

**THE SUPREME COURT OF APPEAL  
OF SOUTH AFRICA**

**Reportable**  
Case No. 250/99

In the matter between:

**COWBELL AG**

**Appellant**

**and**

**ICS HOLDINGS LIMITED**

**Respondent**

Coram: NIENABER, HARMS and NAVSA JJA, MELUNSKY and  
NUGENT AJJA

Heard: 26 FEBRUARY 2001

Delivered: 16 MARCH 2001

Subject: Trade mark registration. S 17 (1) Trade Marks Act 62 of  
1963.

**JUDGMENT**

HARMS JA/

HARMS JA:

[1] The appellant applied during 1988 for the registration of the  
trade mark Cowbell in conjunction with a cow device in class 29.

Opposition from the respondent, the owner of a number of trade marks in this class, based principally upon the provisions of s 17(1) of the Trade Marks Act 62 of 1963, led to a finding by the Deputy Registrar in the appellant's favour. This, in turn, gave rise to a successful appeal by the respondent to the Full Court of the Transvaal Provincial Division (per Van Dijkhorst J, Van der Walt and McCreath JJ concurring). Hence the present appeal.

[2] The appeal to this Court was ultimately noted without leave having been obtained from either the Full Court or this Court. Initially, acting on the advice of counsel, the appellant sought leave from the Full Court. The respondent's attitude was that leave was not required. Disagreeing, the appellant proceeded with its application. In the event the Full Court (per Van der Walt J, Van Dijkhorst and Kirk-Cohen JJ concurring) upheld the respondent's point of view and struck the application from the roll with costs.

[3] Because of the delay caused by the abortive proceedings the appellant's notice of appeal was lodged out of time and there is before us an application for condonation. Before dealing with it, it is necessary to consider whether leave to appeal is a jurisdictional requirement because although Van der Walt J's judgment is not as such the subject of this appeal, the question remains whether the appeal is properly before us. The Full Court judgment does not bind us. Unfortunately, we did not have the assistance of argument since both parties assumed that the correctness of that judgment could not be raised in this appeal.

[4] As mentioned, the application for the registration of the trade mark was launched in terms of the 1963 Act which has since been repealed and superseded by the Trade Marks Act 194 of 1993. The latter provides in s 3(2) that -

“[a]ll applications and proceedings commenced under the repealed Act shall be dealt with in accordance with the provisions of that Act as if it had not been repealed.”

The question, simply put, is whether appeal proceedings in relation to an application for registration which commenced under the 1963 Act should be dealt with in accordance with the provisions of that Act. Before the Full Court it was argued that applications for leave to appeal are procedural steps which should follow the current state of the law. That argument was

based upon a wrong premise. An application for leave to appeal, normally a procedural step, is necessary because leave is a jurisdictional requirement. But jurisdictional requirements can hardly be termed “procedural”. In any event, although as a general rule procedural steps should follow the current state of the law, that rule has to yield to any contrary intention appearing from the statute in question. In this case it seems to me that the intention of the Legislature was that all applications (including those for registration of trade marks) commenced under the 1963 Act should in all respects be dealt with thereunder.

[5] This finding leads to a consideration of whether the appellant required leave to appeal under the 1963 Act. Section 63 dealt with the matter. Its scheme was as follows. The decision of the Registrar was appealable as if it were a decision of a single judge, i e, to the Full Court of the Transvaal Provincial Division (ss (2) read with ss (4)(a)). Thereafter an appeal to this Court was available (ss (2)) for which “special” leave to appeal was not necessary (ss (4)(b)). At the time (1963) the concept of special leave did not exist; it only acquired a particular connotation when ss 20 and 21 of the Supreme Court Act 59 of 1959 were amended by the Appeals Amendment Act 105 of 1982. Since then civil appeals from the Full Court were made subject to special leave by this Court and the Full Court sitting as a court of appeal no longer had the competence to grant leave to appeal (s 20(4)(a) of the Supreme Court Act). The application to the Full Court was therefore ill-conceived. Because of s 63(4)(b) read with s 20(6) of the Supreme Court Act, special leave of this Court was also not required. The appellant thus had an untrammelled right of appeal.

