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Contents

WORLD INTELLECTUAL PROPERTY ORGANIZATION

- **Convention Establishing WIPO**
Ratification. Kenya 203
- **Publication**
Teaching of the Law of Intellectual Property Throughout the World 203

INTERNATIONAL UNIONS

- **Paris Convention**
Ratification of the Stockholm Act. Kenya 203

WIPO / BIRPI MEETINGS

- **ICIREPAT**
Technical Coordination Committee. Sixth Session 204

LEGISLATION

- **Austria. Design Protection Law, 1970** 205

GENERAL STUDIES

- **Transitional Provisions of the Benelux Trademark Law**
(L. J. M. van Bauwel) 209
- **Protection of Acquired Rights of Foreigners under the Benelux Trade-**
mark Law (Antoine Braun) 210

LETTERS FROM CORRESPONDENTS

- **Letter from South Africa (G. C. Webster)** 214

- CALENDAR** 219

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package shall be laid down by an order to be issued by the Federal Minister of Commerce, Trade and Industry.

(3) The fees (Sections 6 and 8(1)) shall be paid to the Chamber of Industry. Sixty percent of these fees shall constitute income of the Chamber and forty percent shall be remitted to the Federal Administration (Austrian Patent Office).

9. — Until proved otherwise, the person in whose name a design has been registered (the depositor) shall be regarded as the true owner of the design.

10. — For a period of one year from the deposit, designs deposited under sealed cover shall be kept in that state. After the year, the seals shall be removed in the presence of two witnesses and a record shall be taken of this operation. From that time, such designs shall be open to inspection by everyone — as in the case of open designs from the moment of their deposit.

III. Right of Priority

11. — (1) The right of priority granted in Article 4 of the Paris Convention for the Protection of Industrial Property must be expressly claimed. The date of the deposit on which priority is based shall be indicated and the country in which deposit was made (declaration of priority), as well as the serial number of the deposit.

(2) The declaration of priority shall be made within two months after the deposit. Within that period, an amendment to the declaration of priority may be requested. The fee for such request shall be half the fee payable on deposit. The fee shall constitute income of the Chamber of Industry responsible for the decision. If the fee is not paid, the application for amendment shall be rejected.

(3) If the grant or maintenance of the right to protection depends on the validity of the claim to priority, the right of priority must be proved. The evidence required for such proof (evidence of priority) and the time of production shall be determined in an order.

(4) If the declaration of priority is not made in time, if evidence of priority is not submitted in time, or if the serial number of the deposit on which priority is based is not notified on official demand within the period laid down (subsections (1) to (3)), priority shall be determined in accordance with the time of deposit in Austria.

12. — (1) Designs which are displayed in an Austrian or foreign exhibition shall enjoy priority protection in accordance with Sections 13 and 14.

(2) The provisions of Sections 13 and 14 shall apply in particular to designs displayed in model or merchandise exhibitions.

13. — (1) Protection shall be accorded only if the Federal Minister of Commerce, Trade and Industry has granted the exhibition the privilege of priority for the articles exhibited there.

(2) Such privilege shall be applied for by the management of the exhibition. The application shall contain the particulars required for a decision regarding the priority claimed.

(3) The authorities shall have a discretion to grant or refuse the application, unless an international obligation to grant protection exists.

(4) The grant of the privilege of priority protection shall be notified in the *Amtsblatt zur Wiener Zeitung* and in the *Österreichisches Patentblatt* (Patent Gazette) at the exhibition management's expense.

14. — (1) The effect of such protection shall be to give the design a right of priority (subsection (2)) from the time that the article has reached the exhibition premises, provided the application for protection of the design is made in accordance with the applicable regulations within three months from the day on which the exhibition closed.

(2) Facts occurring after the article has reached the exhibition premises shall not be an obstacle to the grant of protection and the deposit shall have priority over other deposits made after such time. Action taken after such time shall not justify any claim to the right of continued use of the article.

(3) If several similar articles reach the exhibition premises at the same time, the article which is the subject of the earliest deposit shall have priority.

(4) The right of priority must be expressly claimed. The exhibition and the day when the article reached the exhibition premises shall be stated (declaration of priority). Section 11(2) shall apply *mutatis mutandis*.

(5) The right of priority shall be evidenced by an article made in accordance with the design or by an illustration (photograph) of such an article and by a certificate issued by the exhibition management stating that such an article has been exhibited and the time when the article was brought to the exhibition premises (evidence of priority).

