Reportable
Case No 100/01

In the matter between:

BEECHAM GROUP PLC **First Appellant**
SMITHKLINE BEECHAM PHARMACEUTICALS (PTY) LTD **Second Appellant**

and

TRIOMED (PTY) LIMITED
Respondent

Coram: HARMS, SCOTT, MPATI, CONRADIE JJA and JONES AJA
Heard: 3 SEPTEMBER 2002
Delivered: 19 SEPTEMBER 2002

Subject: Trade Marks; functional shapes; pharmaceutical tablet.

JUDGMENT

HARMS JA/

HARMS JA:

[1] This appeal represents yet another battle in the war concerning generic pharmaceuticals. Recently we had occasion to uphold a copyright claim relating to the package insert for a drug consisting of two substances, amoxycillin (a semi-synthetic penicillin) and potassium clavulanate, marketed by the appellants[1] under the trademark Augmentin.[2] On this occasion Beecham wishes us to uphold a registered trade mark for the shape of a tablet, used in relation to Augmentin tablets, and to find that the respondent ('Triomed') infringes that trade mark. Triomed imports a pharmaceutical with the same composition and sells it under the name Augmaxcil. These tablets have the same shape and colour (white) as Augmentin tablets but, whereas the name 'Augmentin' is embossed upon the one side of the latter, the Augmaxcil tablets are blank.

[2] Triomed applied to the Transvaal Provincial Division for an order rectifying the Trade Marks register by the expungement of the shape trade mark (no 95/13154). Beecham countered by applying for trade mark relief not only in relation to this trade mark but also in respect of its word mark 'Augmentin'. Triomed's application succeeded and the counter-application was dismissed.[3] The trial Judge, Smit J, subsequently granted leave to Beecham to appeal against his orders, save the one dismissing the claim for infringement of the word mark.

[3] Since its patent in relation to the composition has expired, Beecham no doubt wishes to protect its market in some other way and this case provides another illustration of the tension between competition principles (the right to compete and the right to copy) and intellectual property rights, and also between different types of intellectual property rights. There is an ever-increasing tendency to seek protection in a field not designed or intended to cover the area. This is not always particularly difficult since intellectual property rights, because of international developments, business realities and parliamentary involvement, may overlap or exist parallel to each other.[4] By way of illustration: Functional designs originally could be protected as patents. Later it was recognised that they may obtain copyright

[1] It is unnecessary to distinguish between the appellants and I will conjoin them under the name 'Beecham'.

[2] *Biotech Laboratories (Pty) Ltd v Beecham Group plc and Another* 2002 (4) SA 249 (SCA).

[3] *Triomed (Pty) Ltd v Beecham Group plc and Others* 2001 (2) SA 522 (T).

[4] *Philips Electronics BV v Remington Consumer Products* [1998] RPC 283 310 (I will refer to this judgment as *Philips I*).

protection if derived from drawings. This, in its raw form, was commercially unacceptable and s 15(3A) of the Copyright Act 98 of 1978 placed a lid on this protection.[5] Some countries provide petty patent or design copyright protection for them while the Designs Act 193 of 1993 introduced design protection for them on lines similar to that for aesthetic designs. They did not have protection against passing-off[6] and could not be registered as trade marks. The latter prohibition (subject to limitations) has fallen away as will be discussed in more detail. (Whether the absolute passing-off rule still makes sense in the light of changes to the trade mark position is a moot question; an adaptation along trade mark lines may be a future development.) The requirements for protection under each head differ, as do the nature and duration of the protection. This requires that each right should be kept firmly within its legitimate bounds.

[4] The effective date of Beecham's trade mark is 3 October 1995 and it is registered for 'antibiotics' in class 5 (which includes pharmaceutical preparations) of schedule 3 of the Trade Marks Regulations. According to the Registrar's certificate, the mark 'consists in the shape and curvature configuration of a tablet substantially as shown in the representation' on a black and white photograph. Due to the poor quality of the photograph I prefer to use a drawing of an Augmentin tablet to illustrate the trade mark. No regard should be had to the dimensions indicated.

