



THE SUPREME COURT OF APPEAL OF SOUTH AFRICA
JUDGMENT

Reportable

Case no: 106/2022

In the matter between:

ICOLLEGE (PTY) LTD

APPELLANT

and

XPERTEASE SKILLS DEVELOPMENT

FIRST RESPONDENT

AND MENTORING CC

ZA CENTRAL REGISTRY NPC

SECOND RESPONDENT

Neutral citation: *ICollege (Pty) Ltd v Xpertease Skills Development and Mentoring CC and Another* (Case no 106/2022) [2023] ZASCA 70 (24 May 2023)

Coram: SCHIPPERS, MABINDLA-BOQWANA and MATOJANE JJA and OLSEN and UNTERHALTER AJJA

Heard: 17 March 2023

Delivered: 24 May 2023

Summary: Trade mark – interdict to restrain infringement – use of mark closely resembling registered trade mark – both marks visually and phonetically identical – likelihood of deception or confusion within meaning of s 34(1)(a) of the Trade Marks Act 194 of 1993 – requisites for interdict established.

ORDER

On appeal from: Gauteng Division of the High Court, Pretoria (Basson J, sitting as court of first instance):

1 The appeal is upheld with costs.

2 The order of the high court is set aside and replaced with the following order:

‘1 The first respondent is interdicted and restrained from infringing the applicant’s registered iCOLLEGE trade marks by using the iCOLLEGE mark and/or any mark, trading style, trading name, get up and/or dress that is confusingly and/or deceptively similar to the applicant’s registered iCOLLEGE trade marks.

2 The first respondent is ordered within 14 days of the granting of this order to instruct the second respondent to transfer ownership of the domain name icollege.co.za to the applicant, failing which the second respondent is ordered to transfer ownership of the domain name icollege.co.za to the applicant within 14 days thereafter.

3 An enquiry into the damages suffered by the applicant as a result of the first respondent’s unlawful conduct is ordered to be convened.

4 The first respondent is ordered to pay the applicant’s costs.’

JUDGMENT

Schippers and Matojane JJA (Mabindla-Boqwana JA and Olsen and Unterhalter AJJA concurring)

[1] The appellant is a private Further Education and Training College registered with the Department of Higher Education and Training. It provides skills-based training in international courses, and courses accredited by the national Sector Education Training Authority. The appellant offers education and training at its 17 campuses nationwide, and online at its e-learning centre.

[2] The appellant is the proprietor of two trade mark registrations in class 41, which it utilises in the course of trade. A striking and dominant feature of both marks is the word 'iCOLLEGE'. The first trade mark was registered on 27 August 2015 under application number 2013/32192 in respect of, inter alia, education and training services. The second mark was registered on 24 June 2019 under application number 2018/02190. These two trade marks, shown in paragraph 9 below, are identical, save that the latter mark is a colour version of the earlier mark and covers a wider specification of services in class 41. The appellant is also the registered proprietor of the domain name 'icollegeint.co.za'.

[3] The first respondent, Xpertease Skills Development and Mentoring CC (the respondent), was incorrectly cited in the header to the founding papers as 'Xcellence Skills Development CC'. Nothing however turns on this, as the respondent did not take issue with the incorrect citation. The respondent also uses a trade mark, the dominant element of which is the word 'iCollege', as is

evidenced by the depiction of its mark in paragraph 9 below. The respondent's mark is also accompanied in use with the words 'ONLINE LEARNING'. The respondent uses this mark in the course of trading, which is also the provision of education and training services. The respondent describes itself as an internet-based business (hence the letter, 'i') providing specialised professional education (represented by the word, 'College'). It does not offer classroom-based tuition nor locally accredited qualifications. It provides e-learning courses to consumers worldwide, and sells e-learning products and courses to prepare customers for international and vendor-specific information technology certification.

[4] In 2019, the appellant applied to the Gauteng Division of the High Court, Pretoria (the high court), inter alia, for an order in terms of ss 34(1)(a) and (c) of the Trade Marks Act 194 of 1993 (the Act), to interdict the first respondent from infringing the appellant's rights acquired through the registration of its trade marks; and from passing off its services as being those of the appellant. The second respondent did not participate in those proceedings, nor in this appeal. The high court dismissed the application with costs. The appeal is with the leave of this Court.