(6) If the declaration of priority is not made in time or if evidence of priority is not submitted on official demand within the period laid down, priority shall be determined in accordance with the time of deposit.

IV. Restoration of Rights

15. — (1) Any person who is prevented by an unforeseeable or unavoidable event from observing a time limit *vis-à-vis* the Chamber of Industry, and is thus prejudiced by the application of a rule relating to the protection of designs, may apply for restoration of rights.

(2) Restoration shall not be granted:

- (i) where the time limit for the application for restoration (Section 17(1)) and the time limit for appeal in relation to such application have not been observed;
- (ii) where the time limit for lodging a claim in the ordinary courts has not been observed.

16. — (1) A decision on the application shall be taken by the Chamber of Commerce before which the action omitted should have taken place.

(2) An appeal shall lie from the decision of the Chamber of Industry to the Federal Minister of Commerce, Trade and Industry.

(3) The appeal (subsection (2)) shall be submitted to the Chamber of Industry within thirty days of the service of the decision contested. A procedural fee shall be payable, which shall be half the fee for the application for restoration (Section 18). If the fee is not paid or the appeal is filed out of time, the appeal shall be dismissed by the Chamber of Industry. Half the fee shall be refunded, if the appeal is allowed.

17. — (1) The application for restoration shall be filed within two months from the day on which the impediment ceased to exist and in any case not later than twelve months from the expiry of the time limit concerned.

(2) The applicant shall state the facts on which his application is based and, unless they are well known to the Chamber of Industry, he shall produce evidence of them. The action omitted shall be taken at the time the application is made.

18. — (1) The following procedural fee shall be payable when the application for restoration is made:

- (a) if an action for which a special fee is payable in addition to stamp duty was omitted, the fee payable when the action omitted is taken;
- (b) in all other cases, the fee payable at the time of deposit.

(2) If the procedural fee is not paid, the application shall be rejected.

(3) Half the procedural fee shall be refunded if the application is withdrawn before a decision is taken.

(4) The procedural fee (subsection (1)) shall be paid at the rate applicable at the time when the application for restoration is made.

19. — (1) If the application for restoration or the action taken belatedly is defective, the applicant shall be asked to remedy the defects within a prescribed period before a decision is taken.

(2) The application and the manner in which it is dealt with shall be entered in the Design Register.

20. — With the acceptance of restoration the legal consequences resulting from non-observance of the time limit shall cease to have effect. The Chamber of Industry shall issue appropriate instructions to give effect to the decision.

21. — (1) Restoration of a right of protection which has lapsed shall not be binding on anyone in Austria who began to use the object of the right or made arrangements for such use (interim user) after the lapse of the right and before receipt of the application for restoration by the competent authority. An interim user may exploit the object of the right for the needs of his own business in his own or another's plant or workshops. Such right may be inherited or otherwise alienated only together with the business.

(2) Where a design which has been restored was the subject of a license contract made during its earlier period

of validity, a licensee whose right is restricted by an interim user (subsection (1)) may request an appropriate reduction of the royalties stipulated. If, owing to the above restriction, he is no longer interested in the continuation of the contract, he may rescind it.

22. — The fees prescribed in Section 18 shall constitute income of the Confederation (*Bund*) if the Federal Minister of Commerce, Trade and Industry has had to deal with the application. In all other cases the fees shall constitute income of the Chamber of Industry responsible for the decision.

V. Nullity of Registration

23. — Registration of a design shall be null and void if it is proved:

- (a) that, at the time of deposit, industrial articles manufactured in accordance with the design were already in circulation in Austria or abroad;
- (b) that the design had appeared earlier in a printed publication;
- (c) that the design had previously been registered in Austria in the name of another person, or
- (d) that the depositor had illicitly obtained the design (Section 2).

VI. Infringements, Offenses and Penalties

24. — Any infringement of the right to a design either by unauthorized reproduction or imitation of a protected design or by the sale of articles manufactured in accordance with the design shall entitle the injured person to an injunction preventing further use of the design and further sale of the articles concerned. The injured person may also request that tools and devices used solely or mainly for the imitation be made unserviceable for such purpose. Actions by an injured person for damages on account of the infringement of his right to the design shall be governed by private law.

25. — (1) There shall be reproduction or imitation within the meaning of Section 24 even where the defendant was unaware of the protected design.

(2) Imitation shall also be unlawful where only the dimensions or the colors of the design have been changed.

26. — Where infringement is committed intentionally, the person convicted shall be liable to a fine not exceeding 4,000 schillings or to detention for a term not exceeding three months. In aggravating circumstances these penalties may be imposed concurrently.