The exact description of the shape of the tablet was the subject of much evidence but it would not be unfair to state that the tablet is bi-convex with a regular oval (i.e. elliptical and not egg-like) shape. Beecham's package insert calls it 'oval' and the draughtsman of the drawing above refers to the tablet as oval and the tablet shape as convex. It is not without significance to note that the mark is not limited by either colour or size.

[5] Any interested person may apply to court for the removal of an entry

[5] Cf *Dexion Europe Ltd v Universal Storage Systems (Pty) Ltd* 6 September 2002 Case 500/2000 (SCA) unreported.

[6] *Agriplas (Pty) Ltd v Andrag & Sons (Pty) Ltd* 1981 (4) SA 873 (C).

wrongly made in or wrongly remaining on the Trade Mark register.[7] Triomed, as an interested party, sought relief under this provision with reference to a number of grounds to be found in s 10 of the Act:

'The following marks . . . if registered, shall . . . be liable to be removed from the register:

(1) A mark which does not constitute a trade mark;
(2) a mark which—
(a) is not capable of distinguishing within the meaning of section 9; or
(b) consists exclusively of a sign or an indication which may serve, in trade, to designate the kind . . . or other characteristics of the goods or services . . .; or
(c) consists exclusively of a sign or an indication which has become customary in the current language or in the bona fide and established practices of the trade;
. . .
(5) a mark which consists exclusively of the shape, configuration, colour or pattern of goods where such shape, configuration, colour or pattern is necessary to obtain a specific technical result, or results from the nature of the goods themselves;
. . .
(11) a mark which consists of a container for goods or the shape, configuration, colour or pattern of goods, where the registration of such mark is or has become likely to limit the development of any art or industry;
. . .
Provided that a mark shall not be refused registration by virtue of the provisions of paragraph (2) or, if registered, shall not be liable to be removed from the register by virtue of the said provisions if at the date of the application for registration or at the date of an application for removal from the register, as the case may be, it has in fact become capable of distinguishing within the meaning of section 9 as a result of use made of the mark.'

[6] Smit J, in a comprehensive judgment, dealt with all the grounds raised and upheld all Triomed's contentions although they were separate and distinct grounds of objection. He gave the impression (at 544I-J) that he had regard to their cumulative effect but it is clear from the judgment as a whole that he dealt with each ground separately. In any event, more often than not the evidence on one ground was relevant in relation to another ground. In view of my conclusion that the appeal stands to be dismissed, I do not intend to canvass the whole area as did the learned Judge but my failure to deal with any particular issue should not be seen as either approval or disapproval of his judgment.

[7] Trade Marks Act 194 of 1993 s 24(1).

[7] The learned Judge[8] relied heavily upon the judgment of Aldous LJ in *Philips Electronics NV v Remington Consumer Products Ltd* [1999] RPC 809 (CA), herein called '*Philips II*'. It was an appeal from *Philips I*. *Philips II* referred a number of questions to the European Court of Justice (the 'ECJ') which has since answered them in *Koninklijke Philips Electronics NV v Remington Consumer Products Ltd* ('*Philips III*').[9] *Philips III* differed from *Philips I* and *II* in material respects and the basis of the judgment in the Court below has consequently to be revisited. These judgments all have persuasive force because s 10 of the Act is based upon the First Council Directive 89/1988 of the Council of the European Communities 'To approximate the laws of the Member States relating to trade marks'.[10] The British Trade Marks Act (1994 Ch 26) had to conform to the Directive and its interpretation by the ECJ binds the English courts. This does not mean that we are bound to follow these authorities nor does our diluted Dutch legacy require of us to submit meekly to a Philips dynasty. The Act remains a South African statute, which must be interpreted and applied in the light of our law and circumstances. Local policy considerations may differ from those applicable in Europe. The application of rules remains, even in Europe, a matter for local courts and they differ occasionally amongst themselves.

