those arising from the mark as a whole. It has nonetheless a function. Primarily, it is to prevent the registration of a composite mark from operating so as to inhibit the use of the disclaimed element by others. Beacon, relying upon the fact that the name Liquorice Allsorts is the dominant part of the mark, is asserting the trade mark rights in Liquorice Allsorts particularly against others based upon registration. It also has a pending application for the registration of Liquorice Allsorts simpliciter. This is therefore a textbook case for a disclaimer. Statutory monopolies are the exception, not the rule and they need to be justified.

The Court below accepted Beacons' argument that Cadbury was sufficiently protected by the provisions of s 34(2)(c) of the Act which provides, inter alia, that a registered trade mark is not infringed by the use of any bona fide description or indication of the kind of the goods concerned. Cadbury, if its allegation are to be accepted, is thus without a disclaimer possessed of a perfect defense. I find the attitude unrealistic because I cannot see why Cadbury should be put to the trouble and expense of first manufacturing and selling and then be subjected to the risk of infringement litigation where the Legislature has given it a simple remedy akin to a declaration of rights to obtain certainty. I do realize that due to the proviso to s 15, Beacon may nevertheless attempt to assert rights to Liquorice Allsorts by means of common-law action based upon passing-off, but that is not sufficient reason to refuse the relief sought since the nature of the protection provided by that action differs from trade mark protection."

Counsel for the Opponent submitted in her conclusion that they simply sought an entry of a disclaimer in respect of the subject trade mark application to the extent that registration of the mark would not give the Applicant exclusive rights to the word WIDES.

Counsel for the Applicant submitted in response, that the dispute was limited to the trade marks as applied in the South African tobacco industry. In this regard he cited Cadbury (Pty) Ltd v Beacon Sweets and Chocolates (Pty) Ltd and another 2000 (2) SA 771 (SCA) where it was stated at para 18 page 71 F that:

"Mr Brown submitted, in my view correctly, that for the purposes of deciding whether a mark is distinctive, it is to the market of this country alone that one has to have regard."

Evident from other jurisdictions was of no assistance.

Regarding the use, Counsel for the Applicant submitted that there was no or insufficient evidence that WIDES was used in South Africa in relation to cigarettes. Section 10(2)(b) sought to preserve the rights of traders to use in trade what may be termed the non-capricious feature of the article in question. He cited <u>Triomed (Pty) Ltd v Beecham Group Plc and others (2) SA 522 (T) SA (T) at 328 A-B where substantial evidence was led to suggest that the trade mark in question consisted of qualities that would reasonably be required to be used by other traders. Once it was found that such a mark</u>

would be required to be used by other traders, compelling evidence was required to establish distinctiveness.

Counsel for the Applicant stated in his heads of arguments that neither in the Founding Affidavit nor the Replying Affidavit was there any evidence that the word WIDES was used in the South African tobacco industry. The primary facts alleged in paragraphs 2, 4, 8 and 9 of the Founding Affidavit, that the word WIDES was generic and descriptive in South Africa, was not supported by secondary facts. It was incumbent upon the Opponent to place facts before the Tribunal to establish that the proposed registration of the mark offended the provisions of Section 10(2)(b) of the Act. This would have involved the presentation of market research or evidence suggesting that reasonable consumers would know what the term WIDES referred to.

Counsel for the Applicant also disputed the primary facts alleged in paragraph 3 of the Founding Affidavit namely that cigarettes were characterized on dimension, shape or filtration capabilities, indicating that this statement was not supported by secondary facts. In particular, there was no suggestion that the word WIDES was exclusively descriptive of dimension, shape or filtration capabilities of cigarettes. The allegation that the term WIDES was not an original creation or coinage had not been substantiated.

It was further submitted that for a finding that the word WIDES was offensive the Tribunal would need to come to a similar finding as was found in *Registrar of Trade*Marks v Wassenaar 1957 (4) SA 513 (A) at 526 to 527 namely that:

"In the present case the Registrar came to the conclusion that the word 'Ronpha' had been used by the applicant to designate his new hybrid and that therefore the word was not adapted to distinguish the grass of the applicant from the grass produced by other persons. On principle it would seem that if a particular kind of grass is known throughout the trade by a particular name, and that grass is produced by a number of persons, not one of those producers could claim that its name is adapted to distinguish his products from that of any other producer."

It was argued that in comparison, it could hardly be said that the Opponent had established the reasonable use of the word WIDES in the cigarette trade.

Annexure "SPA2" on page 38 of the Founding papers was disputed by Counsel for the Applicant as its origin had not been disclosed by the Opponent. The suggestion that it originated from New York was irrelevant from the South African perspective. There was also no evidence indicating its relevance to the South African tobacco market. It could further not assist the Tribunal in determining whether or not the Applicant's application offended Section 10(2)(b) of the Act. It was not appropriate to the Opponent to attach that document, and expect the Tribunal to peruse those pages and understand its context, purpose and relevance.

Counsel for the Applicant further challenged "Annexure "SPA4" showing cigarette brands featuring use of the word WIDES. The annexure comprised 54 pages which it was argued presented no evidence that could assist in the determination of this present

matter. It was stated that was presented was hearsay internet evidence without any indication that the word WIDES was used in South Africa.

It was submitted that there was no evidence that the word WIDES had been registered in any other South African trade marks or that it was a popular word either generally or in the tobacco industry. An example given of such a popular word was the word 'MEESTER. In this regard Counsel for the Applicant cited <u>Distillers Corporation (SA)</u>

<u>Ltd v SA Breweries Ltd and Another; Oude Meester Groep Bpk and Another v SA</u>

<u>Breweries 1976 (3) SA 514 (A) at 552H-553C</u> were evidence was led that "Meester" was a popular term in several registered trade marks in South Africa.

