

# WORLD TRADE ORGANIZATION

RESTRICTED

**IP/Q2/ZAF/1**

12 May 1997

(97-1982)

---

**Council for Trade-Related Aspects  
of Intellectual Property Rights**

Original: English

## REVIEW OF LEGISLATION ON TRADEMARKS, GEOGRAPHICAL INDICATIONS AND INDUSTRIAL DESIGNS

### South Africa

The present document reproduces the introductory statement made by the delegation of South Africa, the questions put to it and the responses given in the review of legislation on trademarks, geographical indications and industrial designs in the context of the meeting of the Council of 11 to 15 November 1996.<sup>1,2</sup>

---

## **I. INTRODUCTION**

### Trademarks

The law of trademarks in South Africa is governed by the Trade Marks Act No. 194 of 1993 ("the Trade Marks Act") which came into force on 1 May 1995. Administrative matters related to the operation of the Act are contained in the Trade Mark Regulations of 1995.<sup>3</sup>

Some South African legislative history is relevant to certain questions posed. The Trade Marks Act repealed the Trade Marks Act No. 62 of 1963 (as amended) which was, itself, broadly based on the British Trade Marks Act of 1938. In turn, the Trade Marks Act 1963 repealed The Patents, Designs, Trade Marks and Copyright Act No. 9 of 1916. The trademark provisions of the 1916 Act were, in turn, based upon those of the British Trade Marks Act of 1905.

South Africa's legislative response to international developments in the trademark field was primarily prompted by the provisions of the European Directive Relating to the Harmonization of Trade Mark Law, by one of its manifestations, namely, the first draft of the United Kingdom's Trade Marks Act and, by the provisions of the TRIPS Agreement. As a matter of policy, where provisions of the 1916 or 1963 Trade Marks Acts had functioned effectively in and for South Africa which were not in conflict with the TRIPS Agreement, such provisions were retained in the Trade Marks Act of 1993. South Africa's historic legislative thread was, therefore, left unbroken where possible.

There is at present further amending legislation pending before Parliament, namely the General Intellectual Property Law Amendment Bill 1996. The Bill is expected to come into force before the

---

<sup>1</sup>The minutes of this meeting are contained in document IP/C/M/11.

<sup>2</sup>The follow-up questions to EC questions 3 and 6 were posed after the review meeting.

<sup>3</sup>These laws are contained in document IP/N/1/ZAF/T/1 and 2.

end of 1996 and is intended to amend the Trade Marks Act to bring it completely in line with the trademark provisions of the TRIPS Agreement.

South Africa acceded to the Paris Convention on 1 December 1947. The Trade Marks Act is generally in line with the substantive provisions of the Paris Convention. The General Intellectual Property Law Amendment Bill 1996 is also aimed at addressing any shortfalls in this regard.

#### Geographical indications

There is no specific legislation in South Africa dealing with the protection of geographical indications. Despite this, and in general terms, South African common law and the provisions of certain statutes offer a considerable degree of protection to geographical indications compatible with the provisions of Articles 22 and 23 of the TRIPS Agreement.

Statutory provisions include the following:

#### Section 10(2)(b) of the Trade Marks Act of 1993:

10. The following marks shall not be registered as trademarks or, if registered, shall, subject to the provisions of Sections 3 and 70, be liable to be removed from the register:
  - (2) a mark which -
    - (b) consists exclusively of a sign or an indication which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or other characteristics of the goods or services, or the mode or time of production of the goods or of rendering the services;

#### Section 10(12) of the Trade Marks Act of 1993:

10. The following marks shall not be registered as trademarks or, if registered, shall, subject to the provisions of Sections 3 and 70, be liable to be removed from the register:
  - (12) a mark which is inherently deceptive or the use of which would be likely to deceive or cause confusion, be contrary to law, be *contra bonos mores*, or be likely to give offence to any class of persons;

#### Section 34(2)(b) of the Trade Marks Act of 1993:

34. (2) A registered trademark is not infringed by:
  - (b) the use by any person of any *bona fide* description or indication of the kind, quality, quantity, intended purpose, value, geographical origin or other characteristics of his goods or services, or the mode or time of production of the goods or the rendering of services;

#### Section 43(1) and (2) of the Trade Marks Act of 1993:

43. (1) A mark capable of distinguishing, in the course of trade, goods or services of persons who are members of any association from goods or services of persons who are not members thereof, shall, on application in the manner

prescribed and subject to the provisions of this section, be registrable as a collective trademark in respect of such first-mention goods or services in the name of such association as the proprietor thereof.