[8] *Does the shape mark constitute a trade mark under s 10(1)?* A sign capable of being represented graphically and consisting of a shape or configuration falls within the definition of 'mark' in the Act (s 2 sv 'mark'). (The position under the repealed Trade Marks Act 62 of 1963 was different because it did not permit the registration of shapes or configurations as trade marks.) A 'trade mark' (other than a certification trade mark or a collective

[8] At 532C-D, 533D-E and 538C-539B.

[9] Delivered on 18 June 2002. The judgments of the ECJ can be found at http://www.curia.eu.int.

[10] To be found at http://oami.eu.int/en/aspects/direc/direc.htm. The important provisions of the directive relevant to this case are quoted:

Art 2: 'A trade mark may consist of any sign capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.'

Art 3 (1): 'The following shall not be registered or if registered shall be liable to be declared invalid:

a. signs which cannot constitute a trade mark;
b. trade marks which are devoid of any distinctive character;
c. trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, or the time of production of the goods or of rendering of the service, or other characteristics of the goods;
d. trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade;
e. signs which consist exclusively of:
    - the shape which results from the nature of the goods themselves, or
    - the shape of goods which is necessary to obtain a technical result, or
    - the shape which gives substantial value to the goods . . . .'

trade mark) –

'means a mark used or proposed to be used by a person in relation to goods or services for the purpose of distinguishing the goods or services in relation to which the mark is used or proposed to be used from the same kind of goods or services connected in the course of trade with any other person.'

The function of a trade mark, in terms of the definition, is to indicate the origin of the goods or services. The protection granted to a trade mark by s 34(1) and its secondary commercial functions, on the other hand, extend beyond the 'badge of origin' concept. This development, in common-law countries, is in no small measure due to the seminal work of Frank I Scheckter 'The Rational Basis of Trade Mark Protection' [1927] 40 *Harvard Law Review* 813.[11] The question under s 10(1) nevertheless remains a 'badge of origin' inquiry.[12]

[9] In essence, the test is whether Beecham used or proposed to use the shape of the tablet 'for the purpose of distinguishing' it from tablets sold by others or whether the function of the shape is to distinguish these tablets from other tablets.

[10] In the *Philips* judgments the courts were concerned with a trade mark relating to the shape of an electric shaver. Philips, under the trade mark

[11] Tony Martino *Trademark Dilution* (Oxford University Press, 1996).

[12] Cf *Valentino Globe BV v Phillips and Another* 1998 (3) SA 775 (SCA) 782I-J. *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117 (ECJ) par 28: 'Moreover, according to the settled case-law of the Court, the essential function of the trade mark is to guarantee the identity of the origin of the marked product to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin. For the trade mark to be able to fulfil its essential role in the system of undistorted competition which the Treaty seeks to establish, it must offer a guarantee that all the goods or services bearing it have originated under the control of a single undertaking which is responsible for their quality (see, in particular, Case C-10/89 *HAG GF (HAG II)* [1990] ECR I-3711, paragraphs 14 and 13).'

'Philishave' had for many years sold a three headed rotary shaver in which the heads were arranged in a triangular pattern which projected slightly above a triangular base plate. Later it obtained a trade mark for the shape of the shaver head. The shaver is very popular and the public recognises a Philishave from the shape of its head. The shape is functional and the protection of such designs as trade marks was historically an anathema. In answer to a question put to it in *Philips II*, the ECJ held –

'that there is no class of marks having a distinctive character by their nature or by the use made of them which is not capable of distinguishing.'

(*Philips III* par 39). This means that the question whether a mark constitutes a trade mark as defined is a factual matter and should be approached without any *a priori* disqualification or classification. Functionality *per se* is no disqualification.