27. — Publication of the conviction may also be ordered by the authority imposing the penalties.

VII. Power of Representation

28. — (1) Anyone who, in matters relating to the protection of designs, professionally prepares written submissions

for proceedings before Austrian or foreign authorities, provides opinions in the field concerned, represents parties before Austrian authorities or offers, in word or writing, to perform such services, having no authorization to represent parties professionally in such matters, shall be guilty of an administrative offense and liable to a fine not exceeding 1,000 schillings or to detention for a term not exceeding two weeks. Punishment shall be imposed by the district administrative authority or by the Federal Police authority — in places where such authority exists.

(2) The special provisions relating to the treatment of unauthorized legal representation and opinions in the ordinary courts shall not be affected.

VIII. Authorities and Proceedings

29. — The proceedings and the decision relating to infringement of the right to a design and to administrative offenses under Section 26 shall be under the jurisdiction of the district administrative authorities. These authorities shall also take decisions regarding the nullity of a deposit. Actions for damages under Section 24 and other disputes relating to designs shall be decided by the ordinary courts.

30. — (1) Where, during the proceedings or the examination, it becomes clear that the decision depends on a preliminary question which is for the ordinary courts to decide, the administrative authority shall refer the parties to the competent court and may not take its own decision until a final decision of that court has been delivered.

(2) A final decision of the administrative authority convicting a person of infringement of the right to a design may be used by the injured party to substantiate claims to compensation in the ordinary courts.

31. — In all disputes, both the administrative authority and the court shall have the right to request the Chamber of Industry to produce, against receipt, the design deposited. Should it be necessary to uncover the design, the depositor shall be summoned. If he does not appear, two impartial

witnesses shall be present. A record shall be taken of the removal of the seal.

32. — The injured party may, even before a decision is taken on his complaint, request seizure or other safekeeping of articles designated by him as having been manufactured in violation of his right to a design and of tools and devices used for this purpose (Section 24). The administrative authority shall, on production of the official certificate issued under Section 4 or of the third copy, immediately arrange for such seizure or safekeeping. The authority may, if it sees fit, first require security to be deposited against damage to the defendant's reputation or material interests. When ordering seizure or other safekeeping, the authority shall require production, under Section 31, of the design deposited with the Chamber of Industry.

33. — When the right to a design is found to be infringed, the articles in question shall remain under official seal until the expiry of the period of protection. Arrangements shall be made for their storage at the cost and risk of the defendant, unless other arrangements have been agreed between the parties or the necessary transformation has been made under official supervision.

IX. Final Provisions

34. — Where a submission comprises several rights to a design, separate applications may be asked for in respect of each or some of the rights in question, a time limit being set for this purpose. Separate applications submitted in time shall be deemed to have been submitted on the day when the original submission reached the authority.

35. — The following shall be responsible for the implementation of this Law:

- (i) in the case of Section 6 to 8, the Federal Minister of Commerce, Trade and Industry and the Federal Minister of Finance,
- (ii) in the case of all other provisions of this Law, the Federal Minister of Commerce, Trade and Industry.

Transitional Provisions of the Benelux Trademark Law

Acquired Rights in Marks which have been the object of an International Registration

By L. J. M. van BAUWEL
Director of the Benelux Trademark Office *

It appears from certain commentaries on the Uniform Benelux Trademark Law¹ that the transitional provisions concerning international filings based on a registration originating outside the Benelux territory have been interpreted in different ways².

Jurisdiction to interpret the Law lies with the courts of the Benelux countries or with the Benelux Court of Justice, when it is set up. It will however be some time before a decision of the Court of Justice on these transitional provisions can be obtained, and owners of international registrations need some clarification as to the meaning of these provisions. It is therefore considered necessary to set out the point of view of the Benelux Trademark Office.

Article 29 of the Benelux Trademark Law deals with the maintenance of acquired rights to marks upon entry into force of the Law. Article 30, first paragraph, provides that in order to maintain acquired rights, a Benelux confirmatory filing must be made during 1971.

An exemption from the the requirement to make a confirmatory filing is however provided in the second paragraph of Article 30 with regard to a certain category of rights to a mark. The provision is worded as follows:

"Where, on the date of the entry into force of this Law, a right to a mark results from an international filing based on a registration of origin outside the Benelux territory, maintenance of such right shall be independent of the conditions prescribed in the preceding paragraph."

