



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

Not reportable

Case No: 401/17

In the matter between:

DINNERMATES (TVL) CC

APPELLANT

and

PIQUANTE BRANDS INTERNATIONAL (PTY) LTD

1st RESPONDENT

PEPPADEW INTERNATIONAL (PTY) LTD

2nd RESPONDENT

Neutral Citation: *Dinnermates (Tvl) CC v Piquante Brands International & another* (401/17) [2018] ZASCA 43 (28 March 2018)

Coram: Maya P and Wallis and Mathopo JJA, Davis and Rogers AJJA

Heard: 28 February 2018

Delivered: 28 March 2018

Summary: Trade mark – opposition in terms of s 10(14) of the Trade Marks Act 194 of 1993 – whether mark likely to deceive or confuse – PEPPADEW and PEPPAMATES relating to pepper products.

ORDER

On appeal from: The Gauteng Division of the High Court, Pretoria (Mothle, Molopa & Hughes JJ sitting as court of appeal) judgment reported *sub nom Dinnermates (Tvl) CC v Piquante Brands International (Pty) Ltd and Another* 2016 BIP 294 (GP):

1 The appeal is upheld with costs, such costs to include those consequent upon the employment of two counsel.

2 The order of the full court is set aside and replaced by the following:

‘(a) The appeal is upheld with costs.

(b) The opposition to the registration of the subject trade mark applications 2010/09722 and 2010/09721 is dismissed;

(c) It is directed that the subject trade marks proceed to registration.’

JUDGMENT

Mathopo JA (Maya P and Wallis JA and Davis and Rogers AJJA concurring):

[1] The appellant, Dinnermates (Tvl) CC, is a close corporation involved in the business of manufacturing and selling food products such as processed meat and the sale of cooked pepper products. During 2010 it applied for the registration of the trade mark PEPPAMATES and a device, consisting of a pepper with a pepper stalk, in classes 29, 30 and 31. The first respondent, is the registered owner of various trade marks, incorporating the mark PEPPADEW, sometimes alone and sometimes in combination with a pepper and pepper stalk. These registrations are in classes 29 and 30. The second respondent is a licensee of the first respondent in respect of the use of the said marks. For convenience, I refer to the appellant's mark as PEPPAMATES and the respondents' marks as PEPPADEW and in both cases that will be a reference to the mark together with the pepper device.

[2] The respondents opposed the registration of the appellant's trade mark in terms of s 10(14) and 10(17) of the Trade Marks Act 194 of 1993 (the Act) before the Registrar of Trade Marks (the Registrar). The Registrar transferred the matter to the Gauteng Division of the High Court, Pretoria (the high court). The argument proceeded on the basis that if there was no deception or confusion between the marks in this form there would be no deception or confusion where the word PEPPADEW, or the device, were used separately. The high court (Tlhapi J) upheld the respondents' case in terms of s 10(14) of the Act. Dissatisfied with that decision, the appellant appealed to the full court (Mothle J, Molopa and Hughes JJ concurring). The full court agreed with Tlhapi J and dismissed the appeal.

[3] This appeal, with the special leave of this court, concerns only the opposition in terms of s 10(14) of the Act. This section provides:

'10. Unregisterable trade marks. – 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:

(14) subject to the provisions of section 14, a mark which is identical to a registered trade 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.'

[4] The respondents' composite mark, contains a side-view of a single rounded pepper stalk and the word PEPPADEW, printed in block capitals and with a vertical orientation. They allege that the said registrations preclude the appellant's registrations. The respondents' composite trade mark is represented as follows:



[5] In 2010 the appellant decided to enter the processed pepper business in respect of small sweet peppers such as those made by the respondents and other producers in South Africa. Consequently it applied for the impugned trade mark PEPPAMATES under its proposed business name Dinnermates.