[11] The Court below held that the pictorial representation of the mark is vague and does not have the required degree of certainty for the public to know the extent of the monopoly claimed (at 539D-F). The vagueness is aggravated by the use of the adverb 'substantially' in the registration. Beecham's answer is that since the field is crowded, the scope of its monopoly should be interpreted restrictively to relate to identical tablets only. The limitation falls easily from counsel's lips because Triomed's tablets are designed to be identical to Beecham's, but the meaning of 'substantially' and 'identical' is not the same. It is not clear whether an

objection based upon (to borrow patent law terminology) ‘insufficiency’ or ‘ambiguity’ can properly be brought under s 10(1). In any event, there can be no inherent objection to a trade mark registration relating to a substantially oval and bi-convex tablet. Whether such a mark is distinctive is another matter because, conceptually, the question whether a mark is capable of distinguishing within the meaning of s 9 is an issue different, though not always separate, from the one now under consideration. Since vagueness affects the distinctiveness of a mark, Beecham may have to face the music if the trade mark is ‘insufficient’ or ‘ambiguous’.

[12] Triomed argued that the mark is not a trade mark because Beecham has not used it as such: Beecham at no time promoted, marketed or sold Augmentin with reference to its shape; the package insert does not refer to this trade mark but does refer to the Augmentin trade mark; no reference is made to the shape of the tablet in any promotional material; and no reference is made to the shape of the product in Beecham’s sales manual.

[13] Beecham’s counter is that this approach reduces the inquiry as to whether a mark is a trade mark to a subjective inquiry whereas it, properly, is an objective one. One has to agree that the question cannot be purely subjective because it would mean that if someone uses or wishes to use a mark as a trade mark, the mark is *ipso facto* a trade mark. Whether the converse is true is a question that, due to the paucity of argument, can best

be left for another day. Triomed's argument that Beecham has failed to use the shape of the tablet as a trade mark may arguably confuse or conflate the requirements for a trade mark with the provision that a trade mark, which is not used, may be removed from the register (s 27).

[14] Beecham relied upon market survey evidence in order to determine the level of recognition of the Augmentin shape by pharmacists. This evidence is of particular importance to Beecham's case as a whole and it would be useful to consider it at this juncture. Augmentin tablets with the registered shape come in two dosage sizes: 375 and 625mg active ingredients although, since they contain excipients, they weigh respectively 686,22 and 1120,33mg.[13] These have been on the market since the mid 1970's and Augmentin is one of the most commonly prescribed pharmaceuticals. In conducting the market survey, a number of randomly selected pharmacists were shown a 375 mg Augmentin tablet stuck to a board, thereby covering the word mark. The exercise was repeated with a 375 mg Augmaxcil tablet with another group of pharmacists. Both groups were asked the same question: 'Can you please tell me the name of this antibiotic?' It is not necessary to go into detail but it can be accepted that the interviewees overwhelmingly identified both tablets as Augmentin. This response, according to Beecham's argument, establishes that the

[13] Beecham more recently introduced a 1000mg tablet, which, it alleges, has a shape different from the registered trade mark. Save for a break line, it seems to me to be substantially oval and bi-convex. If it is different, one wonders why Beecham wishes to sell Augmentin in two shapes if the shape performs a trade mark function.

relevant sector of the public regards the shape as something used by Beecham (in the words of the definition of ‘trade mark’) to distinguish its goods from those of its competitors in the course of trade.

[15] The Court below was not prepared to have regard to the results of the survey, principally on the ground that the wrong question had been asked (at 537B-C). I agree. The 375 mg Augmentin tablet is not the registered trade mark. (One wonders immediately why the exercise was not conducted with the 625 mg tablet. Are there too many tablets on the market of that size with a similar shape?) The interviewees should have been shown the mark as registered. I am satisfied that in such event they would have replied with less confidence. Pharmacists do not buy or dispense drugs by way of shape. To show a pharmacist one of the most dispensed tablets would invariably have led to its recognition by form. But that does not answer the question posed earlier, namely whether Beecham used or proposed to use the shape of the tablet ‘for the purpose of distinguishing’ it from tablets sold by others or to distinguish these tablets from other tablets.[14] Another, albeit similar, approach would be to ask whether any pharmacist would regard the shape alone as a guarantee that the tablet was produced by Beecham.[15] As Jacob J pithily remarked in *British Sugar PLC v James Robertson & Sons Ltd* [1996] RPC 281 (Ch D) 302:

[14] Cf in a passing-off context *Roche Products Ltd and Another v Berk Pharmaceuticals Ltd* [1973] RPC 473 (CA) 484 line 14-19.
[15] Cf *Canon* par 28 quoted earlier.

