



Companies and Intellectual
Property Commission
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IN THE TRIBUNAL OF THE REGISTRAR OF TRADE MARKS

TRADE MARKS ACT, ACT 194 OF 1993

DESIGNER GROUP (PTY) LIMITED

Applicant

And

CHANTELLE

Opponent

JUDGMENT

The Applicant is Designer Group (Pty) Ltd, a company organized and existing under the laws of the Republic of South Africa, of Corner Herman and Kuschke Streets, Meadowdale, Extension 3, Germiston, South Africa (hereinafter referred to as “the Applicant”).

The Applicant had made an application to register trade mark no. 2007/05561 CHANTELLE in class 3 in respect of:

“Soaps, perfumery, essential oils, cosmetics, fragrances, deodorants and deodorizers, anti-perspirants and body care products”.

The application was filed on the 15 March 2007, and advertised in the Patent Journal of 26 March 2008.

The Opponent is Chantelle, a French company organized and existing under the laws of France of 6-10 Rue De Provigny, 94230, Cachan, France (hereinafter referred to as “the Opponent”). The Opponent is the registered proprietor of trade mark no. 1964/01137 CHANTELLE in class 25 in respect:

“Girdles, brassieres, articles of underclothing, being swimsuits (being articles of clothing, all being knitted or made wholly or principally of knitted materials and stockings”.

The Opponent based its opposition on its earlier registered identical mark and on the provision of Section 10(14) of the Trade Marks Act, Act 194 of 1993 (“the Act”).

Counsel for the Applicant stated in her heads of argument that on considering whether a likelihood of confusion existed, it was apposite to take into account guidance provided by the Court of Justice of the European Union (“CJEU”) in a number of judgments. Factors to be borne in mind in terms of these cases as stated in paragraph’s 9.1 up to 9.6 on page six of the Applicant’s heads of argument, are namely:

- (a) the likelihood of confusion must be appreciated globally, taking into account all relevant factors;
- (b) the matter must be judged through the eyes of the average consumer of the goods in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparison between marks and must instead rely upon the imperfect picture of them as he has kept in his mind, and whose attention varies according to the category of goods or services in question;
- (c) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and *visa versa*;
- (d) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either *per se* or because of the use that has been made of it;
- (e) mere association in the strict sense that the later mark brings the earlier mark to mind, is not sufficient, and
- (f) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense.

Section 10 of the Act states that:-

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

10 (14) subject to the provision of section 14, a mark which is identical to a registered mark belonging to a different proprietor or so similar thereto that the use thereof in relation to goods or services in respect of which it is sought to be registered and which are the same as or similar to the goods or services in respect of which such trade mark is registered, would be likely to deceive or cause confusion, unless the proprietor of such trade mark consents to the registration of such mark”.

It was common cause that the parties’ respective marks were identical. The enquiry therefore did not rest on the identity of the marks, but on the similarity of the goods.

The Opponent’s representative submitted in his heads of arguments that the enquiry in terms of Section 10(14) proceeded on the assumption that the Opponent’s mark had been normally and fairly used in relation to all of the goods for which it was registered. One assumed therefore that the trade mark had acquired a reputation and goodwill in respect of all those goods, which he alleged were sold at all kinds of shops, including departmental stores such as Edgars. He submitted further that the Tribunal should assume that the Applicant was using its CHANTELLE trade mark in respect of all the goods for which registration was sought. The Tribunal should further also assume that

the goods covered by the Applicant's application were sold at all kinds of shops, including departmental stores.

Having taken all these assumptions into account the Opponent's representative intimated that the Tribunal should also take into account the notional use, and decide whether use of the Applicant's trade mark would cause deception or confusion with the Opponent's trade mark amongst a substantial number of people.

The Opponent's representative reiterated in paragraph 5 on of his heads of argument that it was only the goods of the 2 respective marks that were not identical, and the only question was whether the goods were the same as, or similar to each other.

The goods that the Tribunal had to compare were the Applicant's:-

"Soaps, perfumery, essential oils, cosmetics, fragrances, deodorants and deodorizers, anti-perspirants and body care products",

and the Opponent's:-

"Girdles, brassieres, article of underclothing and swimsuits (being articles of clothing), all being knitted or made wholly or principally of knitted material, and stockings".