[6] Reverting to the condonation application, the appellant was obliged to file its notice of appeal within one month of the granting of the judgment or order appealed against (SCA r 7(1)(a)). Because of its attitude concerning leave to appeal it was substantially out of time: the judgment was delivered on 4 March 1998 and the notice of appeal filed on 21 June 1999, which was less than two weeks after the judgment of Van der Walt J had become available on 10 June. The respondent refused to agree to an extension of time under r 7(4) and filed a lengthy answer. The respondent no longer opposes the application except on the ground that there are no prospects of success. Since, as will appear in due course, I am of the view that the appeal should succeed, this ground of opposition is without merit. Having acted on the advice of two senior counsel, it cannot be said that the appellant was culpable in having failed to file its

notice of appeal in good time and the condonation application must succeed. The matter of costs will be dealt with later.

[7] After all these preliminaries, the attention can now be directed to the merits of the appeal. The respondent is the registered proprietor of a number of antedating registrations which, it alleges, create a bar to the appellant's registration. Although the pleadings are cast wider, the case can be decided with reference to the provisions of s 17(1) of the 1963 Act:

“Subject to the provisions of sub-section (2), no trade mark shall be registered if it so resembles a trade mark belonging to a different proprietor and already on the register that the use of both such trade marks in relation to goods or services in respect of which they are sought to be registered, and registered, would be likely to deceive or cause confusion.”

The introductory proviso is inapplicable and all the trade marks concerned are primarily directed to dairy products. Their wider registration or proposed registration does not assist in answering the main question, namely whether there would be a likelihood of deception or confusion.

[8] The respondent's trade marks which have a bearing on the matter are four in number: (a) no 60/2609/1 Dairybelle, (b) no 65/1957 Dairybelle, (c) no 65/1958 Dairy Belle with cow device and (d) no 75/0908 Jerseybel and cow device. The fifth registration which relates to Dinner Bell adds nothing to the debate and is only relevant in the context of the so-called series objection which will be dealt with in due course. These marks are all independent marks, i e they are not associated marks. The registration of (c) contains an admission that cow devices are common in the foodstuff classes and that of (d), somewhat similarly, that bovine devices in general are common to the class but that the admission does not relate to the bovine device as depicted in the mark. They are thus represented:

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[9] The appellant's proposed mark looks like this:

Whether the background consisting of a top-heavy T was intended to form part of the mark is a question raised by the respondent, but the application has to be taken at face value and the appellant's unexpressed intention is of no consequence. The application contains a number of admissions or disclaimers but these have no bearing on the enquiry under s 17(1).

[10] Section 17(1) creates an absolute bar to registration provided the jurisdictional fact is present, namely that the use of both marks in relation to goods or services in respect of which they are sought to be



registered, and registered, would be likely to deceive or cause confusion. 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.”

*(SmithKline Beecham Consumer Brands (Pty) Ltd (formerly known as Beecham South Africa (Pty) Ltd v Unilever plc 1995 (2) SA 903 (A) 912H.)*

“Likelihood” refers to a reasonable probability (*ibid* at 910B) although the adjective “reasonable” is perhaps surplusage. 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 (*The Upjohn Company v Merck 1987 (3) SA 221 (A) 227E-F; Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc (formerly Pathé Communications Corporation) [1999] RPC 117 (ECJ) par 28*). Registered trade marks do not create monopolies in relation to concepts or ideas. More recently this Court in *Bata Ltd v Face Fashion CC and another 2001 (1) SA 844 (SCA) 850 par 9* pointed out that the approach adopted in *Sabel BV v Puma AG, Rudolf Dassler Sport [1998] RPC 199 (ECJ) 224* accords with our case law. There it was said that the likelihood of confusion must “be appreciated globally” (cf *Organon Laboratories Ltd v Roche Products (Pty) Ltd 1976 (1) SA 195 (T) 202F - 203A*) and that the

“global appreciation of the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components.”

Cf *SmithKline* at 910B-H and *Canon* par 16 - 17.

[11] As far as the visual similarity is concerned, both the Deputy Registrar and the Court *a quo* held that the mark of the appellant on the one hand and those of the respondent on the other are visually so different that confusion or deception is improbable. Bovine devices are to be expected on dairy products and provide a common feature as the admissions or

disclaimers testify. The three cows are represented in substantially different ways. It is not necessary to elaborate since the respondent did not attack these findings.