'There is an unspoken and illogical assumption that "use equals distinctiveness".'

He also quoted Lord Russell, speaking about word marks (the principle applies to every kind of mark) in *The Canadian Shredded Wheat Co Ltd v Kellogg Co of Canada Ltd* [1938] 55 RPC 125 (PC) 145:

'A word or words to be really distinctive of a person's goods must generally speaking be incapable of application to the goods of anyone else.'

[16] *Is the mark, in terms of s 10(2)(a) capable of distinguishing within the meaning of s 9?* Section 9 provides as follows:

'(1) In order to be registrable, a trade mark shall be capable of distinguishing the goods or services of a person in respect of which it is registered or proposed to be registered from the goods or services of another person either generally or, where the trade mark is registered or proposed to be registered subject to limitations, in relation to use within those limitations.

(2) A mark shall be considered to be capable of distinguishing within the meaning of subsection (1) if, at the date of application for registration, it is inherently capable of so distinguishing or it is capable of distinguishing by reason of prior use thereof.'

[17] In considering a similar attack under the equivalent British provision, *Philips II*[16] held that the fact that a trade mark, by use, has become such as to denote goods of a particular provenance, does not necessarily mean that it is capable of distinguishing those goods in the trade mark sense. The more a trade mark is descriptive of the goods, the less likely it will be capable of distinguishing them in this sense. Aldous LJ therefore concluded that if a trade mark is primarily descriptive it requires 'sufficient capricious alteration' to enable it to perform a trade mark function.

[16] At 817-818 cited by Smit J at 538C-539B.

[18] The question whether the shape of an article could only be capable of distinguishing if it contains some capricious addition, such as an embellishment, which has no functional purpose was then submitted to the ECJ, which held as follows (*Philips III* par 47-50):

'47. First, it is clear from Article 2 of the Directive [which provides that a trade mark 'must be capable of distinguishing the goods or services of one undertaking from those of other undertakings] that a trade mark has distinctive character if it serves to distinguish, according to their origin, the goods or services in respect of which registration has been applied for. It is sufficient, as is clear from paragraph 30 of this judgment, for the trade mark to enable the public concerned to distinguish the product or service from others which have another commercial origin, and to conclude that all the goods or services bearing it have originated under the control of the proprietor of the trade mark to whom responsibility for their quality can be attributed.

48. Second, Article 2 of the Directive makes no distinction between different categories of trade marks. The criteria for assessing the distinctive character of three-dimensional trade marks, such as that at issue in the main proceedings, are thus no different from those to be applied to other categories of trade mark.

49. In particular, the Directive in no way requires that the shape of the article in respect of which the sign is registered must include some capricious addition. Under Article 2 of the Directive, the shape in question must simply be capable of distinguishing the product of the proprietor of the trade mark from those of other undertakings and thus fulfil its essential purpose of guaranteeing the origin of the product.

50. In the light of those considerations, the answer to the second question must be that, in order to be capable of distinguishing an article for the purposes of Article 2 of the Directive, the shape of the article in respect of which the sign is registered does not require any capricious addition, such as an embellishment which has no functional purpose.'

[19] One has to agree that a capricious addition to a mark is not necessary for it to be capable of distinguishing but that does not mean that such an addition could not be an important element in deciding whether a particular mark is capable of distinguishing within the meaning of s 9. This must be

so especially if the mark consists of the shape of a functional article because they are usually bought because of the functionality of their shape and not because their provenance is proclaimed by their shape.

[20] The factual inquiry under s 9 read with the proviso to s 10 is done in two stages.[17] The first is whether the mark, at the date of application for registration, was inherently capable of distinguishing the goods of Beecham from those of another person. If the answer is no, the next inquiry is whether the mark is presently so capable of distinguishing by reason of its use to date.

