



IN THE TRIBUNAL OF THE REGISTRAR OF TRADE MARKS

TRADE MARKS ACT, ACT 194 OF 1993

Trade Mark Registration Nos. 1984/00883 and 1995/04651 REPORTER in class 25

In the matter between:

REPORTER S.A. (PLC)

Applicant

and

FIN. ING. S R L

Respondent

JUDGMENT

This is an application for the expungement of trade mark registration numbers 1984/00883 and 1995/04651 in respect of the trade mark REPORTER both in class 25 (the “disputed trade marks”) in the of FIN. ING. SRL (hereinafter referred to as “the Respondent”). The application was made in terms of section 27(1)(b) of the Trade Marks Act, Act 194 of 1993 (“the Act”).

REPORTER S.A. (Plc) (“the Applicant”) is a company registered in terms of the laws of Poland. It has applied for registration of the trade mark REPORTER & Device in class 25 in respect of “*garments, footwear, headwear, underwear*” under trade mark application no. 2005/13931. The Applicant’s trade mark application was refused by the Registrar in terms of section 10 (14) of the Act against the disputed trade marks. It was this refusal that lead to this application for expungement of the Respondent’s trade mark registrations

Section 27(1)(b) of the Act provides as follows:

“subject to the provisions of section 70(2), a registered trade mark may, on application to the court, or, at the option of the applicant and subject to the provisions of section 59 and in the prescribed manner, to the registrar by any interested person, be removed from the register in respect of any goods or services in respect of which it is registered, on the ground either-

(b) that up to the date three months before the date of the application, a continuous period of five years or longer has elapsed from the date of the issue of the certificate of registration during which the trade mark was registered and during which there was no bona fide use thereof in relation to the goods or services by any proprietor thereof or any person permitted

to use the trade mark as contemplated in section 38 during the period concerned”.

In terms of this section, the Applicant must be an “interested person”. The Applicant is an interested person by virtue of the fact that it is the applicant for registration of a trade mark application refused in view of the disputed trade marks. Counsel for the Applicant submitted that the Applicant’s refused trade mark application was clearly *bona fide* as it sought to protect the trading name of a company which had operated since 1995.

In terms of section 27(3), the onus of proving that there had been *bona fide* use rests on the proprietor of the mark, i.e. the onus rests on the Respondent in this matter. The Respondent bears the onus of proving that, in the relevant five year period (27 December 2002 to 27 December 2007), it or a permitted user had made *bona fide* use of the disputed trade marks in South Africa.

What the court must determine in an enquiry under section 27(1)(b) was summarised by Harms JA in **A M Moola Group Ltd and Others v The Gap Inc and Others 2005 (6) SA 568 (SCA) par.27** as follows:

“According to sec 27(3), the onus to prove that there was ‘relevant use’ of the trade mark rests upon the proprietor. ‘Relevant use’ in this context refers to bona fide use by the proprietor or bona fide use by a third party ‘with the licence of the proprietor’ (the latter is known as ‘permitted use’: sec 38(1). We are accordingly concerned with bona fide use by the proprietor or a licensee during the period 13 May 1994 to 13 May 1999. In order to qualify as bona fide use it is not necessary that the use was continuous use (as required by sec 36(2) although intermittent use may be

indicative of the fact that it was not bona fide use. Use prior to 13 May 1994 and post 13 May 1999 is for this part of the investigation irrelevant.”

What needed to be considered in this matter was (i) had there been use in the relevant period, (ii) was the use by the proprietor i.e. the Respondent, (iii) was there “*permitted use*” i.e. by SanRemo Moda Uomo Spa, and (iv) was the use *bona fide*?

“Bona fide use” has been held to be use by a trader with the “object or intention of primarily protecting, facilitating and furthering his trading in such goods, and not for some other, ulterior object”. **(Gulf Oil Corp v Rembrandt Fabrikante en Handelaars 1963 (2) SA 10 (T) at 24E)**.

The Respondent alleged that there had been use of the disputed trade marks in South Africa as evidenced by two invoices (Annexure B to the Answering Affidavit). The first invoice was dated 21 July 2004 and according to the Respondent well within the 5 year period stipulated by section 27(1)(b). This invoice reflected that a total of 57 garments were shipped to a South African company, namely Sonate CC in Pinegowrie. The invoice was headed “Reporter Jeans” and the Respondent’s contention was that this invoice emanated from a licensee of the Respondent, namely SanRemo Moda Uomo Spa.

Counsel for the Respondent pointed out that the heading to the invoice clearly indicated that the order related to REPORTER- branded garments. As the invoice was headed “Reporter Jeans” there was no need to further identify the garments as REPORTER branded garments within the body of the invoice.

The second invoice submitted as proof of use by the Respondent, was dated 13 November 2007, for an order which was shipped to a company named Modules Clothing of Durban. Counsel for the Respondent submitted that the application for expungement was only brought on 27 March 2008 and the invoice was therefore also within the 5 year and three month period required by section 27(1)(b) of the Act.

In this regard the Respondent quoted the view of the learned authors **Webster & Page at par 13.29:**

“there is nothing wrong in a proprietor, with a view to avoiding an application under section 27, placing his goods or services upon the market under the mark, provided he does so in the ordinary way and through normal channels of trade, and with the primary object of protecting, facilitating and furthering his trade in such goods and services”.