Regarding the relevant factors to be considered when the goods or services are compared, both parties cited the **British Sugar Plc v James Robertson & Sons**

Limited [1996] RPC 281. The following factors were highlighted as being relevant when making the comparison:

- (a) the respective uses of the respective goods or services;
- (b) the respective users of the respective goods or services;
- (c) the physical nature of the goods or acts of services;
- (d) the respective trade channels through which the goods or services reach the market;
- (e) in the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets, and in particular whether they are, or are to be, found on the same or different shelves;
- (f) the extent to which the respective goods or services are competitive. This enquiry may take into account how those in the trade classify goods, for instances whether market research companies, who of course act for the industry, put the goods or services in the same or different sectors.”

The Opponent’s representative placed much reliance on **Danco Clothing (Pty) Ltd v Nu-care Marketing Sales and Promotions (Pty) Ltd 1991 (4) SA 850 (A)**. In this case the Court dealt with an expungement in terms of the applicable provisions of the 1963 Trade Marks Act. The marks of the respective parties’ were identical i.e. FRENCH CONNECTION, one was registered in respect of cosmetics and toiletries in class 3, and the other for clothing in class 25. As the respective trade marks were identical, the only question to be considered was whether the goods could be regarded as similar.

The Court accepted the evidence that clothing and cosmetics were sold in close proximity with each other through the same channels, such as at large departmental stores like Edgars and Truworths. It was also accepted that customers would, as a matter of course, associate a mark on cosmetics with an identical mark on clothing. In conclusion the Court held that the likelihood of deception or confusion amongst a substantial number of persons had been established in that instance. The Court had regard to the nature of the goods, their respective use, and the trade channels through which they were sold.

Counsel for the Applicant countered that the Opponent's reliance on the judgment (Danco) (*supra*) was misplaced. She submitted that was so because the case was decided prior to the promulgation of the current (1993) Act, as the 1963 Act did not afford protection to well-known trade marks. This case she said sought to protect proprietors of well-known trade marks. In support she referred to that which the Appellate Division stated at page 860G – H:

“Cosmetics and clothing, being goods accommodated in different classes on the register, are indeed goods of a widely divergent nature. According to the Appellant the link between these classes of goods is established by a variety of considerations. Clothing, on the one hand, and cosmetics, toiletries, perfumery and suntan preparations, on the other, are sold, according to the undisputed evidence, in close proximity, through the same trade channels such as large departmental and clothing stores, of which Edgars and Truworths are examples. In addition several prominent and knowledgeable persons in the trade have deposed that customers in

*retail outlets of this sort would as a matter of course associate a mark on cosmetics with the identical mark on **well-known and popular brands**, and that the appellant's mark was indeed well known and popular on clothing in 1985. This is a trend which began with prestige goods, and which has been adopted by a number of manufactures of more popular brands of clothing who now market cosmetics, perfumery and the like under the same brand names as their clothing" (an emphasis).*

Counsel for the Applicant submitted that in view of the above extract the decision was not authority for the proposition that goods in class 3 and 25 are *de facto* confusingly similar. The Court held that a proprietor of a well-known class 25 mark was, on the strength of the well-known status of the mark, able to stop the registration of a similar or identical class 3 trade mark, on the basis that there would be confusion.

Counsel for the Applicant submitted further in her heads of argument that no case was made out by the Opponent that its CHANTELLE trade mark was well-known, and the facts in the Danco case were accordingly distinguishable from those currently before this Tribunal, in that Counsel for the Applicant opined the Opponent's CHANTELLE trade mark was not a well-known trade mark. There was no factual nor legal basis upon which the average consumer of the goods in question, who was deemed to be reasonably well informed and reasonably circumspect and observant, would be deceived or confused into believing that the goods sold by the Opponent were connected or associated with those sold by the Applicant.