In his heads of arguments Counsel for the Applicant also submitted that Annexure 'SPA5" was not evidence indicating that the word WIDES was in contravention of Section 10(2)(b) of the Act. It was a representation of boxes of cigarettes with among others the word "slim" or "slims" presented on it. There was no relevance of this evidence in relation to the word WIDES. It was further not established that the word "slim" or "slims" were descriptive of the goods or services in the tobacco industry. It had also not been established that those were reasonably required in the trade.

Counsel for the Applicant contended that WIDES was a registrable trade mark. He submitted that in relation to the words "liquorice all sorts", a revealing statement was made by Harms in the <u>Cadbury</u> case <u>supra</u> at paragraph 8 that:

"During argument, counsel was unable to suggest an alternative name for the product. If one considers that a trade mark performs an adjective function in relation to goods or services, the fact that another noun for the product is not readily apparent is a fair indication that the term does not perform any function".

It was submitted that the word WIDES did not present the same problem. The meaning of exclusively in Section 10(2)(b) made room for the registration of the word WIDES. On the issue of exclusivity the Opponent listed a summary factors in <u>Webster & Page at paragraph 3.51.4</u> where it is stated that:

- (a) many trade marks contain an allusion to some characteristic of the goods or services in respect of which they are used and it is often said that the best trade marks contain a skilful allusion of the goods or services in question,
- (b) a mark might serve in normal usage to designate directly or by reference to essential characteristics of goods or services should not be refused,
- (c) some form of mental activity was necessary in order to discern a reference to the quality of the goods or characteristics of the goods and uncertainty as to the precise nature of the reference to quality or characteristics of the goods could assist registrability,

if a mark does not consists exclusively of offending matter but contain such matter in conjunction with other non-offending element then the Registrar or the court as the case may be can require the offending matter to be disclaimed,

- (d) in determining whether or not word or phrase is capable of functioning as a trade mark, the average consumer of the specific goods or services in question in question must be brought into question,
- (e) although individual words may be well adapted to describe one or more of the elements in the goods or services and therefore are unregistrable, in combination the words may not describe such elements, and would therefore not be offensive, and
- (f) it is correct to consider the meaning of the words when used in context other than the specific goods or services. Dictionaries are a dangerous guide and should not be used in isolation. The emphasis is not on the definition of the word or words, but what the average consumer would have understood, in context, what the words were being used to mean.

In his final submission Counsel for the Applicant argued that if "blockbuster" and "chartbuster" were registrable, then so was "WIDES". He relied upon the judgment of <u>Blockbuster Entertainment Corporation v Registrar of Trade Marks</u> 1994 (3) SA 402 (T) at 405H-406D where the following was stated:

"In my judgment the following considerations are of importance in regard to these two words:

 They are not words commonly used by all sections of the community. They are slang or colloquial terms. To this extent they are to be distinguished from ordinary descriptive words.

- Neither word is laudatory in the usual sense of that term. They are rather words suggestive of outstanding qualities and then only in an indirect and somewhat colourful way.
- 3. 'Blockbuster', according to the dictionary, is a word especially applicable to an epic film or book. 'Chartbuster' is descriptive of songs, records and the like. It must be remembered that the appellant's marks are required for the service it operates at the outlets from which the videos are rented. The marks are therefore associated with those outlets and not the videos themselves. It can hardly be said that competing outlets reasonably require colourful words of this nature to describe their own trading activities, even though such activities may be similar. Whilst the words may well on occasion be required to describe certain videos or other products included in the services supplied by the appellant and any competitors, s 46(b) of the Act protects the use by any person of any bona fide description of the character or quality of his goods or services.

The cumulative effect of all the above considerations leads me to the conclusion that the words 'Blockbuster' and 'Chartbuster' are inherently adapted to distinguish the appellant's services and cannot be regarded as non-distinctive and purely descriptive. Nor do I consider that those words are reasonably required for use in the trade in relation to the services covered by the appellant's trade marks.'

In view of what had been stated in Webster & Page above, Counsel for the Applicant submitted that WIDES was a skillful allusion to some characteristic of the goods or

services of which it was used. It could not be argued that the term was exclusively descriptive of goods in the tobacco industry. A reasonable consumer would require such a mental activity to determine the precise nature of the reference to WIDES in the South African tobacco industry.

He further submitted that a disclaimer was not appropriate as WIDES was a clever, unique, not entirely non-descriptive and an invented word as far as the tobacco industry was concerned. There was no evidence that such a disclaimer was justified in the South African market. It was further not established by the Opponent how the average consumer or trader in the tobacco industry would react to WIDES.

It was also argued on behalf of the Applicant that the noun 'wide' was not a word used in the tobacco industry. It could perhaps find application in the tyre industry e.g. a wide tyre.

Regarding to what was stated in the <u>Blockbuster</u> case above, it was contended that the comparison of the principles in that decision applied to the registrability of the term "WIDES" were very similar, in that:

- (a) "WIDES" was not a term commonly used and should be distinguished from ordinary descriptive words.
- (b) "WIDES" was not laudatory but rather indirectly suggestive of something else, in a colourful way.

(c) "WIDES" might on occasion be used to describe goods or services in the tobacco

industry, but not exclusively so, and was not reasonably required to be used in

the trade by the Applicant's competitors.

The crucial issue at hand was whether the Applicant's application was entitled to

registration without a disclaimer. Having had consideration of all the papers filed and

arguments as presented, the following order was made:

(1) Trade Mark application no. 2006/20863 MALBORO WIDES should proceed to

registration without an entry of a disclaimer, and

(2) The opposition was dismissed with costs.

A N Tuwe (Mr)

Manager: Trade Marks (Legal)

29 July 2013