Moreover, Article 34C provides:

"International filings based on a registration of origin outside the Benelux territory and existing on the date of the entry into force of this Law shall be entered ex officio into the Benelux register free of charge, unless the proprietors have renounced the protection resulting therefrom for all Benelux countries."

Commenting on these provisions, certain writers have felt that, if the right to a mark held by the owner of an international registration results from first use — which is most frequently the case in the Netherlands — it cannot be claimed that the right is based on an international registration. These writers are consequently of the opinion that maintenance

* See also the Study by the same author in *Industrial Property*, 1971, p. 130.

¹ The text of the Law is published in *Industrial Property*, 1969, p. 307.

² M. Gotzen, *Van Belgisch naar Benelux Merkenrecht* (1969); A. Braun, *Précis des marques de produits* (1971); W. van Dijk, *Trademark Protection under Benelux Law*, published by International Trademark Agency van der Graaf en Co. N. V., Amsterdam (1970); A. Komen, D. W. F. Verkade, *Het nieuwe Merkenrecht* (1970); L. Wichers Hoeth, *Kort Commentaar op de Benelux Merkenwet* (1970).

within the terms of Article 30, second paragraph, would be virtually meaningless and that the existing right would not be confirmed.

We consider this interpretation of Article 30, second paragraph, to be erroneous and contrary to the spirit of the Law, as is clear from its explanatory note.

According to the explanatory note, the main difference between the domestic trademark laws of the three Benelux countries lies in their provisions governing acquisition of the exclusive right to a mark. In each of these countries, there exist rights to a mark based either on first use or on filing. All of these rights may be maintained.

Nowhere in the explanatory note does it appear that the drafters of the Law, when including provisions for maintenance of acquired rights, wished to take into account the different ways in which rights to a mark have arisen. The clear intention of the drafters was to subject the maintenance of acquired rights to the formality of a new filing (see paragraph 7a of the general considerations in the explanatory note). The drafters of the Law, on the other hand, were of the opinion that the Madrid Agreement Concerning the International Registration of Marks would not allow the Uniform Benelux Law to require owners of international registrations to make a new filing of their marks (see paragraph 7d of the general considerations in the explanatory note).

A comparison of the text of the Uniform Law with the explanatory note shows that Article 30, second paragraph, refers to all marks for which an international registration has been made, regardless of whether the rights owed their origin to the registration or have been acquired in another manner. Moreover, as regards international filings for which registration has been refused, which is often the case in the Netherlands, Article 30, second paragraph, remains applicable provided that an acquired right based on use exists in favor of the owner of the international registration. The interpretation proposed by certain authors would result in a large number of owners of international registrations being required to make a confirmatory filing for one or more of the Benelux countries, which would be contrary to the clear terms of the explanatory note cited above. Furthermore, given the fact that, under Article 34C, the international registrations of these owners must have already been entered ex officio in the Benelux register, to require their entry a second time in the name of the same owner would be an unreasonable consequence.

We are therefore of the opinion that there is no need for a confirmatory filing under Article 30, second paragraph, in the case of an international registration of a trademark whose domestic filing was made before January 1, 1971, outside all the Benelux countries (Belgium, Luxembourg and the Netherlands).

Protection of Acquired Rights of Foreigners under the Benelux Trademark Law

By Antoine BRAUN, Attorney-at-Law, Brussels Court of Appeal

One Law

The Benelux Convention Concerning Trademarks and the Uniform Benelux Trademark Law — which entered into force on January 1, 1971 — constitute a remarkable precedent in the process of unification of law.

Differences between laws can be overcome in two ways, which must be kept distinct, as has been shown by Professor Limpens¹. On the one hand, there is harmonization in the strict sense of the word, where the different national laws are brought into line, each country using its own technique. On the other hand, there is unification, whose aim is to replace the different national legal rules by a uniform legal standard.

There are several degrees of unification:

- (a) The adoption in an international convention of minimum rules to be given effect in each ratifying country. An example is the Union treatment accorded to nationals of countries party to the Paris Convention for the Protection of Industrial Property.
- (b) Unification resulting from uniform legislation. An example is legislation concerning checks or bills of exchange, which can certainly result in a real unification of law, provided that uniformity of interpretation is maintained; but this is rarely the case.
- (c) Finally, there is an even more complete form of unification, achieved by means of what may be termed a "single" law. This is the form introduced into the legislation of the three Benelux States by the Convention of March 19, 1962. The law is not only uniform, as its title shows, it is common to the three countries. Its implementation has led to the creation of a common administration, the Benelux Trademark Office in The Hague, and its interpretation will be the task of a single court, the Superior Court of Justice, which was set up by the Treaty of March 31, 1965, and will sit in Brussels².