There were two other cases cited by the Opponent's representative in paragraphs 6.3.3 and 6.3.4 of his heads of argument, namely, *New Media Publishing (Pty) Limited V Eating Out Web Services CC and Another 2005 (5) SA 338* and *Mettenheimer and Another v Zonquasdrift Vineyards and Another, case no.18998/201 in the Western Cape High Court, judgment on 13 2012*. In the first case the Court had to decide whether use by the Respondent of the trade mark EATING OUT in respect of an electronic restaurant guide, infringed the Applicant's registration for EAT OUT GUIDE in class 16. The Court concluded that the use of EATING OUT in respect of an electronic guide did infringe on the class 16 registration. In the second case the owner of the trade mark in class 33 brought an infringement action based on similar goods against its neighbor who was using the registered trade mark as a name for its farm and in respect of grapes sold to co-operatives cellars. The Court ruled that wine and grapes were not similar goods, with reference *inter alia* to the *Danco* case.

In my opinion these two cases did not sustain the Opponent's case in this matter. The Opponent's representative could not rely on any evidence that consumers would be deceived or confused as to the origin of the goods. Miss Castleman's evidence had in my opinion, to be treated with caution in that she simply claimed to know that there were perfume trade marks that were also used in relation to clothing. It should be taken into account that all the examples she referred to were well-known marks, such as PRADA, DOLCE & GABANA, LA COSTE, CALVIN KLEIN, CHANEL, HUGO BOSS etc. In my

opinion one could not safely say that the Opponent's CHANTELL trade mark fell within the same category as these marks listed above.

It cannot be simply accepted, as alleged by Miss Castleman, that many clothing brands also sell perfumery under the same name, as this was just a general statement. In my opinion it could not be many clothing brands but rather certain or specific brands that had acquired a reputation over time in relation to both clothing and perfumes.

The Opponent's representative further submitted in his heads of argument that nothing had changed since the Supreme Court of Appeal's ruling in the *Danco* case, and that the Tribunal had no choice but to follow the decision and come to a finding that the goods covered by the Opponent's registration and the Applicant's application were similar and as a result the consumers would, on a balance of probability, be confused between the respective marks.

He contended further that in a number of cases the same brand owned by the same proprietor was used in respect of both sets of goods. It was in this regard that he concluded that the use of the trade mark CHANTELLE by the Applicant for any of the goods for which application had been made was likely to result in deception or confusion with the Opponent's trade mark registration, and therefore offended the provisions of Section 10(14) of the Act.

Mr. Ian Wilson Martin Isdale, the deponent to the Applicant's answering affidavit, is a director of the Applicant. He testified that the Applicant had been using the CHANTELLE trade mark since 2002, and had extensive sales of its CHANTELLE product. In 2008, 405 176 items were sold at an ex-factory value of R4 million. There had been no single example of confusion between the use by the Opponent and the use by the Applicant in relation to the respective goods. The deponent stated that intimate wear was not sold in the same way as most other clothing or fashion goods. It was sold in specific areas of a store, or in specialized stores.

He further testified that the Opponent only traded in lingerie, particularly intimate apparel and figure enhancement products and that no evidence was produced by the Opponent to support its assertion that its goods were sold in retail outlets, other than the one specialist boutique in Cape Town. He continued to state that the Opponent had no notable reputation in South Africa and that brand products of the same nature as those of the Opponent were not known for cosmetic products. He was therefore of the view that goods in class 3 and class 25 were totally different.

In considering whether the use of the Applicant's mark would be likely to deceive or cause confusion, regard must be had to the essential function of a trade mark, namely to indicate the origin of the goods in connection with which it is used (*The Upjohn Company v Merck* 1987 (3) SA 221 (A) 227E-F). In *Cowbell AG V ICS Holdings Limited* 2001 (3) SA 941 SCA at 947H-948D the test was set out as follows:-

“The decision involves a value judgment and [t]he 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. In considering whether the use of the respondent’s mark would be likely to deceive or cause confusion, regard must be had to the essential function of a trade mark, namely to indicate the origin of the goods in connection with which it is used. Registered trade marks do not create monopolies in relation to concepts or ideas”.

Since there was no dispute regarding the similarity of the mark, the critical question was whether the use of the mark CHANTELLE in relation to the goods in respect of which the Applicant sought to register it, were the same as or similar to, the goods in respect of which the Opponent’s mark was registered, and whether use in relation to the respective would be likely to deceive or cause confusion.