[6] The appellant's proposed trade marks are depicted as follows:



The details of the goods covered by the relevant trade mark applications are as follows:

- 2010/09722 29 – Meat, fish, poultry and game; meat extracts; preserved, frozen, dried and cooked fruits and vegetables; jellies; jams, compotes; eggs, milk and milk products; edible oils and fats.
- 2010/09721 30 – Coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle; yeast, baking-powder; salt, mustard; vinegar, sauces (condiments); spices; ice.
- 2010/09723 31 – Agricultural, horticultural and forestry products and grains not included in other classes; live animals; fresh fruits and vegetables; seeds, natural plants and flowers; foodstuffs for animals; malt.

[7] It is not disputed that the goods in respect of which the appellant seeks to register its mark are identical to and fall within the category of goods for which the respondents obtained registration of their marks. The common

elements of the marks are the prefix 'PEPPA' attached to the suffixes 'DEW' and 'MATES' respectively, and the use of a pepper device. The respondents contend that the word PEPPADEW is not a dictionary word and was made-up or invented, relating to a specific piquante pepper that is marketed locally and internationally.

[8] The high court held that there was a similarity between the two trade marks to such a degree that, when the words DEW and MATES were removed, there was a likelihood of confusion or deception. The full court agreed with the high court and dismissed the appeal primarily on the basis that the inclusion of a device in the form of a side-view of the rounded pepper with a stalk as part of both trade marks was the most visible feature common to both marks. It concluded that the visual description stood out when a comparison was made as to the similarity or otherwise of the trade marks.

[9] A court dealing with a s 10(14) application is required to postulate the notional use by the opponent of its registered trade mark in respect of some or all of the goods covered by the registration and use in a normal and fair manner of the applicant's trade mark in respect of any of the goods covered by its application for registration.

[10] Section 10(14) of the Act prohibits registration of, amongst others, a mark that is so similar to a registered mark, that the use thereof in relation to the goods or services in respect of which it is sought to be registered, which are the same as or similar to the goods or services in respect of which the opponent's mark is registered, 'would be likely to deceive or cause confusion'.

[11] In considering whether the use of the appellant's trade mark is likely to deceive or cause confusion, this court in *Cowbell AG v ICS Holdings Ltd* 2001 (3) SA 941 (SCA); 2001 (4) All SA 24 (A) para 10, held that the essential function of the trade mark is to indicate the origin of the goods in connection with which it is used and the decision whether there is a reasonable likelihood of confusion is a value judgment. In *Orange Brand Services Limited v Account*

Works Software (Pty) Ltd [2013] ZASCA 158; 2013 BIP 313 (SCA) (*Orange Services*) para 6, it was stated that in opposition proceedings the question that falls to be decided is not how the parties use or intend to use their marks, but how they would be entitled to use them if both of them were registered; that is, how they might notionally be used.

[12] In *Orange Services*, Nugent JA, citing the authors of *Kerly's Law of Trade Marks and Trade Names*, pointed out that the question whether there is a likelihood of confusion or deception is a question of fact and that decided cases in relation to other facts are of little assistance, save in so far as they lay down any general principle. In a later decision of this court in *Roodezandt Ko-operatiewe Wynmakery Ltd v Robertson Winery (Pty) Ltd & another* [2014] ZASCA 173; 2014 BIP 294 (SCA) para 5, Brand JA elaborated on the meaning of the value judgment to be made, in the context of an application to remove a trade mark from the register. The principles adumbrated by him apply with equal force to opposition proceedings. In *Yuppiechef Holdings (Pty) Ltd v Yuppie Gadgets Holdings (Pty) Ltd & another* 2016 ZASCA 118 [2016] ZASCA; 2016 BIP 269 (SCA) (*Yuppiechef*), an infringement case, Wallis JA stated that the value judgment is largely a matter of first impression and there should not be undue peering at the two marks to find similarities or differences. He cautioned that it is not sufficient for judges to say merely that their impression is that the alleged infringement mark is or is not likely to deceive or cause confusion. Judges have an obligation to explain why they hold their particular view.