One Territory

The first consequence of the Convention, and the most important from the point of view of international law, is the introduction of the principle: "for one territory, one law and one mark."

The three national legislations have been repealed, with the exception of the penal provisions in Section 337 of the Netherlands Criminal Code and Sections 8 to 15 of the Belgian Law of April 1, 1879³.

¹ Limpens, "Relations entre l'unification au niveau régional et l'unification au niveau universel," *Revue internationale de droit comparé*, 1964, p. 14.

² The Treaty was ratified by the Belgian Parliament on June 19, 1969, but has not yet been ratified by the Netherlands and Luxembourg.

³ Belgian Law of Approbation of June 30, 1969, *Moniteur belge*, October 14, 1969, p. 9655. The penal provisions were repealed in Luxembourg by Section 3 of the Law of December 7, 1966, Approving the Benelux Law.

In particular, with regard to relations with the member countries of the Madrid Union, the three States have taken advantage of the possibility offered by Article 9^{quater} of the Madrid Agreement, as revised at Nice, under which:

"If several countries of the Special Union agree to effect the unification of their domestic legislations on marks, they may notify the Government of the Swiss Confederation: . . . (b) that the whole of their respective territories shall be deemed to be a *single country* for the purposes of the application of the Agreement."⁴

This notification was given on June 4 and 8, 1970, and took effect on December 30, 1970⁵.

At the Revision Conference of Nice, questions were raised concerning the scope of such mergers of territories and administrations. The Swiss Delegation asked whether, in the case of the establishment of a common administration by merger of several national administrations, it was clear that any refusal with regard to a mark originating in one of the countries in question would be maintained. The Head of the Belgian Delegation replied that in his opinion this would be the case⁶. The Czechoslovak Delegation asked whether, in the case of a request for extension of protection of an international registration to countries covered by the common administration, more than one fee would be payable. In the Belgian Delegation's opinion a single fee would be due⁷.

Rights of Foreigners

With regard to the rights of foreigners, the Benelux Law has made considerable progress, compared with the position of foreigners under the former laws of Belgium and Luxembourg.

According to the principle laid down in Section 6 of the Belgian Law of April 1, 1879 (and the corresponding Section 9 of the Luxembourg Law of March 28, 1883), protection was afforded, not on a national, but on a territorial basis: the beneficiaries were persons who had a commercial or industrial establishment in Belgium or Luxembourg. In the absence of such an establishment, only foreigners who benefited from reciprocity under an agreement could exercise their trademark rights in these countries. This provision had remained a dead letter in the absence of a treaty establishing legislative reciprocity.

A very important and liberalizing exception to the principle had however been provided in the second paragraph of Article 2 of the Paris Convention relating to national treatment. With the expansion of the Union, this exception in practice became the rule. The progress referred to therefore in the Benelux Law is of theoretical rather than practical importance since it only ratifies a position already acquired by the great majority of foreign trademark owners.

In adopting the principle of non-discrimination, the Uniform Law aligned itself with the system in force in the Netherlands, which allowed foreigners to file their marks directly

⁴ On the consequences of territorial unification, see van Bauwel, "Comments on the Uniform Benelux Trademark Law," *Industrial Property*, 1971, p. 130.

⁵ *Industrial Property*, 1970, p. 206.

⁶ Actes de la Conférence diplomatique de Nice, p. 224.

⁷ *Ibid.*; see also the text of the notes of the Belgian, Luxembourg and Netherlands Embassies, *Industrial Property*, 1970, p. 206.

in the country, without requiring them to have an establishment there. The only condition was that they should have an address for service in the Netherlands. This requirement has not been retained in the Uniform Law.

The Uniform Law is thus more favorable to foreigners than the Paris Convention. It goes beyond the Paris Union system, which gives national treatment to nationals of member countries. The Uniform Law makes no distinction at all between foreigners and nationals. It recognizes only the first applicant, whatever his nationality, residence or place of business.

Of course, as with all applicants, foreigners are required to use their marks in Benelux territory, either themselves or through licensees, in accordance with Article 5, third paragraph. This requirement compensates for the unrestricted access to registration.

Basic Structure of the Uniform Law

It is not possible to analyse the new Benelux Law in this Study. Its structure has been briefly described in one of the author's "Letters from Belgium"⁸. The reader should refer to that Letter and to the text of the Law itself which has been published in this review⁹.