[12] The aural aspect was not dealt with by the Court *a quo* in so many words as a separate inquiry. What has to be compared is then Dairybelle and to a lesser extent Jerseybel on the one hand with Cowbell on the other. Since the suffix “-le” in Dairybelle is muted it may be of no audible consequence to the consumer who is unaware that the word as pronounced can refer to a dairy maid. The words “dairy” and “cow” bear no auditory relationship to one another. Neither do “jersey” and “cow”. The emphasis in both the respondent's marks is on the first part which form the dominant parts of the words. “Dairy” and “jersey” are two-syllable words whereas “cow” consists of one syllable. Dairybelle and Jerseybel represent unusual combinations of words and are in a sense invented words whereas Cowbell is an ordinary word bearing an ordinary connotation. Since the respondent did not submit that confusion or deception is likely in this context, it is unnecessary to belabour my conclusion that there is no such likelihood.

[13] Regarding conceptual similarity, the court *a quo* found that a person having heard the one mark advertised on the radio, when confronted with the other in a supermarket, will not be astute enough to discern that they are not the same or are not cows from the same herd. The concept created is that of a dairy full of cows with bells used in connection with dairy products. It reasoned that to the listener, who does not have the benefit of visual comparison, the concepts are too close for comfort. In conclusion it held that this reasoning applied *a fortiori* in the case of Jerseybel and Cowbell. Respondent adopted this line of reasoning, emphasising that -

“[t]he marks must be considered as wholes; one must look for the main idea, or the general impression, conveyed to the mind by each of the marks and at the essential features, rather than the exact details, of each.”

*(adidas Sportschuhfabriken Adi Dassler KG v Harry Walt & Co (Pty) Ltd*  
1976 (1) SA 530 (T) 536B-C.)

[14] Albeit in the context of the interpretation of a European Community Council Directive, the European Court of Justice in *Sabel* (at 223 - 224) made some observations that are pertinent to the present issue:

“... the likelihood of association is not an alternative to that of likelihood of confusion, but serves to define its scope.”

Also -

“... the perception of marks in the mind of the average consumer of the type of goods or services plays a decisive role in the global appreciation of the likelihood of confusion. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details.”

Further -

“... the criterion of 'likelihood of confusion which includes the likelihood of association with the earlier mark' contained in Article 4(1)(b) of the Directive is to be interpreted as meaning that the mere association the public might make between two marks as a result of their analogous semantic content is not in itself a sufficient ground for concluding that there is a likelihood of confusion within the meaning of that provision.”

The last statement was, however, preceded by a qualification:

“It is therefore not impossible that the conceptual similarity resulting from the fact that two marks use images with analogous semantic content may give rise to a likelihood of confusion where the earlier mark has a particularly distinctive character, either *per se* or because of the reputation it enjoys with the public.”

[15] Likewise, s 17(1) is concerned with a likelihood of confusion or deception and unless the analogous semantic content can reasonably give rise thereto, it is irrelevant. The danger of confusion or deception must be real (“*Bali*” *Trade Mark* [1969] RPC 472 (HL) 496 line 45 - 497 line 2). That the approach of the court *quo* is untenable can be illustrated with reference to the *a fortiori* case referred to by it, namely that because a Jersey may be a cow, Jerseybel and Cowbell have the same semantic content and are therefore confusingly similar. If this were correct, it would mean that the name of any breed of dairy animal in conjunction with -bel must run foul of the respondent's marks, including Ayreshirebel, Holsteinbel and Frieslandbel. There is in any event no such thing as a Jerseybel. As said in *Bata* 850 par 10 -

“Counsel for the appellant submitted that the common element in both marks, the word 'Power', was likely to lead to confusion despite the fact that it is used in combination with the word 'House' on the first respondent's clothing. If full effect is given to this argument it would result in the appellant having a virtual monopoly to use the word 'Power' on clothing. According to the evidence, however, there are numerous trade mark registrations in South Africa in respect of clothing which incorporate or include the word 'Power'. It is an ordinary word in everyday use, as distinct from an invented or made-up word, and it cannot follow that confusion would probably arise if it is used in combination with another word.”



In short, the respondent cannot lay claim to the exclusive use of words having a dairy connotation or ending in “-belle” or “-bel” in relation to dairy products where these do not form a dominant part of its marks and have not any particularly distinctive character. That is why “Coca-Cola” and “Pepsi-Cola” have been able to exist side by side (cf *The Coca-Cola Co of Canada Ltd v Pepsi-Cola Co of Canada Ltd* [1942] RPC 127 (PC)).