- (2) Geographical names or other indications of geographical origin may be registered as collective trademarks.

Section 1 (read with Sections 6 and 7) of the Merchandise Marks Act of 1941:<sup>4</sup>

1. Definitions

In this Act, unless the context indicates otherwise:

"false trade description" means any trade description, whether or not it consists of or includes a trademark or part of a trademark, which is false in a material respect as regards the goods to which it is applied, and includes every alteration of a trade description, whether by way of addition, effacement or otherwise, if that alteration makes the description false in a material respect;

"trade description" means any description, statement or other indication, direct or indirect, as to the number, quantity, measure, gauge or weight of any goods, or as to the name of the manufacturer or producer or as to the place of country in which any goods were made or produced, or as to the mode of manufacturing or producing any goods, or as to the material of which any goods consist, or as to any goods being the subject of an existing patent, privilege, or copyright, and includes any figure, word or mark which, according to the custom of the trade, is commonly taken to be an indication of any of the aforementioned matters;

...

6. Forging or falsely applying trademark and applying trademark description

Any person who:

- (a) forges any trademark; or
- (b) falsely applies to goods any trademark; or
- (c) ...
- (c)*bis* ...
- (c)*ter* ...
- (d) ...

---

<sup>4</sup>Sections 6 and 7 of this Law are contained in document IP/N/1/ZAF/G/1; the Law as a whole has been notified as an "other law" in the area of trademarks (see document IP/N/1/ZAF/1, p.7).

(e) applies any false trade description of goods,

shall be guilty of an offence, unless, ...

7. Sale of goods bearing forged trademarks and false trade descriptions

Any person who sells any goods to which any forged trademark or false trade description is applied, or to which any trademark is falsely applied, shall be guilty of an offence, unless, ...

Section 9 of the Trade Practices Act of 1976:

9. Prohibition of certain advertisements, statements, communications, descriptions and indications

No person shall:

- (a) publish or display any advertisement which is false or misleading in material respects or cause such advertisement to be published or displayed; or
- (b) in connection with the sale or lending of goods, directly or indirectly make any statement or communication or give any description or indication which is false or misleading in material respects in respect of the nature, properties, advantages or uses of such goods or in respect of the manner in, conditions on or prices at which such goods may be purchased, leased or otherwise acquired; or
- (c) in connection with the rendering or provision of any services, directly or indirectly make any statement or communication or give any description or indication which is false or misleading in material respects in respect of the nature, properties, advantages or uses of such services or in respect of the manner in, conditions on or prices at which such service is rendered or provided.

Section 12(1) of the Liquor Products Act No. 60 of 1989:<sup>5</sup>

12. Prohibitions of false or misleading descriptions for liquor products

- (1) No person shall use any name, word, expression, reference, particulars or indication in any manner, either by itself or in coherence with any other verbal, written, printed, illustrated or visual material, in connection with the sale of a liquor product in a manner that conveys or creates or is likely to convey or create a false or misleading impression as to the nature, substance, quality, composition or other properties, or the class, cultivar, origin, age, identity, or manner or place of production, of the liquor product.

---

<sup>5</sup>Section 12 of this Law is contained in document IP/N/1/ZAF/G/1; the Law as a whole has been notified as an "other law" in the area of trademarks (see document IP/N/1/ZAF/1, p.7).

## Industrial designs

The law of industrial designs in South Africa is governed by the Designs Act No. 195 of 1993 ("the Designs Act") which came into force on 1 May 1995, and in the Design Regulations of 1995.<sup>6</sup>

Historically, South African design legislation has had a close relationship with British design law. The South African Patents, Designs, Trade Marks and Copyright Act No. 9 of 1916 was based, as far as designs were concerned, on the British Designs Act of 1907. The Designs Act No. 57 of 1967 which repealed the Patents, Designs, Trade Marks and Copyright Act of 1916 was, in turn, broadly based on the British Registered Designs Act of 1949. South African design law has now set its own course with the current Designs Act No. 195 of 1993.

The Designs Act 1993 repealed the previous Designs Act No. 57 of 1967. In drafting the Designs Act 1993, cognisance was taken of international developments in regard to the protection of industrial designs, in particular the design provisions as contained in the British Copyright, Designs and Patents Act 1988. Certain aspects of the South African legislation, namely to provide for in regard to the protection of functional designs, were prompted by recent developments in South Africa itself, where the effect of a legislative amendment of the Copyright Act was that copyright could no longer be relied upon to prevent the reproduction of three-dimensional articles of a utilitarian nature. Unlike the position in the UK, however, the Designs Act 1993 provides for registration rights in respect of functional designs. In drafting the Designs Act 1993, an attempt was also made to comply with the provisions of the draft TRIPS Agreement as it existed at that time. However, as a matter of policy, where provisions of the 1967 Act were not in conflict with the TRIPS Agreement, such provisions were retained in the Designs Act of 1993.