[5] We were informed by counsel for the appellant that it did not persist with the relief sought on the grounds of s 34(1)(c) of the Act and passing-off. Thus, the only issue in this appeal is whether the appellant met the requisites of s 34(1)(a) of the Act, for the grant of an interdict to prevent infringing use of its trade marks by the respondent. Section 34(1)(a) provides:

- '(1) The rights acquired by registration of a trade mark shall be infringed by –
- (a) the unauthorized use in the course of trade in relation to goods or services in respect of which the trade mark is registered, of an identical mark or of a mark so nearly resembling it as to be likely to deceive or cause confusion; . . .'

[6] The respondent did not dispute that the appellant had not authorised it to use the appellant's trade mark. It is common ground that the respondent uses its iCollege trade mark in the course of trade, and in relation to the identical services in respect of which the appellant's iCOLLEGE trade mark is registered, namely 'education and training services'. So, the only issue for decision by the high court was whether the respondent's iCollege trade mark was 'a mark so nearly resembling' the appellant's iCOLLEGE trade mark 'as to be likely to deceive or cause confusion'.

[7] The appellant claimed that the respondent's use of its iCollege mark is identical to the appellant's registered trade mark, with the result that a substantial number of persons will be deceived or confused into believing that there is a material link in trade between the respondent's education and training services and those offered under the appellant's iCOLLEGE trade mark. The respondent contended that the marks in question are inherently different. The answering affidavit reproduces a passage from *PPI Makelaars*,¹ and states that the services which the respondent offers 'are ephemeral; they are often concerned with the provision of trade-marked products of third parties and they are not offered side by side enabling customers to make instant comparisons, making quality control difficult'. The answering affidavit further states that trade marks relating to resources such as education services are indefinite as opposed to trade marks covering goods.

[8] In *Plascon-Evans*,² Corbett JA said that the determination of the question whether a mark is identical, or so nearly resembles a registered mark as to be likely to deceive or cause confusion, involves:

¹ *PPI Makelaars and Another v Professional Provident Society of South Africa* [1997] 4 All SA 444 (SCA); 1998 (1) SA 595 (SCA) at 603E.

² *Plascon-Evans Paints Ltd v Van Riebeeck Paints (Pty) Ltd* [1984] 2 All SA 366 (A); 1984 (3) SA 623 (A) at 640I-641D.

‘. . . essentially a comparison between the marks used by the defendant and the registered mark and, having regard to the similarities and differences in the two marks, an assessment of the impact which the defendant’s mark would make upon the average type of customer who would be likely to purchase the kind of goods to which the marks are applied. This notional customer must be conceived of as a person of average intelligence, having proper eyesight and buying with ordinary caution. The comparison must be made with reference to the sense, sound and appearance of the marks. The marks must be viewed as they would be encountered in the marketplace and against the background of relevant surrounding circumstances. The marks must not only be considered side by side, but also separately. It must be borne in mind that the ordinary purchaser may encounter goods, bearing the defendant’s mark, with an imperfect recollection of the registered mark and due allowance must be made for this. If each of the marks contains a main or dominant feature or idea the likely impact made by this on the mind of the customer must be taken into account. As it has been put, marks are remembered rather by general impressions or by some significant or striking feature than by a photographic recollection of the whole. And finally consideration must be given to the manner in which the marks are likely to be employed as, for example, the use of name marks in conjunction with a generic description of the goods.’

[9] A side-by-side comparison of the respondent’s iCollege mark with that of the appellant’s iCOLLEGE trade mark reveals that the marks of both parties contain an identical dominant feature in relation to sound and appearance – the word ‘iCOLLEGE’:



(the appellant’s registered marks)



(the respondent’s mark)

Whether this word element is clearly pronounced or carelessly spoken, the marks sound no different from one another. In the marketplace, the notional user of education and training services will encounter the appearance of a preeminent identical word element in both marks, namely iCOLLEGE, regardless of whether or not there is an imperfect recollection of the registered mark.

[10] In *Century City Apartments*,³ this Court approved the test stated in *Compass Publishing BV*,⁴ for confusing similarity:

‘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.’

[11] Applied to the present case, the marks are visually and aurally, confusingly similar. The fact that save for the letter ‘C’, the remaining letters in the respondent’s mark are in lowercase, in a different font, or accompanied by the words ‘ONLINE LEARNING’, does not detract from this. On an overall viewing of the basic features of the marks, the main idea or general impression conveyed is the education services offered by iCOLLEGE – the clearly noticeable and dominant feature of both marks. This impression is buttressed by the logos accompanying the dominant word element in both marks – a

³ *Century City Apartments Property Services CC and Another v Century City Property Owners’ Association* [2009] ZASCA 157; 2010 (3) SA 1 (SCA); [2010] 2 All SA 409 (SCA) para 13.