[16] In conclusion the respondent relied upon the so-called series argument. In 29 *LAWSA* par 138 the argument is explained:

“Where an objector has used a series of marks, all containing a common element, and where the applicant’s mark contains the same element, the registrar of trade marks may infer that the public, when they see the applicant’s mark, will be likely, by reason of the common element, to think that it is a new mark added to the series.

In opposition proceedings the 'series' objection is normally brought under section 16(1) of the 1963 Trade Marks Act and it is necessary to establish actual use of each of the marks in the series.”

Since the respondent only has used the Dairybelle marks, the objection is not available to it under s 16(1). However, the author of the *LAWSA* title proceeds:

A 'series' objection does not appear to be available in opposition proceedings brought under section 17(1) or trade mark infringement proceedings. This is somewhat surprising and open to question. Use under section 16(1) is necessary to prove that distinctiveness of the marks is in issue, whereas such distinctiveness is deemed to exist for the purposes of section 17(1). Thus if there are either a series of factually or deemed distinctive marks, the opponents should be entitled to rely on such a series for the purposes of an opposition.”

[17] Respondent likewise argued that the limitation of the objection to s 16(1) is incorrect and that it should be available under s 17(1). If that were correct, it should similarly be available in infringement actions, a proposition that was seriously queried by Corbett JA in *Hollywood Curl (Pty) Ltd and Another v Twins Products (Pty) Ltd* 1989 (1) SA 236 (A) 247C - 248H. Its availability under s 17(1) was doubted in *Upjohn* at 228H - 229A where, speaking on behalf of the Full Court, I had occasion to

say the following:

“In the case of an objection based upon s 17(1) or in the case of trade mark infringement the Court is, however, merely concerned with a comparison of the two marks placed side by side in the market place and the Court is not entitled to have regard to extraneous matters. The fact that the objector or plaintiff has a series of marks containing a common element appears to me to be an extraneous matter. It is, however, not necessary to reach a final decision on this aspect because the concept of a series of marks cannot arise in the present instance. There is no series in use belonging to the appellant, and furthermore, the prefix *in casu* is not very distinctive but is, rather, descriptive. Had the prefix been non-descriptive and borne a high degree of distinctiveness there might have been merit in counsel's submission.”

These views, at the very least, accord with the practice adopted by the British Registry (*Semigres Trade Mark* [1979] RPC 330) and with the general approach favoured by Corbett JA.

[18] The premise of the respondent's argument is that the main object of s 17(1) is consumer protection and only indirectly the protection of registered trade marks. I disagree. Consumer protection is primarily catered for by s 16(1) and registered monopolies by s 17(1). Registration of the appellant's mark would provide an absolute defence against an infringement action based upon the respondent's earlier marks. To prevent that eventuality where the second mark is confusingly similar to an earlier mark as registered is the reason why s 17(1) was enacted. The further argument is that since, as a general rule, the singular includes the plural, s 17(1) prohibits also the registration of a trade mark if it resembles “trade marks belonging to a different proprietor”. But if one extrapolates the argument that the singular includes the plural, it would mean that trade marks belonging to different proprietors could form part of the series. That identifies another problem. The respondent's marks are not associated and that means that they can be assigned individually to different proprietors. The fact that they belong to one proprietor is fortuitous and transient. The series argument might have had some merit had the marks been associated. I have in any event a conceptual difficulty. If A does not resemble B, C or D individually, I fail to understand how it can resemble them collectively.

[19] In the result the appeal must succeed with costs. All that remains is the costs of the application for condonation. It would have been unnecessary had the appellant accepted the respondent's advice. It

would also have been unnecessary had the respondent not taken the incorrect view that it could not have consented to the late filing of the notice of appeal. Taking a broad approach, it seems to me that justice will be served if no costs order is made in relation thereto.

[20] The order is consequently:

- (a) The condonation application is granted.
- (b) The appeal is upheld with costs, including the costs of two counsel.
- (c) The order of the Court a quo is amended to read: “The appeal is dismissed with costs, including the costs of two counsel.”

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L T C HARMS  
JUDGE OF APPEAL

AGREE:

NIENABER JA  
NAVSA JA  
MELUNSKY AJA  
NUGENT AJA