[13] In *Compass Publishing BV v Compass Logistics Ltd* [2004] EWHC 520 (Ch) at para 24 Laddie J said the following:

'The likelihood of confusion must be appreciated globally, taking account of all relevant factors. It must be judged through the eyes of the average consumer of the goods or services in question. That customer is to be taken to be reasonably well informed and reasonably circumspect and observant, but he may have to rely upon an imperfect picture or recollection of the marks. The court should factor in the recognition that the average consumer normally perceives a mark as a whole and does not analyse its various details. The visual, aural and conceptual similarities of

the marks must be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components. Furthermore, if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion.'

This was approved by this court in *Century City Apartments Property Services CC & another v Century City Property Owners' Association* [2009] ZASCA 157; 2010 (3) SA 1 (SCA) para 13.

[14] In *Plascon-Evans Paints Ltd v Van Riebeeck Paints (Pty) Ltd* 1984 (3) SA 623 (A), in the context of an infringement case, Corbett JA made it clear that the main or dominant features of the mark in question, as well as the general impression and striking features, were all factors to be considered in deciding whether there was a likelihood of confusion or deception (see also *Lucky Star Ltd v Lucky Brands (Pty) Ltd* 2017 (2) 588 (SCA); 2016 BIP 180 (SCA) para 6).

[15] It is against this background that I now turn to determine whether the appellant's marks are likely to cause confusion or deception to the members of the public.

[16] The respondents argue that a person looking at the marks used by the parties is likely to be deceived. And it is enough if that deception lasts only for a fraction of a second. The respondents, in support of their argument it called in aid a principle restated in *Orange Services*. It argued that in a busy market place an average consumer with an imperfect recollection would not be able to distinguish the two marks. According to the respondents' argument the average consumer is likely to remember or recall the respondents' mark PEPPADEW and probably confuse the appellant's trade mark with that of the respondents.

[17] The main complaint of the respondents is that their trade mark registration incorporates a distinctive element, the prefix PEPPA, which is also a dominant element of the appellant's marks. The thrust of the respondents'

argument is that the combination of PEPPA and the single-rounded pepper and stalk device distinguishes their products from all other trade marks which might contain the element PEPPA. The case advanced is that the appellant's trade mark is similar in that it also incorporates the two distinctive features that have been registered by the respondents, namely PEPPA and the side-view of a single rounded pepper and stalk device.

[18] The gravamen of the respondents' opposition is that the appellant simply adopted its trade mark and added the word MATES to produce the word PEPPAMATES. Echoing the full court's reasoning, the respondents expanded their argument and submitted that because PEPPA in PEPPAMATES has the same semantic content as PEPPA in PEPPADEW, the average consumer will be struck by the common element PEPPA and the presence of the device and thus be confused and believe that the appellant's goods are from the same or a connected source as the respondents.

[19] The appellant argues that PEPPA, either on its own or in combination with others, is descriptive and easily recognisable as being derived from the word 'pepper' and applies to a wide range of products and services by various parties in South Africa. It argued that the respondents are not entitled to claim a monopoly in the word. It contended further that PEPPA is not an invented word but rather an adaption (or variant spelling) of the word 'pepper'. The contention advanced was that there are various parties that had registered trade marks that include the word PEPPA and some of these trade marks had been filed and registered prior to the first respondents' trade mark registrations.

[20] The appellant argues that when regard is had to the two marks as a whole, the elements DEW and MATES distinguish the parties' respective marks and are vastly different to each other and not likely to cause any confusion or deception. It argued that the configuration of the marks is completely different. PEPPADEW appears in a large upright rectangle whereas the appellant's mark does not have a rectangular device. In the appellant's mark the word PEPPAMATES is written horizontally over two

lines, with PEPPA above and in cursive script and MATES below in Roman block capitals and underlined. The device of a pepper appears to the right of the mark, almost as a full stop after the word MATES.

