

Marked improvements on the IP landscape



Herman Blignaut gives an overview of how trademarks are registered and enforced in South Africa

The registration of a trademark in South Africa must be sought through the filing of a national application with the Trade Marks Office in Pretoria. South Africa is not a member of either of the two African regional filing systems¹, and is still in the preparation phase to join the Madrid system in terms of which international registrations can be sought in South Africa.

Prior to commencing the registration process, it is generally good practice to conduct an availability and registrability search in order to determine whether there are any existing marks that may come into conflict with a proposed new trademark. Separate trademarks must be filed in each class of interest. Examination of applications is conducted on both absolute and relative terms and while timeframes generally vary, the entire registration process at present takes about 24 to 36 months, where matters proceed smoothly.

Recent improvements in the Trade Mark Registry's practice include the e-filing of new applications and trademark renewals as well as the electronic publication of applications which have been accepted for registration. These developments are to be welcomed as great improvements have been made in the turnaround time of, for example, receiving filing particulars and renewal certificates. With the ever increasing number of trademark registrations, the scene is also set for increased

enforcement activity, which include both trademark infringement matters as well as search and seizure operations in respect of counterfeit goods.

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Trademark activity and trends

A total of 38,283 applications were filed with the South African Registry during the 2017 calendar year – more than ever before in the country's history. A breakdown of this number reveals that 22,740 applications were filed by South African residents (ie, local applicants) and 15,543 by non-residents (ie, foreign applicants).

The categories which have consistently been the top four classes within which new applications have been filed over the past three years are 5 (pharmaceutical products),

9 (computers and electronics), 35 (services for business) and 41 (leisure, education and training services). Fifth place, has been a close race between classes 25 (clothing), 36 (financial services) and 42 (technological services).

Statistics show that new trademark filings have seen steady growth from 22,738 during 2003 to over 38,000 during 2017. A break-down of the annual figures, however, reveal something of an ebb and flow trend whereby a number of years in growth have been followed by a decline and subsequent regrowth. To illustrate, the 30,053 new applications filed in 2007, were followed by 29,891 applications during 2008 and 26,458 during 2009 – perhaps understandably so in light of the 2008 crash and global recession. Applications during 2010 spiked sharply and saw strong year-on-year growth until 2014, when a decrease from 36,101 new applications to 35,542 applications were seen.²

The online renewal of registered trademarks became possible during February 2018. Before this, the registry two years earlier implemented a system whereby new trademark applications could be filed online (through a so-called process of e-filing). Official Registry data has shown that for the 2017 calendar year approximately 96% - 98% of all new applications were filed online.

Another interesting (yet less positive) trend has seen the all-time high in the issuance of registration certificates of 64,552 during 2010,

which decreased sharply to 10,802 in 2016. However, 2017 again saw a solid increase in the issuance of registration certificates to 19,256. The registry did, however, publish a formal notice during 2016 on its website that explained the delays which were being experienced by the office in obtaining official files and attending to matters. These included gaining access to archived files. All signs are that the logistical issues have been resolved and that the issuance of outstanding certificates of registration will be expedited during the year ahead.

Enforcement

There are multiple avenues of possible enforcement available to trademark proprietors in South Africa. The best approach will naturally depend on the specific facts and nuances of each individual matter. Traditional trademark enforcement³ (such as a claim of trademark infringement) are dealt with before the High Courts. These matters include not only enquiries into the confusingly similar nature of an alleged infringing mark to that of a registered mark and whether the offending parties' goods/services are the same as or similar to the goods/services in respect of which the protected mark is registered, but also express and separate provision for the protection of well-known marks and anti-dilution provisions (protecting marks which are both registered and well-known from being "blurred" and/or tarnished). South Africa does not have specialised IP courts, but with an increasing number of trademark cases, the High Courts and Supreme Court of Appeal often issue new judgments. These relate to trademark issues across the board from infringements to cancellations of registered marks in appropriate circumstances. In South Africa, it has become practice for trademark opposition matters before the Registrar of Trade Marks to be referred to the North Gauteng High Court in Pretoria for hearing.