It will suffice here to say that the right to a mark derives solely from filing, which is indispensable for the institution of proceedings. The duration of registration of the Benelux mark is ten years (which may be renewed); an international registration however remains in force for twenty years. There is a requirement of use within the three years following the first filing and during each subsequent five-year period. Such use may be made through a licensee. A mark may be assigned independently of the business and licensed, but the transactions must be in writing. The scope of a civil action for infringement has been broadened to allow the proprietor of a mark to oppose any use of the mark or similar sign in the course of business, without just cause and in circumstances likely to cause damage to him. Finally, the protection of collective marks, known only in Belgium, has been extended to the three countries.

Maintenance and Extension of Acquired Rights

I should like to take this opportunity to draw to the attention of any reader concerned who may not yet be aware that in order to maintain his acquired rights he must fulfil certain formal requirements *before December 31, 1971*. These requirements are provided for in Articles 29 to 35, which come under the heading of transitional provisions in Chapter III of the Law.

The system adopted by the Benelux Law has been perfectly summarized by Wichers Hoeth:

"National rights are *maintained* in principle and will from now on *extend* to the whole of the Benelux territory, unless they come into conflict, in one of the two other countries — or in both — with prior rights existing there. In such case, the validity of the national right to

a mark, transformed into a Benelux right, will remain limited to the country or countries where the prior right does not exist."¹⁰

This solution, the effects of which will no doubt give rise to difficulties in the application of the Law, was devised by the government experts in order to achieve the greatest possible unity, from the point of view of substantive law (one right to a mark throughout Benelux) as well as from the point of view of legal formalities (one register of marks).

The Notion of Acquired Rights

In order for a right to be maintained in force, the formal requirements set out in Article 30, which will be examined below, must be fulfilled. Moreover, the right must have been regularly acquired under the domestic legislation and maintained in force up to December 31, 1970. The explanatory note to the Law expresses the rule contained in Article 29 very clearly:

"The existence of acquired rights at the moment of the entry into force of the Law will be determined in accordance with the criteria of the former domestic law, but from the time of the entry into force of the Uniform Law these rights will be governed by the new legislation."

In Belgium, rights were acquired before 1935 on the basis of first use. If the rights were to remain in force after 1935, the mark had either to be in well-known use or to be filed after that date. Since 1935, the rights belonged to the person who first made well-known use of the mark or first filed it — the filing being deemed an act of well-known use¹¹. In the Netherlands, filing gave no rights of ownership over a distinctive sign. The rights were based solely on use¹². A refusal to register had therefore no significance in law. One exception should be mentioned — concerning foreigners: an application for registration within the priority period of a mark filed in one of the countries of the Paris Union was considered as an act of use¹³. In Luxembourg, the rights were also derived from mere use. However, after five years of use, an unregistered owner lost the right to file his mark and even to continue using it if a third party had in the meantime made a filing in good faith¹⁴.

But the regular acquisition of trademark rights is not enough. In order to qualify for a Benelux registration, the rights must have been maintained in force up to December 31, 1970. In the case of disputes in this connection, the courts will have to apply the former domestic legislation concerned. The courts must, for example, ascertain whether a given Luxembourg registration had in fact been renewed every ten years¹⁵ or whether a Netherlands right had lapsed for failure to use the mark during a period exceeding three years¹⁶. In the Netherlands, on the other hand, the lapse of the registration did not entail lapse of the right¹⁷.

In countries which did not recognize the free assignment of marks — and these include the three Benelux States —

¹⁰ Wichers Hoeth, in Collection Jupiter, Droit des affaires dans les Pays du Marché Commun, tome IX, Marques et brevets, Paris 1968, Vo, "Benelux," No. 19.9.

¹¹ Section 3 of the Law of April 1, 1879.

¹² Section 3 of the Law of November 21, 1956.

¹³ Section 3(4) of the Law of November 21, 1956.

¹⁴ Section 3 of the Law of March 28, 1883.

¹⁵ Section 7 of the Law of March 28, 1883.

¹⁶ Section 3 of the Law of November 21, 1956.

¹⁷ Wichers Hoeth, Collection Jupiter, "Pays-Bas," No. 14.11.

⁸ *Industrial Property*, 1962, p. 150.