There is at present further amending legislation pending before Parliament, namely the Intellectual Property Laws Amendment Bill 1996. The Bill is expected to come into force before the end of 1996 and is intended to amend, *inter alia*, the Designs Act 1993 to bring it completely in line with the relevant provisions of the TRIPS Agreement.

South Africa acceded to the Paris Convention on 1 December 1947. The Designs Act 1993, is generally in line with the substantive provisions of the Paris Convention.

## **II. REPLY TO THE GENERAL QUESTION CONCERNING PRIORITY RIGHTS<sup>7</sup>**

*Does your country recognize a right of priority on the basis of an earlier trademark application filed in any other WTO Member by a national of a WTO Member?*

South Africa does recognize a right of priority on the basis of an earlier trademark application filed in a party to the Paris Convention. In terms of Section 63(1) of the Trade Marks Act 1993, the State President declares countries to be "convention countries" by notice in the Government Gazette. The last notice was published in the Government Gazette of 1 November 1996 (Notice 1559 of 1996). Due to an oversight, the list was not updated to include WTO Members not parties to the Paris Convention. This will be rectified as soon as possible.

---

<sup>6</sup>These laws are contained in documents IP/N/1/ZAF/D/1 and 2.

<sup>7</sup>At the meeting of the TRIPS Council of 11-15 November 1996, Members agreed to respond to this question in the context of the present review (document IP/C/M/11, paragraph 43).

### III. REPLIES TO QUESTIONS POSED BY THE EUROPEAN COMMUNITIES AND THEIR MEMBER STATES

1. *With reference to Article 16.1 of the TRIPS Agreement, could the South African Government confirm whether under its trademark laws the likelihood of confusion is presumed in the case of use of an identical sign for identical goods or services?*

The use of an identical sign for identical goods or services is, by definition (Section 34(1)(a) of the Trade Marks Act), itself an act of infringement. This Section does not require, in the case of an identical trademark, that the use of such mark would result in the likelihood of confusion. There is, therefore, no need for the inclusion of a presumption such as that contained in Article 16.1 of the TRIPS Agreement.

2. *In determining whether a trademark is well known, does South Africa take account of the knowledge of the trademark in the relevant sector of the public (Article 16.2 of the TRIPS Agreement)?*

Section 35 of the Trade Marks Act dealing with protection of well-known marks under the Paris Convention does not specifically refer to taking account of the knowledge of a trademark in the relevant sector of the public as provided by Article 16.2 of the TRIPS Agreement.

However, the Appellate Division of the Supreme Court of South Africa recently held in the *McDonald's* case (*McDonald's Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd and Dax Prop CC 1997 (1) SA 1 (A)*) that a mark will be considered well known in South Africa if it is known to a substantial number of persons interested in the goods or services in question. The Appellate Division of the Supreme Court has therefore interpreted Section 35 in a manner compatible with Article 16.2 of the TRIPS Agreement. This is now binding on all South African Courts.

Section 35 will, however, be amended by the General Intellectual Property Law Amendment Bill 1996 (see the Introduction above) to include this provision specifically.

3. *Until now, South Africa has not taken any step to implement in its legislation the provisions of Section 3 of Part II ("Geographical Indications") of the TRIPS Agreement. How and when does South Africa intend to afford this protection?*

Reference is made to the Introduction above indicating the extent to which South African law already protects geographical indications. Further legislative amendment will be undertaken in 1997.

[Follow-up question from the EC]

*According to the answer of South Africa to question 3, further legislative amendments concerning geographical indications will be undertaken in 1997. Could South Africa provide information about what such amendments would contain?*

The amendments will ensure that South Africa complies with its obligations under Articles 22 and 23 of the TRIPS Agreement.

4. *Is there any provision in the South African legislation which provides for a definition of geographical indications in line with the definition in Article 22.1 of the TRIPS Agreement?*

There is no specific provision in South African legislation providing a definition of geographical indications in line with the definition in Article 22.1 of the TRIPS Agreement. However, the scope of protection of existing South African law (common and statute), referred to in the Introduction, is

considered to be wide enough to include geographical indications as defined in Article 22.1 of the TRIPS Agreement.