The Respondent's contention was that the garments supplied by way of the second invoice were indeed done in the ordinary way and through normal channels of trade and with the purpose of furthering trade in the goods. This invoice was for a total of 73 garments. It was further contended that both invoices as submitted by the Respondent were for a substantial number of garments and thus they reflect that there was genuine intention to trade in REPORTER branded garments. It was further submitted that the number of garments reflected in the invoices could not be seen to be mere token use.

It was stated by Counsel for the Respondent that the second invoice supported by an affidavit from the importer was confirmation that the invoice related to REPORTER

branded garments. The Respondent contended that the use supported by the two invoices was indeed genuine use for the purpose of furthering trade in these garments.

In an attempt to prove the existence of a licence, Counsel for the Respondent submitted that the second invoice identified SanRemo Moda Uomo Spa by way of an email address. The further submission was that the address and telephone numbers on both invoices were the same. This according to the Respondent was proof that the invoices emanated from the same licensee of the Respondent.

In view of the above it was the Respondent's submission that it had discharged the onus of proving use of its trade mark as required by section 27(1)(b) of the Act.

The Applicant submitted that the Respondent bears the onus of proving relevant use of its trade marks in South Africa. The Applicant disputed the alleged use of the trade marks and had caused an investigation to be carried out into the use of the disputed trade marks in South Africa. The investigation was carried out by Mr Gerhard Van Rensburg of La Garde International Consultants in July 2007. In his supporting affidavit he stated that his investigations revealed that the Respondent had not made use of the disputed trade marks in South Africa for the stipulated period of five years. He further stated that the Respondent, through the Export Manager Mr Cascianini, stated that the goods bearing the disputed trade marks were not available in South Africa and that the Respondent had no customers in South Africa.

The evidence of alleged use of the disputed trade marks was strongly disputed by the Applicant by stating that the mere fact that the goods were available in South Africa during

the said period was not proof of the allegation. The Applicant relied on the *Moola* case referred to above where Harms JA said:

“Affidavits in application proceedings must do more than make bald allegations, they must, in addition, provide the facts that support the allegations”.

In this regard the Applicant argued that the alleged use was therefore, at best for the Respondent, intermittent. For this reason the Applicant contended the intermittent use was indicative of the fact that the use was not *bona fide*.

The alleged Sonate sale was also challenged by the Applicant in that there was no basis upon which hearsay evidence of the alleged sale could be admitted in the interest of justice. There was according to the Applicant’s submission no explanation tendered to confirm the transaction which allegedly took place in 2004.

The Applicant further contended that the Respondent failed to satisfy the requirements of section 27 of the Act. It did not, in the first place show that it had in fact used the disputed trade marks. Secondly, the Applicant submitted that it had not been shown that the alleged use by SamRemo in June 2004 was “permitted use” as required by section 27 of the Act. The Applicant relied on the fact that the evidence was insufficient in that the existence of a licence agreement between SanRemo and Sonate CC had not been proved. I fully agree that the Respondent failed to prove the existence of such an agreement. It has been held that:

“If the licence had been in terms of a written agreement, one would have expected some particularity and perhaps even the production of a copy, if oral, one would have expected some indication of between whom, when and where, if tacit, an allegation to that effect with the facts that gave rise to the tacit agreements would not have been put

out of place” (**Moola, par. 31**).

The Applicant was correct that in these circumstances, the Respondent failed to discharge the onus to prove that the alleged Sonate sale by SanRemo in June 2004 constituted use by a person “*permitted in terms of section 38*” to use the trade mark. Section 38(1) of the Act provides that:

“where a registered trade mark is used by a person other than the proprietor thereof with the licence of the proprietor, such use shall be deemed to be permitted use for the purpose of subsection (2)”.

In the absence of any knowledge of permitted use, it is difficult to know what was permitted and what conditions were applicable to such permission. One cannot make an assumption as to what were the contents of such permitted use, if there was any. No sufficient evidence was presented to convince the Tribunal that the alleged licensee was permitted to use the disputed trade marks or was entitled to use them.

The Applicant further relied on a finding by Trollip J that “*bona fide user*” in s 136 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.” (**Gulf Oil Corporation v Rembrandt Fabrikante en Handelaars (Edms) Bpk 1963 (2) SA 10 (T)**)

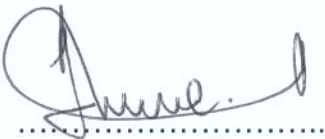
It is my opinion that it cannot be said in this matter that the alleged Sonate CC sale was for the purpose of furthering the Respondent’s trade in South Africa and for the legitimate

purpose of distinguishing the Respondent's goods from those of another trader. I am further of the opinion that the evidence in relation to the Module Clothing failed also to establish permitted use or bona fide use of the disputed trade marks.

The Respondent has as correctly pointed out by the Applicant failed to discharge the onus placed upon it to prove relevant use of the disputed trade marks in South Africa.

I accordingly order that:

- (a) in terms of section 27(1)(b) trade marks 1984/00883 and 1995/04651 REPORTER are to be removed from the Register of Trade Marks
- (b) the Respondent is ordered to pay the costs of these proceedings.



A N TUWE

DEPUTY REGISTRAR OF TRADE MARKS

..11..MARCH 2010