⁹ *Industrial Property*, 1969, p. 307.

one of the most frequent causes of the loss of the right to a mark was the transfer of the mark independently of the establishment concerned. In order to satisfy the needs of commerce, the courts had found it necessary to give an increasingly broader interpretation to the concept of "establishment." However, appreciable differences still existed between the concept in Belgium and Luxembourg, on the one hand, and the stricter interpretation found in the Netherlands. The courts will have to be careful not to apply to a foreign situation the criteria evolved under their own national case law.

Another question that arises is the effect of failure to comply in time (i. e. before December 31, 1970) with the formal requirements necessary to make an assignment binding on third parties.

Section 7(3) of the former Belgian Law provided that "a transfer shall be effective against third parties only after an abstract of the instrument evidencing transfer has been filed in the manner prescribed for filing a mark." Section 10(3) of the Luxembourg Law had a similar provision. Because of the vagaries of case law between the two World Wars, the question arose in Belgium on a number of occasions as to what instrument had to be filed. It had been thought that the instrument to be filed was the one relating to the assignment of the mark; in fact, the requirement concerned the instrument — or abstract — evidencing the assignment of the *establishment*¹⁸. Parties who fell into this error were unable to correct it themselves. However the courts were able, by means of a "purging" judgment, to restore the true position of the parties — in so far as this was possible — by declaring void the filing of the incorrect instrument and incorporating the correct instrument of assignment in their judgment, which was then made a matter of record¹⁹.

Must recourse still be had after January 1, 1971, to this procedure of "judicial reinstatement"? And, what decision should be taken with regard to assignments which included the assignment of the establishment concerned but for which no instrument evidencing that assignment had been filed? It is submitted that it will be sufficient to comply with Article 11 of the Uniform Law and to file an instrument evidencing the assignment of the mark. Provided the assignment included the establishment concerned, failure to comply with the formal requirements of Section 7(3) of the former Belgian Law would not render the assignment void as between the parties to it, but would only make it void against third parties²⁰. The assignee would thus have acquired a right in spite of his failure to have the instrument recorded. Consequently, he may obtain recognition of this right by fulfilling the formal requirements in Article 11 of the Uniform Law²¹. But it will not be possible to invoke this right against third parties until these formalities have been complied with.

¹⁸ Brussels, June 11, 1932, *Ingénieur-Conseil*, 1933, p. 33.

¹⁹ See, in this connection, Comm. Brux., January 18, 1950; *Ingénieur-Conseil*, 1950, p. 118 and note Gaspar; Comm. Brux., March 3, 1954; *Ingénieur-Conseil*, 1957, p. 64; *Industrial Property*, 1962, pp. 154 and 155.

²⁰ Brussels, September 24, 1959, *Ingénieur-Conseil*, 1960, p. 351, in the case of *Broyeurs Monopol*; *Industrial Property*, 1962, p. 154.

²¹ See Gotzen, *Van Belgisch naar Benelux Merkenrecht*, Larcier 1970, No. 90; Antoine Braun, *Précis des marques de produits*, Larcier 1971, No. 390, p. 334.

Rights Deemed to have been Acquired

In addition to acquired rights, Article 29 of the Uniform Law creates a second category, "rights deemed to have been acquired." The reason for this is to place trademark owners in the three countries on an equal footing and to allow them to acquire, somewhat a posteriori, rights to a symbol which could not be claimed under their domestic legislation.

In the Netherlands, for example, the shape of a product could not, in principle, be claimed as a mark (subject to some exceptions). In Belgium, surnames could be used as marks only if they were given a distinctive form. It would not have been fair to extend a Belgian right to a mark based on shape or a Netherlands right to a mark consisting of a surname to the other Benelux countries to the prejudice of prior users who had not been able to acquire such an exclusive right because of their particular domestic legislation²².

The second paragraph of Article 29 solves this problem by providing that an exclusive right is deemed to have been acquired by the first use of a symbol which would have constituted a mark if the Uniform Law had at the time been in force in the country concerned. However, the last sentence of Article 29 contains an important exception — it reserves to any person who, although not the first user, used the symbol before January 1, 1971, a personal right of use. But this personal right is, if submitted, valid only in the country where the first user obtains a right deemed to have been acquired. Parallel rights can thus exist to use a three-dimensional mark in the Netherlands or a surname without distinctive character in Belgium, but the first user's exclusive right to the same mark in another Benelux country will not be affected²³.

Formal Requirements: the Confirmatory Benelux Filing

In order to maintain his acquired right in force — and possibly extend it to the whole of Benelux — the proprietor of the right must file his mark before December 31, 1971, either with the Benelux Office or with the national administrations. After this date, the former rights will finally be lost, with retroactive effect to January 1, 1971.