[21] In opposing the registration the respondents are in essence asserting a monopoly in the use of the word 'PEPPA'. It cannot, under the guise that its products are marketed locally and internationally, seek to preclude other bona fide trade mark users from utilising the word PEPPA. The fallacy in this argument is aptly demonstrated by the fact that the respondents are not the only entity using the word PEPPA as its prominent element. There are other trade marks such as PICKAPEPPA and PEPPAMELT. These trade marks predate the respondents' marks. Proprietors or owners of these trade marks have rightly not claimed exclusive use of the word PEPPA. In my view the use of the word PEPPA by other entities dispels the notion that the respondents have the exclusivity or monopoly in the prefix PEPPA. I can see no reason why the respondents' trade mark cannot coexist with the appellant's trade mark. Coca Cola and Pepsi Cola have existed side by side for a considerable period of time without any difficulty (see *Coca-Cola of Canada Ltd v Pepsi-Cola Co. of Canada Ltd* [1942] RPC 127 (PC)).

[22] I agree with the appellant that PEPPA is an adaptation from the word pepper, obviously chosen because the product to which it was first attached was a pepper. Its use conjures up an image of a pepper. In conjunction with the pepper device, it will be understood as referring to a product with peppers. The distinctive element for trade mark purposes is therefore the suffix DEW, which is wholly different from MATES. Because 'PEPPA' phonetically sounds like 'pepper', the likelihood of confusion will not arise, especially if it is used in combination with another word such as DEW or MATES. There is equally no force in the argument that exclusivity in the word PEPPA lies in the combination of the mark with a pepper device. The word PEPPA cannot enhance in any way the exclusivity of the distinctiveness of the elements of the mark. To my mind the depiction of the pepper in the mark only serves to highlight the descriptive nature of PEPPA. A depiction of a pepper is, like the word itself, descriptive. PEPPA is not only a variant spelling of the word

'pepper' but is also applied to a wide range of products offered by various other parties throughout the world. If a monopoly is granted in respect of PEPPA it is hard to see how it would not extend to the use of pepper as a prefix, as in pepperoni, pepperpot (a West Indian stew), pepperwort or pepper sauce, all of which are in common usage. As the respondent's registration extends to confectionery peppermint would also be affected. But one cannot monopolise the commons of the English language in that way.

[23] The finding by the full court that the two trade marks are the same because they commence with the word PEPPA, is incorrect. The conclusion that, had it not been for the addition of a pepper device to each parties' mark, the result would have been the same as in *Yuppiechef*, that is, the mark would not be considered to be confusingly similar, is wrong. The parties' marks do not have identical devices. The devices are far from being identical. A notional purchaser or consumer looking at the two marks, even fleetingly, would be in a position to tell them apart. The differences between the two marks are apparent and would be identified without difficulty or prior coaching by members of the public. Viewed together and side by side the respective marks and devices are not the same. A purely verbal comparison is not enough. The court must transport itself to the marketplace to try and visualise how customers of the goods in relation to which the marks are used would react. Applying the test in *Plascon-Evans*, which has been followed in a number of decisions by this court, the marks are visually, phonetically and conceptually dissimilar. It is unlikely that a significant section of the public would consider that PEPPAMATES is the same as PEPPADEW. The full court erred in failing to take into account the distinguishing features between the two marks.

[24] The appeal is upheld with costs, such costs to include the costs of two counsel where so employed. The order of the full court is set aside and substituted with the following:

- 1 The appeal is upheld with costs, such costs to include those consequent upon the employment of two counsel.
- 2 The order of the full court is set aside and replaced by the following:

1 The appeal is upheld with costs, such costs to include those consequent upon the employment of two counsel.

2 The order of the full court is set aside and replaced by the following:

‘(a) The appeal is upheld with costs.

(b) The opposition to the registration of the subject trade mark applications 2010/09722 and 2010/09721 is dismissed;

(c) It is directed that the subject trade marks proceed to registration.’

R S Mathopo
Judge of Appeal

APPEARANCES:

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