⁴ *Compass Publishing BV v Compass Logistics Ltd* [2004] EWHC 520 (Ch) paras 24-25.

graduation cap. The phrase ‘ONLINE LEARNING’ envisages education, and on the overall impression conveyed by the mark, is a strong indicator of an association between the respondent’s education services and those of the appellant. In this regard, the high court failed to consider the marks as wholes, rather than the exact details of each.⁵ It compared only the pictures in the marks.

[12] It follows that the submission on behalf of the respondent that the difference between the logos used by the parties is what catches the eye first, not the word component, is unsound. Rather, it is the dominant or central element of the marks in issue, namely the word iCOLLEGE, that is likely to make an impact on the mind of the consumer.⁶ This feature alone, renders the marks phonetically and conceptually, confusingly similar on at least two levels of comparison: sound and appearance. And similarity on any one of these levels is sufficient.⁷ The high court disregarded this principle: it recognised ‘the obvious similarity between the two marks with reference to the words, iCollege and iCOLLEGE’, but then concluded that ‘there is no visual or conceptual similarity between the pictures accompanying the written words’.

[13] The high court also overlooked the fact that the greater the similarity between the respective services of the parties, the lesser the degree of resemblance required before it can be said that there is a likelihood of deception or confusion in the use of the offending mark.⁸ The respondent sought to make something of the proposition that its services are exclusively online and that it does not offer locally accredited qualifications. However, s 34(1)(a) of the Act does not require the appellant to show that the nature and scope of the

⁵ *Adidas Sportschuhfabriken Adi Dassler KG v Harry Walt & Co (Pty) Ltd* 1976 (1) 530 (T) at 536A.

⁶ *Cowbell AG v ICS Holdings Ltd* [2001] 4 All SA 242 (A); 2001 (3) SA 941 (SCA) para 14; *Mettenheimer and Another v Zonquasdrif Vineyards CC and Others* [2013] ZASCA 152; [2014] 1 All SA 645 (SCA); 2014 (2) SA 204 (SCA) para 12.

⁷ *Plascon-Evans* fn 2 above at 640G-I.

⁸ *Mettenheimer* fn 6 above para 11, approving *New Media Publishing (Pty) Ltd v Eating Out Web Services CC* 2005 (5) SA 388 (C) at 394C-F.

respondent's services, or its training methods, are identical to the services covered by the trade mark registration. And the test approved in *Century City Apartments*,⁹ which applies equally in relation to both goods and services, provides a complete answer to the argument that there is no likelihood of deception or confusion because the services are not offered side by side. As observed by Webster and Page, there is no reason to suggest a more lenient test for service marks.¹⁰

[14] Whilst the marks in issue are not identical, ie 'the same in all respects',¹¹ even though they are very similar, as stated in Webster and Page,¹² 'the likelihood that the court will then find that the marks are indeed likely to cause confusion or deception is great'. Thus, in *Century City Apartments*,¹³ this Court found that the marks CENTURY CITY and CENTURY CITY APARTMENTS are not identical, but held that despite the addition of the word 'apartments', the name CENTURY CITY APARTMENTS was confusingly similar to CENTURY CITY. This, *a fortiori*, is such a case, when regard is had to the dominant feature of the marks in issue – the word, 'iCOLLEGE', which is not commonly used.

[15] In its judgment the high court did not deal with the fact that the trade marks in question were phonetically identical. However, in the judgment refusing leave to appeal, the court said: 'although the word "iCollege" both in respect of spelling and phonetics are the same, *they are not distinctive in respect of the products to which they pertain*'.¹⁴ In the main judgment, the court analysed the education and training services rendered by both parties. It referred to their target markets; methods of teaching; the specific courses and academic

⁹ *Century City Apartments Property Services* fn 3 above para 13.

¹⁰ Webster and Page *South African Law of Trade Marks* para 12.8.3.

¹¹ *LTJ Diffusion SA v Sadas Vertbaudet SA* [2003] ETMR 83 (European Trade Marks Reports) par 50, approved in *Century City Apartments Property Services* fn 3 above para 12.

¹² Webster and Page *South African Law of Trade Marks* para 12.8.1B.

¹³ *Century City Apartments Property Services* fn 3 above para 13.