[21] Beecham, with reference to a textbook, stressed the following statement, which was accepted by Triomed's expert during cross-examination –

'With the competitive nature of the pharmaceutical industry, marketing considerations often focus on unique tablet designs that have consumer appeal and can easily be distinguished from other products of a similar nature or used for the same indication.'

As a general statement of fact it is no doubt correct but it begs a number of questions. Was the tablet in issue 'unique' (although that is somewhat different from what the Act requires)? Can it 'easily' be distinguished from other products? Does the design perform a 'badge of origin' function or does it simply assist in distinguishing the tablet from other tablets?

[22] Another aspect impressed upon us by Beecham is the fact that the registration is limited to 'antibiotics'. We, according to the submission, may not have regard to other pharmaceuticals in assessing the distinctiveness of the shape, not even to antibacterial tablets. The

[17] *British Sugar PLC v James Robertson & Sons Ltd* [1996] RPC 281 (Ch D) 305-306.

submission is too narrowly structured especially since trade mark registration potentially protects the trade mark against use on similar goods (s 34(1)). It is also somewhat unrealistic considering the nature of the pharmaceutical trade.

[23] At the time of the launch of Augmentin another company, Eli Lilly, already for a number of years had marketed an antibiotic tablet with the shape of the registered trade mark. It was, unsurprisingly, also white. A standard work, the *Tableting Specification Manual*, shows oval, bi-convex tablets as something ordinary and refers to the shape as a 'common' tablet shape. The *Encyclopaedia of Pharmaceutical Technology* illustrates the same tablet, stating that it is one of the 'most common special shapes in the pharmaceutical industry'. (Common non-special in its terminology is a round tablet). Another standard work, the German *Die Tablette*, shows graphically a tablet identical to Augmentin. These facts – and they are not the only ones – establish conclusively that the particular shape in issue was not inherently capable of distinguishing in the trade mark sense.

[24] The shape did also not become distinctive through use. Admittedly, millions of these tablets are dispensed annually and the average pharmacist will probably recognise an Augmentin tablet as such. As discussed, the shape of Augmentin does not distinguish Beecham's tablets from tablets sold by others[18] but distinguishes them somewhat from other tablets, and no

[18] The facts in *Adcock-Ingram Products Ltd v Beecham SA (Pty) Ltd* 1977 (4) SA 434 (W) 437-438 provide

pharmacist will regard the shape alone as a guarantee that the tablet comes from Beecham. In addition, Augmentin represents but one of an infinite number of shapes of the mark as registered. There are many pharmaceutical tablets (including antibiotics) on the market with the identical or substantially identical shape, albeit not necessarily with the same size as Augmentin. I realise that some of these were introduced after registration, but others were not. Both categories are admissible to decide whether, since the application date, the mark through use has become capable of distinguishing under the proviso to s 10.[19]

[25] This conclusion is consistent with the answer to the third question in *Philips III* par 65:

'[W]here a trader has been the only supplier of particular goods to the market, extensive use of a sign which consists of the shape of those goods may be sufficient to give the sign a distinctive character for the purposes of Article 3(3) of the Directive in circumstances where, as a result of that use, a substantial proportion of the relevant class of persons associates that shape with that trader and no other undertaking or believes that goods of that shape come from that trader. However, it is for the national court to verify that the circumstances in which the requirement under that provision is satisfied are shown to exist on the basis of specific and reliable data, that the presumed expectations of an average consumer of the category of goods or services in question, who is reasonably well-informed and reasonably observant and circumspect, are taken into account and that the identification, by the relevant class of persons, of the product as

a good illustration of the same point in the context of passing-off at a stage when shapes were not eligible for trade mark registration.

[19] This distinguishes *Luster Products Inc v Magic Style Sales CC* 1997 (3) SA 13 (A) 22A-26D.

originating from a given undertaking is as a result of the use of the mark as a trade mark.'

(Emphasis added.)