Active measures are also available against counterfeit goods⁴ in terms of which both border control and in-market enforcement are possible. Border measures are available whereby the registered proprietor of a trademark can lodge a so-called Section 15 Application with Customs, which can be relied on to detain suspected counterfeit goods and prevent the entry of counterfeit goods into the South African market. On the other hand, trademark proprietors can and do in appropriate circumstances apply for and obtain search and seizure warrants in terms of which representatives of the trademark proprietor in collaboration with the relevant authorities, raid specified premises and in so doing remove counterfeit goods from the trade.

Other measures include the possibility of lodging company name objections with the Companies Tribunal.⁵ In South Africa, the company and trademark registers are separate and independent registers and it often happens that a new company is incorporated under a name in which another party may already own trademark rights. In circumstances where the new company may be dormant (and therefore not yet "in use", which is a requirement for a claim of trademark infringement) a suitable complaint may be filed with the Companies Tribunal claiming the company name to be objectionable as it may be confusingly similar to a third party's protected trademark.

Trademark proprietors can also lodge formal complaints against co.za domain names⁶ which can be shown to be either abusive or offensive registrations. Domain names which consist of or incorporate third party trademarks are often held to constitute abusive registrations, in which cases the adjudicator(s) either order the deregistration of the domain name, alternatively the transfer thereof to the complainant.

The Advertising Standards Authority of South Africa (ASA) provide a further option to trademark proprietors in respect of their enforcement "war-chest". The ASA's Code of Advertising Practice provides for, among other grounds, the exploitation of a party's advertising goodwill and imitation⁷ as grounds on which an advertiser's conduct can be challenged. This option is often used successfully by trademark proprietors.

Developments

South Africa is, and has been for some time, in line to join and implement the Madrid System. Proposed amendments to the South African Trade Marks Act have been made, which will provide for the enactment of South Africa's obligations in terms of the Madrid System in its national law. It is anticipated that the proposed amendments to the Trade Marks Act and Regulations are only likely to be made public around January 2019, when written submissions from the public can then be made in respect thereof. It is only after public comments have been considered and dealt with (as may be necessary) that a final version of the Amendment Bill will be tabled to Parliament in the process of working towards the promulgation.

Recently also, the Companies and Intellectual Property Commission (of which the Trade Marks Office forms part) has indicated that it would go through the process of accession to the Madrid Protocol approved by Parliament. With the country's general elections being scheduled for 2019, it is questionable whether government is likely

to afford the country's accession to Madrid any priority. Expectations are that the Madrid System will at the earliest be implemented during 2020.

Summary

The trademark system in South Africa works well. Registrations which are secured are enforceable. Trademark proprietors will be well advised to stay abreast of developments and be proactive in their trademark portfolio management. Action items include to remain mindful of South Africa's intention to join the Madrid System and consider it for international registrations when this becomes possible. Proprietors should also, as far as possible, attempt to ensure that their details on the trademarks register (such as name and address) remain up to date and to consider its options in respect of registrations which may become vulnerable to cancellation on the basis of non-use. With regards to the latter, the prescribed non-use period is five years after the issuance of the mark's certificate of registration.

Footnotes

1. African Regional Intellectual Property Organization (ARIPO) and Organisation Africaine de la Propriété Intellectuelle / African Intellectual Property Organization (OAPI).
2. Official numbers courtesy of the Head of Trade Marks Division at the Companies Intellectual Property Commission, Department of Trade and Industry.
3. In terms of the Trade Marks Act, 194 of 1993.
4. See Counterfeit Goods Act, 37 of 1997.
5. In terms of the Companies Act, 71 of 2008.
6. Alternative Dispute Resolution Regulations (Notice No 1166) under the Electronic Communications and Transactions Act, 25 of 2002.
7. Clauses 8 and 9 of Section II of the Advertising Code of Practice.

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