5. *Can a geographical indication be relied upon to oppose an application for registration or invalidate a registered trademark which contains or consists of a geographical indication (Article 22.3 of the TRIPS Agreement)?*

A geographical indication can be relied on to oppose an application for registration, or invalidate a registered trademark in the circumstances referred to in Sections 10(2)(b) and 10(12) of the Trade Marks Act referred to in the Introduction. Such geographical indications would either be incapable of distinguishing the relevant goods or services or be inherently deceptive or likely, in use, to cause deception or confusion.

6. *Does South Africa afford protection of a geographical indication where there is a reputation in South Africa but in the absence of any goodwill in South Africa (Article 22 of the TRIPS Agreement)?*

The common law and statutory provisions referred to in the Introduction protecting geographical indications, do not require the existence of any goodwill in the geographical indication in South Africa.

[Follow-up question from the EC]

*In its answer to question 6, South Africa stated that the common law and statutory provisions protecting geographical indications do not require the existence of any goodwill in South Africa. However, a case before a South African court in the field of trademarks has demonstrated that a foreign right holder cannot enforce her/his right to a trademark in the absence of goodwill in South Africa. Could South Africa explain on what basis its national courts can take such decisions?*

The existence of an actual goodwill in a trademark in South Africa is no longer a prerequisite for a foreign trademark owner to enforce his or her rights in this country by virtue of the provisions of Section 35 of the Trade Marks Act of 1993 (see for example the recent judgement of the South African Supreme Court of Appeal in the McDonald's case (*McDonald's Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd and Dax Prop CC 1997 (1) SA 1 (A)*)). The requirement in Section 35 for a mark to be "well-known" was interpreted by the Court to mean that the mark must be known (that is, have a repute) to a substantial number of persons in South Africa interested or involved in the relevant field.

If a geographical indication (foreign or local) enjoys a reputation in South Africa, its use in an unauthorized manner will amount to a statement or indication which is false or misleading as a matter of fact. This is prohibited by, *inter alia*, Section 1 (read with Sections 6 and 7) of the Merchandise Marks Act of 1941 and by Section 9 of the Trade Practices Act of 1976 (see the Introduction above).

7. *With reference to Article 23.1 of the TRIPS Agreement, does South Africa afford protection to a misused geographical indication identifying a wine or spirit from any other WTO Member, where:*

- *the true origin of the goods is indicated;*
- *the geographical indication is used in translation;*
- *the geographical indication is used accompanied by expressions such as "kind", "type", "style", "imitation" or the like?*

If the true origin of the goods is indicated in conjunction with a misused geographical indication, South African law will protect against such misuse if the statement of true origin does not dispel or negate the misleading or confusing effect of the misused geographical indication. The statement of

true origin will not necessarily, but may, negate the unlawfulness of such conduct. This will depend on the facts.

In cases of the misuse of a geographical indication in translation, similar considerations apply.

Similar considerations also apply to the misuse of a geographical indication accompanied by expressions such as "kind", "type", "style", "imitation" or the like. The essential question would be whether, despite use of such words, a likelihood of confusion or misleading remains as a matter of fact.

8. *Does the South African legislation provide for the refusal or the cancellation of a trademark for a wine or a spirit which contains or consists of a geographical indication identifying, respectively, wines or spirits (Article 23.2 of the TRIPS Agreement)?*

Trademarks consisting solely of geographical indications identifying wines or spirits would not be registrable, or would be capable of removal in the circumstances of Section 10(2)(b) and/or Section 10(12) of the Trade Marks Act (see the Introduction above).

Trademarks containing geographical indications and other matter, identifying wines or spirits, might also be refused under Section 10(2)(b) (where the trademark consists of a geographical indication accompanied by other non-distinctive matter) or Section 10(12), if such mark is inherently deceptive or would, in use, be likely to deceive or cause confusion, be contrary to law, be *contra bonos mores*, or be likely to give offence to any class of persons.

9. *Does the South African Design Act 195 of 1993 give the owner of a protected industrial design the right to prevent third parties not having his consent from making, selling or importing articles bearing or embodying a design which is a copy, or substantially a copy, of the protected design, when such acts are undertaken for commercial purposes, in terms of Article 26.1 of the TRIPS Agreement, irrespective of the nature of the articles which bear or embody the design?*

Section 20(1) of the Designs Act is fully compatible with Article 26.1 of the TRIPS Agreement. It confers on the registered proprietor the right to exclude third persons from making, importing, using or disposing of any article included in the class in which the design is registered and embodying the registered design or a design not substantially different from the registered design. This right is restricted to the articles in the class in which the design is registered. However, in terms of the Intellectual Property Laws Amendment Bill 1996, the proprietor may extend his application or registration to cover additional classes provided the design has not previously been made available to the public in respect of articles in the additional class or classes to which the application or registration is to extend.