[26] Finally on this point Beecham fell back on the aphorism 'what is worth copying is *prima facie* worth protecting',[20] submitting that Triomed's supplier's conscious copying of the Augmentin tablet's form indicates that the form must have trade mark value. Aphorisms can be dangerous and in any event, it requires some genetic engineering in order to adapt an aphorism applicable to a particular copyright problem to trade mark law. It would negate one of the foundations of the free market system.[21]

[27] *Does the mark in terms of s 10(5) consist exclusively of the shape of goods where such shape is necessary to obtain a specific technical result?* The mark no doubt consists exclusively of the shape of a tablet and the remaining issue is whether the shape is necessary to obtain a specific technical result. This raised two questions in *Philips II*: First, does this mean that such a sign falls foul of s 10(5) if the essential functional features of the shape are attributable only to the technical result, and, second, does s 10(5) apply if there are other shapes which can obtain the same technical result?

[28] *Philips III* gave the answer in these terms (par 84):

'[The provision] must be interpreted to mean that a sign consisting exclusively of the shape of a

[20] *University of London Press Ltd v Universal Tutorial Press Ltd* [1916] 2 Ch 601 at 610 quoted in *Payen Components SA Ltd v Bovic CC and Another* 1995 (4) SA 441 (A) 452D-E.
[21] Cf *Taylor & Horne (Pty) Ltd v Dentall (Pty) Ltd* 1991 (1) SA 412 (A) 422B-E; *Cadbury (Pty) Ltd v Beacon Sweets & Chocolates (Pty) Ltd and Another* 2000 (2) SA 771 (SCA) 781B-C.

product is unregistrable by virtue thereof if it is established that the essential functional features of that shape are attributable only to the technical result. Moreover, the ground for refusal or invalidity of registration imposed by that provision cannot be overcome by establishing that there are other shapes which allow the same technical result to be obtained.'

The ECJ reasoned that the various grounds for refusal of registration must be interpreted in the light of the public interest underlying each of them (par 77) and that the rationale underlying (amongst other) this ground (par 78) –

'is to prevent trade mark protection from granting its proprietor a monopoly on technical solutions or functional characteristics of a product which a user is likely to seek in the products of competitors. Article 3(1)(e) [of the Directive, which includes the ground under consideration] is thus intended to prevent the protection conferred by the trade mark right from being extended, beyond signs which serve to distinguish a product or service from those offered by competitors, so as to form an obstacle preventing competitors from freely offering for sale products incorporating such technical solutions or functional characteristics in competition with the proprietor of the trade mark.'

(Emphasis added.) The intention underlying this particular ground is (par 79) –

'to preclude the registration of shapes whose essential characteristics perform a technical function, with the result that the exclusivity inherent in the trade mark right would limit the possibility of competitors supplying a product incorporating such a function or at least limit their freedom of choice in regard to the technical solution they wish to adopt in order to incorporate such a function in their product.'

[29] The evidence establishes that the oval shape is important for the ease and safety of swallowing especially larger tablets. Patients do not readily accept large round tablets. A recent press release by Schering Laboratories

deals with a problem patients experienced swallowing round-shaped tablets. Many of them required medical assistance to remove the tablet. Schering in consequence developed a new oval-shaped tablet ‘more similar in size, shape and coating to a variety of other medications that have been used safely around the world.’ The bi-concave shape facilitates the coating of the tablet and the ‘band’ (the area between the two convexities) prevents the tablet from crumbling.

[30] Beecham nevertheless argued that s 10(5) does not apply to the facts under consideration because the function of the tablet is to act as an antibiotic and that the shape of the tablet has nothing to do with curing infections. The argument is without any merit. The provision is concerned with the question of whether the registered shape is necessary to obtain a specific technical result. Shape, in this case, is necessary for ease of swallowing, coating and the prevention of crumbling. The fact that other shapes may also attain these results is, as we have seen, beside the point. It follows that the choice of this shape provides a reasonable technical solution to a problem and that the registration of the mark was consequently contrary to the provisions of s 10(5) and also (11) because the registration of the shape is likely to limit the development of the relevant art.

[31] The appeal is dismissed with costs, including the costs of two counsel.

L T C HARMS

JUDGE OF APPEAL

SCOTT JA)Concur

MPATI JA)

CONRADIE JA)

JONES AJA)