With reference to the **British Sugar** case, the Opponent’s representative submitted in his heads of argument that (a) the notional user of soaps, cosmetics, perfumery, brassieres etc. were women, (b) both sets of goods could be classified as being intimate products, (c) the respective goods were often advertised together by departmental stores, (d) they were offered for sale by the same store, and that (e) the respective goods were displayed in the stores in close proximity to each other. Thus in his view the goods covered under the respective marks were similar.

In view of the above, the Opponent's representative submitted that use of the trade mark CHANTELLE by the Applicant for any of the goods for which application had been made, was likely to result in deception or confusion with the Opponent's trade mark registration.

It is true that goods are complimentary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other, in such a way that customers may think that the responsibility for those goods lies with the same undertaking *(Boston Scientific Ltd v Office for Harmonization in the Internal Market) (OHIM) Case T-325/06 par 48.*

I found it strange that the Opponent made a general statement that it was not uncommon for fashion designers to extend their businesses by putting their names to perfumes. I find that I had to agree with Counsel for the Applicant's submission that it could not be right, simply because businesses expanded their product ranges, that the goods so expanded were automatically considered similar to the goods from which they had expanded.

It really made sense to me, as argued by Counsel for the Applicant, that in terms of their nature, the goods were like chalk and cheese. Most of the Applicant's goods were liquids sold in small bottles, while on the other hand the Opponent's goods were made from knitted and stocking material. They were sold in a variety of shapes, and sizes, and were tangible and solid goods.

Of course one could say that the Opponent's goods were mostly used by women as the same could not be said about the Applicant's products amongst others being *soaps or perfumery*. We had to further take note that the competing goods did not serve the same purpose. The Opponent's submission was unfounded in stating that its products were generally called "items of clothing" and would notionally be described as "underwear" or "undergarments". Even in retail stores they are classified as "underwear" and not clothing. Each could exist independently of the other as there was no close connection such that their uses were important or indispensable.

I had to agree with Counsel for the Applicant that the trade channels in respect of the goods were also different. Perfumes and cosmetics would normally be purchased from a specialist perfume shop or from a perfume/cosmetic area of a large retail store. Further, as correctly argued on behalf of the Applicant, the fact that a manufacturer or designer may produce the same goods, did not make those goods similar for purposes of the Act. The purpose of fragrances and personal care products could not be the same as those of the Opponent's articles of underclothing. The Applicant's products are applied to the body whilst the Opponent's was worn as an underwear or underclothing. The nature of the goods under comparison was therefore also different.

It would be an injustice to assume that brand owners' protection in class 25 afforded them automatic protection in respect of the goods in class 3, or the other way round.

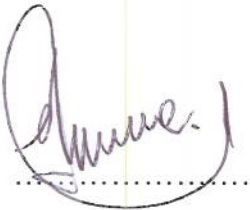
Regarding the relevance or irrelevance of whether the Danco case was applicable to the facts of this case, it was correctly pointed out by Counsel for the Applicant that the Danco case sought to protect proprietors of well-known trade marks. This was prompted by the lack of protection of well-known marks under the 1963 Trade Marks Act.

The Court did indeed take into account the strength of the well-known status of the appellant's mark in the Danco case, contrary to the Opponent's argument. In this instance currently before the Tribunal the Opponent could not adduce evidence of its alleged involvement in the design, manufacture and marketing lingerie for more than 100 years. As such the Tribunal could not find the Opponent's mark to be well-known, so as for the principles in the Danco case to also be applicable in this case.

There was from the beginning no dispute that the marks were identical. The issue here was thus whether the respective goods could be deemed as similar. Having read the papers filed of record, having considered submissions made on behalf of parties, and in view of all the above, it was my finding that the Applicant had indeed persuaded the Tribunal that its goods were not similar to the Opponent's goods. The Opponent failed to prove that the Applicant's application was in breach of the provisions of Section 10(14) of the Act.

The following order was therefore made:-

- (a) trade mark application no. 2007/05561 CHANTELLE in class 3 was to proceed to registration, and
- (b) the opposition was dismissed with costs.

A handwritten signature in dark ink, appearing to read 'A N Tuwe', is written over a horizontal dotted line.

A N Tuwe (Mr)

Manager: Trade Marks (Legal)

21 June 2013