The exclusive right granted to the proprietor of the design registration is not limited to such acts undertaken for commercial purposes; infringing acts can be prohibited regardless of the motive with which or circumstances within which the prohibited acts are carried out. In other words, the of whether such acts are undertaken for commercial purposes.

#### **IV. REPLIES TO QUESTIONS POSED BY THE UNITED STATES**

1. *Article 14 of the South African Trademarks Act appears to provide a significant degree of discretion to the Registrar to register a mark that would otherwise fail to meet the requirements for registration. In particular, the provision notes that the Registrar has this authority in "special circumstances" and can impose "such conditions and limitations, if any, he may think fit to impose" on the terms of the registration. Please explain how this authority is exercised, providing examples*



*if possible. Also, please explain how this provision can be viewed as being consistent with TRIPS Article 16.1, which specifies that the trademark owner shall have the exclusive right to use the mark vis-à-vis third parties.*

Section 14 of the Trade Marks Act does not give a general discretion to allow marks onto the register which would, in any situation, fail to meet the requirements of registration. It only applies in cases where a trademark sought to be registered is in conflict with prior trademark rights as set out in paragraphs (6), (14), (15) or (17) of Section 10 of the Act.

The provision relating to "special circumstances" has its origins in the South African Trade Marks Act of 1963, the British Trade Marks Act of 1938, the South African Patents, Designs, Trade Marks and Copyright Act of 1916 and the British Trade Marks Act of 1905 (see the Introduction above).

This authority has been invoked or applied very rarely. *Ex Parte De Wet Bros. (Pty) Limited 1940 CPD* is the only reported South African case in point. In the case where the registered trademark had not been used, it was held that it would be true to say that the user of the mark sought to be registered would not be a "concurrent user". Such user would, in such circumstances, be a "special circumstance" and would fall within the ambit of the sub-section.

The provisions of Section 14, in this regard, are viewed as falling within the exception contained in Article 17 of the TRIPS Agreement.

2. *Article 36(2) of the South African Trademarks Act appears to preclude the owner of a well-known mark to enforce his rights against third parties who can establish use of the same mark prior to 31 August 1991. Please explain how this provision is consistent with the obligations of TRIPS Article 2, to the extent it incorporates Article 6bis of the Paris Convention, and of TRIPS Articles 16.2 and 16.3.*

Section 36(2) of the Trademarks Act precludes the owner of a well-known trademark from enforcing his rights against third parties who can establish *bona fide* (not any) use of the trademark from a date anterior to 31 August 1991.

The main reason for the inclusion of this provision is the general necessity in terms of South African common law, of saving vested rights and not legislating retroactively. Furthermore, South Africa only acceded to the TRIPS Agreement after 1991 and the provisions of that Agreement are not retroactive in effect.

31 August 1991 was the date on which notice was first given to the South African public of the intended inclusion in a new Trade Marks Act of such provisions by publication in the Government Gazette.

In terms of Article 17 of the TRIPS Agreement, Members may provide limited exceptions to the rights conferred by a trademark provided that such exceptions take account of the legitimate interests of the owner of the trademark and of third parties. The provisions of Section 36(2) are considered to take account of and balance such interests.

3. *Article 27 of the South African Trademarks Act permits cancellation of a trademark registration if the mark is not used. Pursuant to section 4 of that Article, the owner of a registered trademark may prevent cancellation of the registration where the non-use is "due to special circumstances in the trade and not to any intention not to use or to abandon the mark". Please explain:*

- *how this provision complies with TRIPS Article 19.1; and*

- *the types of circumstances that would be sufficient to satisfy this provision, including, where relevant, results of administrative or judicial decisions addressing this issue.*

In terms of Article 19.1 of the TRIPS Agreement, circumstances arising independently of the will of the owner of the trademark which constitute an obstacle to the use of the trademark, such as import restrictions on or other Government requirements for goods or services protected by the trademark, shall be recognized as valid reasons for non-use. It is considered that such circumstances would constitute "special circumstances" in terms of Section 27(4) of the Trade Marks Act.

There are no administrative decisions addressing this issue.

The Supreme Court of South Africa has not yet had the opportunity of interpreting or applying this provision in the context of the circumstances set out in Article 19.1 of the TRIPS Agreement.