¹⁴ Emphasis added.

services offered; and the fact that the appellant's courses are accredited in terms of the National Qualification Framework, while the respondent's qualifications are accredited by third party vendors such as Microsoft. The court concluded:

‘. . . [W]hilst both the applicant and the respondent use their trade marks in respect of “education and training services” (in respect of which the applicant registered its trade mark), the educational/academic products and services presented by the applicant and the respondent are not identical, nor is the training vehicle by which the different educational services are offered the same.’

[16] The high court's further inquiry into the specific nature, ambit and teaching methods in relation to the services rendered by the appellant and the respondent, was both impermissible and irrelevant. The court disregarded the notional use test, which required it to postulate the notional use to which the appellant is entitled to put its iCOLLEGE trade mark – online education and training services – included in the full range of permissible fair use in respect of which it is registered.¹⁵

[17] The purpose of a trade mark registration is to protect the mark as a badge of origin. Section 34(1)(a) of the Act governs primary trade mark infringement and confers on the proprietor an exclusionary right to prevent others from using the mark without its consent.¹⁶ As stated, the respondent has no such consent and is using its mark in respect of identical services in the class in which the appellant's trade mark has been registered – education and training. The appellant established that the use of the respondent's mark was such that it will cause consumers to wrongly believe that there is a material link in trade between the respondent's education services and the appellant.¹⁷ This constitutes

¹⁵ *Plascon-Evans* fn 2 above at 641G-642A; *Lucky Star Ltd v Lucky Brands (Pty) Ltd and Others* [2016] ZASCA 77; 2017 (2) SA 588 (SCA) paras 8-9.

¹⁶ *Verimark (Pty) Ltd v Bayerische Motoren Werke AktienGesellschaft; Bayerische Motoren Werke AktienGesellschaft v Verimark (Pty) Ltd* [2007] ZASCA 53; 2007 (6) SA 263 (SCA) para 5; *Federation Cynologique and R (British American Tobacco UK Ltd) v Secretary of State for Health* [2016] EWCA Civ 1182; [2018] QB 149 paras 46-49.

¹⁷ *Verimark* fn 16 above para 5.

primary trade mark infringement within the meaning of s 34(1)(a) of the Act, which entitled the appellant to an interdict.

[18] Finally, the respondent's argument that the appellant is not entitled to an interdict for trade mark infringement because the word 'COLLEGE' has been disclaimed, can be dealt with briefly. It was argued that because of the disclaimer, what remains in the appellant's mark is the logo and the letter 'i', which cannot form the subject of protection. The argument is unsustainable.

[19] The appellant's trade mark as a whole had the necessary attributes that qualified it for registration. If a trade mark as a whole is capable of distinguishing, it matters not that the prominent part of that mark is an element which is being disclaimed.¹⁸ As is evident from the trade mark information sheet annexed to the founding affidavit, the appellant was granted rights in the specific representation of the mark depicted in its application for registration, namely iCOLLEGE. Upon registration, the appellant was granted a limited monopoly to that mark to ensure that it fulfils its function as a badge of origin.¹⁹ Whilst a trade mark proprietor cannot bring a claim for infringement in respect of the use of a disclaimed feature, where that feature forms part of a composite mark, the court is entitled to take the disclaimed feature into account in deciding whether the infringing mark, as a whole, so nearly resembles the registered mark, as to be likely to deceive or cause confusion.²⁰

[20] In the result, the following order is made:

- 1 The appeal is upheld with costs.
- 2 The order of the high court is set aside and replaced with the following order:

¹⁸ Webster and Page *South African Law of Trade Marks* para 9.16.

¹⁹ *Verimark* fn 16 above para 6.

²⁰ Webster and Page *South African Law of Trade Marks* para 9.19.

‘1 The first respondent is interdicted and restrained from infringing the applicant’s registered iCOLLEGE trade marks by using the iCOLLEGE mark and/or any mark, trading style, trading name, get up and/or dress that is confusingly and/or deceptively similar to the applicant’s registered iCOLLEGE trade marks.

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3 An enquiry into the damages suffered by the applicant as a result of the first respondent’s unlawful conduct is ordered to be convened.

4 The first respondent is ordered to pay the applicant’s costs.’

A SCHIPPERS
JUDGE OF APPEAL

K E MATOJANE
JUDGE OF APPEAL

Appearances

For the appellant: P Cirone
Instructed by: Kisch Africa Inc, Johannesburg
Phatshoane Henney Attorneys, Bloemfontein

For the first respondent: D Harms SC
Instructed by: Nixon & Collins Attorneys, Pretoria
Hill McHardy & Herbst Inc, Bloemfontein