4. *Please explain whether the South African trademark law establishes a presumption of likelihood of confusion in the determination of confusing similarity in cases where identical marks are used on identical goods, as required by TRIPS Article 16.1. If so, please identify and explain the legal basis for this presumption.*

See reply to EC question 1.

5. *Please explain how the obligations in TRIPS Articles 22 and 23 with respect to protection of geographical indications are implemented in the South African law.*

Reference is made to the Introduction above indicating the extent to which South African law already protects Geographical Indications. Further legislative amendment will be undertaken in 1997.

6. *Please describe the methods by which industrial designs are protected in South Africa, in particular:*

- (a) *the form or forms of intellectual property used to protect the design (e.g., patent, copyright, sui generis);*
  - (b) *the conditions that must be satisfied to obtain the grant of such protection (e.g., whether designs must be new or original and the parameters of these concepts), and a brief description of the registration or granting procedure;*
  - (c) *the nature of the rights granted and the term of protection provided;*
  - (d) *the nature of remedies available to the owner of each type of protection, including a description of the conditions that may be imposed (e.g., whether commercial use is required); and*
  - (e) *whether any exceptions to protection or rights exist for each type of intellectual property involved.*
- (a) Industrial designs can be protected in South Africa under the Designs Act, the Copyright Act No. 98 of 1978, the Patents Act No. 57 of 1978 and the Trade Marks Act No. 194 of 1993.<sup>8</sup>

---

<sup>8</sup>The Copyright Act is contained in document IP/N/1/ZAF/C/1; the Patents Act in document IP/N/1/ZAF/P/1; in respect of the other two laws, reference is made to the Introduction above.

South Africa has a dedicated statute to protect industrial designs, namely the Designs Act No. 195 of 1993. A design registration affords protection specifically directed at the shape and appearance of an industrially manufactured article as depicted in the representations as filed. Traditionally this protection does not extend to the underlying principle of the article or its functional purpose, in the sense that a competing article which has a different shape and appearance would not constitute an infringement, even though it fulfils the identical functional purpose. Accordingly, where the shape or configuration or appearance of an article determines its selection for a particular application, design protection under the Designs Act would be ideally suited to secure the exclusive rights to such an article.

The Designs Act 1993, unlike the previous Designs Act No. 57 of 1967, makes provision for two types of designs to be registered, namely aesthetic designs (to be registered in Part A of the register) and functional designs (to be registered in Part F of the register). An aesthetic design as defined as any design applied to any article, whether for the pattern or the shape or the configuration or the ornamentation thereof, or for any two or more of those purposes, and by whatever means it is applied, having features which appeal to and are judged solely by the eye, irrespective of the aesthetic quality thereof.

In the case of an aesthetic design registration, no feature of the article insofar as it is necessitated solely by the function which the article is intended to perform, nor any method or principle of construction, shall afford the registered proprietor any rights in terms of the Designs Act in respect of such feature, method or principle (Section 14(5) of the Designs Act).

A functional design is defined as any design applied to any article, whether for the pattern or the shape or the configuration thereof, or for any two or more of those purposes, and by whatever means it is applied, having features which are necessitated by the function which the article is to perform, and includes an integrated circuit topography, a mask work and a series of mask works.

A functional design is thus intended to afford protection for features which are necessitated by the function which the article is intended to perform. It should be noted that a method or principle of construction is not excluded from protection in the case of a functional design registration. The Act also does not expressly require that the features of a functional design have to appeal to or are to be judged solely by the eye. It seems, therefore, that a functional design registration may afford protection that goes beyond the protection traditionally afforded to an aesthetic design.

The Act provides for an exclusion from protection as a functional design: in the case of an article which is in the nature of a spare part for a machine, vehicle or equipment, no feature of pattern, shape or configuration of such article shall afford the registered proprietor of a functional design any rights in terms of the Designs Act in respect of such features (Section 14(6) of the Designs Act).

It is possible, furthermore, that the shape or format or appearance of an article may also be protected by way of copyright or patents, or as a trademark, where the relevant requirements are met. There is no provision in either the Copyright Act 1978 or the Designs Act 1993 or in the Patents Act 1978 or the Trade Marks Act 1993, to prevent an overlap of rights obtained under the different Acts, apart from an exclusion in the Patents Act (Section 25(2)) in regard to literary and artistic works as such.

The Copyright Act confers full copyright protection on an original artistic work. This would include drawings or prototypes from which a design is derived (definition of "artistic work", "drawings" and "works of craftsmanship"). Protection is provided against the

reproduction of the work either directly or indirectly or the adaptation of the work in two or three-dimensional form. No protection is provided against the reverse engineering of authorized three-dimensional reproductions of the original underlying copyright work provided those reproductions are industrially manufactured articles whose purpose is primarily utilitarian (Section 15(3A) of the Copyright Act).

The Trade Marks Act permits the registration of shape, configuration, pattern and ornamentation as trademarks (definition of "marks" and Section 10(5) of the Trade Marks Act). Provided an industrial design fulfils a trademark function (i.e. it is capable of identifying a product and distinguishing it from similar competing products), it may be registrable as a trademark.

The Patents Act provides for the protection of any invention which is new, not obvious, and applicable in trade or industry or agriculture. Where the shape or configuration or format of an article involves a novel and inventive feature, or a novel and inventive manufacturing process, and otherwise complies with the requirements of the Patents Act, it may be susceptible to patent protection.

Limited protection is also available under common law on principles similar to those enunciated in *International News Service v The Associated Press* (1918) 248 US 215.

- (b) The Designs Act fully complies with Article 25.1 of the TRIPS Agreement. In fact it goes further and extends protection to functional designs.

To qualify for registration under the Designs Act, an aesthetic design must be new and original, and a functional design new and not commonplace in the art in question (Section 14(1)(a) and (b)). In the case of an article in the nature of a spare part for a machine, vehicle or equipment, no functional design protection is available. The Designs Act provides for absolute novelty to be assessed with reference to the "state of the art".

A design shall be deemed to be new if it is different from or if it does not form part of the state of the art immediately before the effective date of the design application. Although the term "effective date" is not used in the Designs Act, the effective date at which the novelty of the design is to be determined, shall be the date of filing (in the case of a non-convention application in South Africa) or the priority date (in the case of a convention application in South Africa), or the so-called release date of the design, whichever is the earlier. The release date is defined to mean the date on which the design was first made available to the public (whether in the Republic of South Africa or elsewhere) with the consent of the proprietor or his predecessor in title. In the case where a release date is applicable, i.e. because the design was made public prior to the filing of the design application, the design shall not be deemed to be new unless an application for the registration of such design is lodged in South Africa within six months of the release date.

The state of the art shall comprise:

- (i) all matter which has been made available to the public (whether in the Republic of South Africa or elsewhere) by written description, by use or in any other way; and
- (ii) all matter contained in an application for the registration of a design in the Republic, or in an application in a convention country which has subsequently been registered in the Republic as a convention application.

As regards the concepts "original" (used in regard to an aesthetic design) and "not commonplace in the art in question" (used in regard to a functional design), these concepts

have not been defined in the Designs Act, and will have to be given legal content by judicial interpretation in our Courts of Law. The South African Courts have not yet had the opportunity of interpreting the terms "original" and "not commonplace in the art in question" in the context of Section 14 of the Designs Act. No doubt they will take cognisance of interpretation attached to these terms in comparable foreign jurisdictions.

The Designs Act makes provision for a deposit system of design registration. Application for the registration of a design is made in the manner prescribed by the regulations. A separate application must be filed for each class of goods for which registration is sought.

It should be noted that goods are divided into different classes (according to the Locarno Classification), and the monopoly right afforded by a design registration is restricted to application of the design to articles which fall within the class in which the design has been registered. Accordingly, if design protection is required in respect of articles falling within different classes, separate design applications have to be filed in the relevant classes.

In the case of a convention application, a certified copy of the basic application in the convention country is to be supplied, in support of the claim to convention priority.

Upon filing, the Registrar of Designs examines the application in regard to formal requirements, and if the formal requirements are met, a notification of registration is issued. The applicant is then required to publish the prescribed particulars regarding the design application in the South African Patent Journal, whereupon the registration certificate is issued by the Registrar of Designs.

No opposition procedure in respect of design applications is available. However, any person may apply to the Supreme Court for the revocation of a design registration.

The Copyright Act confers protection on any original artistic work. Registration is not a requirement.

- (c) Article 26 of the TRIPS Agreement is complied with. The registration of a design (both aesthetic and functional) confers on the registered proprietor the exclusive right to make, import, use or dispose of any article included in the class in which the design is registered embodying the design or a design not substantially different from the registered design (Section 20(1)). The disposing of an article embodying a registered design shall give the purchaser the right to use or dispose of that article. The South African Courts have not yet had the opportunity of interpreting the term "dispose of" in the context of Section 20(1). In its ordinary grammatical meaning the term "dispose of" is wider than "selling" and would probably include letting, distributing, donating and selling.

The term of protection of an aesthetic design is 15 years and a functional design 10 years subject to the payment of renewal fees every five years (Section 22).

Copyright confers protection against the reproduction of an original artistic work either directly or indirectly or the adaptation of such work in two or three-dimensional form. The term of copyright in artistic work is 50 years after the year in which the author dies.

- (d) In terms of the Designs Act, the remedies available to the proprietor whose registered design has been infringed are the same as those available for all other infringements of intellectual property rights. These are:
  - (i) interdict (injunction);

- (ii) surrender of infringement product or any article or product of which the infringing product form an inseparable part;
- (iii) damages;
- (iv) in lieu of damages, an amount calculated on the basis of a reasonable royalty which would have been payable by the licensee or sub-licensee in respect of the registered design concerned.

In the case of copyright protection, provision is also made for the recovery of additional damages.

- (e) Limited exceptions as envisaged by Article 26.2 have been provided. The spare parts exception mentioned above applies in respect of functional designs only. Furthermore, compulsory licenses are available in the case of an abuse of rights by the proprietor. Design rights are deemed to be abused if the articles to which the design has been applied are not available to an adequate extent or on a commercial scale in South Africa, or excessive prices are charged for protected articles.

In regard to copyright protection, reference has already been made to the reverse engineering exception.

7. *Please explain how textile designs are protected under your law.*

The Designs Act fully complies with the provisions of Article 25.2 of the TRIPS Agreement. Textile designs are registrable as aesthetic designs under the Designs Act, specifically within class 5 of the Classification of Goods as set out in Schedule No.3 of the Regulations. They are also protected and enjoy full copyright protection (even against reverse engineering) as original artistic works under the Copyright Act (see *Da Gama Textile Co. Ltd v Vision Creations CC 1995 (1) SA 398 (D)*).

Application for a design must be made within six months of the date on which the design was first made available to the public (whether in South Africa or elsewhere) with the consent of the proprietor. In accordance with the Paris Convention, the Designs Act provides for a right of priority for six months from the date of filing a first application for a design or similar right in a convention country. The official fees for registering a design according to the Schedule of Fees (Schedule No. 1 of the Regulations) and excluding agent's fees, is R100 per application. Additional fees may be payable in certain circumstances, *e.g.* belated claim to convention priority. Examination and publication of a design registration have been dealt with above.

Copyright protection requires no registration and there are no costs involved.

8. *Section 12 of the Liquor Products Act prohibits false or misleading descriptions for wines and spirits, including false descriptions of origin. This provision, however, does not extend to use of such expressions as "kind" or "type". Please explain how this provision is consistent with TRIPS Article 23.1*

South African common law might well in certain circumstances where deception or misrepresentation is factually present through the use of expressions such as "kind" or "type" afford a remedy. However, situations are envisaged where neither the Liquor Products Act nor the common law would prohibit such use. Amending legislation to specifically address Article 23.1 of TRIPS might be necessary.

9. *Section 27(1)(a) of the Trade Marks Act of 1993 allows the removal of a mark from the register at any time in the case of absence of an intent to use the mark. There is no time limit imposed with*

*respect to this provision. Please explain how this provision is consistent with TRIPS Article 19.1, which provides that if use is required to maintain registration of a trademark, the registration may only be cancelled after an uninterrupted period of non-use of at least three years.*

Section 27(1)(a) is primarily aimed at a situation existing at the time of an application for registration of a trademark. An applicant for registration of a trademark is required, in terms of the Trade Marks Act, to have the intention of using it at the time of making application. In the absence of such an intention to use the mark, Section 27(1)(a) of the Trade Marks Act allows the removal thereof at any time, but only in such a circumstance.

Section 27(1)(a) is not viewed as being inconsistent with Article 19.1 of the TRIPS Agreement as the latter does not address or intend to deal with requirements for a valid trademark application. It relates to the requirement of use to maintain a registration. That situation is addressed by Section 27(1)(b) of the Trade Marks Act.

## **V. REPLIES TO QUESTIONS POSED BY JAPAN**

1. *Since it is not clearly stipulated in the Designs Act that textile designs are protected in conformity with the TRIPS Agreement, please explain under which provision of the Act or other copyright related law these designs are protected. Moreover, to make sure that the opportunity to seek and obtain protection for textile designs is not impaired unreasonably, please explain your system or practice particularly with regard to cost, examination or publication (cf. Article 25.2 of the TRIPS Agreement).*

See reply to US question 7.

2. *The word "selling" is not included in the scope of the exclusive right provided for in Article 20 of the Designs Act. If the phrase "disposing of" corresponds to the word "selling", please elaborate on the difference between the two.*

See reply to US question 6(c).