The formal requirements for maintenance include:

- (a) A *claim* to the existence of the acquired right (Article 30, first paragraph of the Uniform Law). There is no special formula to be used for such a claim.
- (b) An indication, for purposes of information, of the nature and date of the facts which caused the right to come into existence, and, where applicable, of the filings and registrations made in respect of the mark (Article 30, first paragraph).

How should this requirement of indication "for purposes of information" be interpreted? The explanatory note to the Law states the following:

"As it is often difficult to determine with exactitude the facts which caused a right to a mark to come into existence, an erroneous or incom-

²² Explanatory note, Article 29.

²³ See Gotzen, *op. cit.*, and Antoine Braun, *op. cit.*, No. 391, p. 335; *contra*, Wichers Hoeth, Collection Jupiter, "Pays-Bas," No. 19.9.

plete indication of these facts cannot be held against the applicant. In case of litigation, such an applicant will be entitled to adduce more precise evidence of his acquisition of the right. However, if the applicant claims acquired rights which he knows, or cannot fail to know, are inexistent, his filing will be declared void as having been made in bad faith. If, on the other hand, the applicant's claim, although inaccurate, has been made in good faith, his claimed acquired right will not be recognized, but he will continue to enjoy the benefit of his Benelux filing."²⁴

The rule therefore is that the indication is compulsory and must be given in good faith, but its contents need not be exhaustive. In order to distinguish what is essential (and must therefore be indicated) from what is merely secondary, consideration must, it is submitted, be given to the fact that it is the applicant who assumes sole responsibility for establishing the basis for his claim, without any control by the administration. But in this case, the applicant is claiming a monopoly over the use of a sign to characterize certain products in one, two or all three of the Benelux countries. In the interests of giving a measure of certainty to third parties, against whom this monopoly will be invoked, it would seem necessary that the essential elements of the mark should be indicated.

Under Article 32 of the Executive Rules of the Uniform Benelux Trademark Law, adopted on July 31, 1970²⁵, the Benelux confirmatory filing must be effected in accordance with the provisions governing ordinary filings. Moreover, the following particulars must be given:

- (a) the Benelux country or countries in which an acquired right exists;
- (b) if the list of goods is not identical for the countries in which acquired rights are claimed, separate lists for each country;
- (c) the nature and time of the facts which gave rise to the acquired right;
- (d) where earlier filings or registrations have been effected: their dates and serial numbers;
- (e) the date and serial number of the filing on which was based an international registration still in force on January 1, 1971.

As has been said, the difference between essential and secondary indications does not lie in the obligation to furnish the former as opposed to the mere option to furnish the latter at the time of the filing. The difference is to be found rather in the legal sanction attached to the omission of these various indications. In the case of an indication of an essential element given in bad faith, the sanction will be invalidity of the mark: in the case of an inaccurate indication given in good faith, the sanction will be non-recognition of the former right, which however will be valid from the time of the filing. In the author's opinion, the sanction *in the second case* will not necessarily apply to all of the rights to the mark, but solely to the rights claimed in error. If, for example, the list of goods for which the mark is claimed to have been used is inaccurate in part, the sanction will, in the absence of bad faith, apply

only to the goods for which the mark has not been used by the owner, but will not apply to the remaining goods. The same effect should be given, it is submitted, to an inaccurate indication of a country. The right will not be acquired in the country indicated erroneously, but it may be acquired in another country where the requirements of use have been met.

International Registrations

International registrations enjoy a more favorable treatment than marks originating in Benelux countries. No new filing of an international registration is required during the year following the entry into force of the Uniform Law if the right to the mark "results from an international filing based on a registration of origin outside the Benelux territory" (Article 30, second paragraph). The international registration must of course have been in effect on December 31, 1970, in at least *one* of the three Benelux countries. If, because of cancellation, renunciation, or territorial limitation, it was not in effect in any of these countries, it would not constitute an international registration entitled to protection in the Benelux countries in the absence of fulfilment of the formal requirements²⁶.

Such international registrations are entered *ex officio* in the Benelux register free of charge, unless the proprietors have renounced the protection resulting therefrom for all Benelux countries (Article 34C).

Consider the case of an international mark which has been refused by the Netherlands administration, but which has not been refused protection in Belgium or Luxembourg. It is submitted that such a mark will, on the basis of rights acquired in Belgium or Luxembourg, extend once again to the Netherlands, as from January 1, 1971, unless the mark conflicts with earlier rights acquired and maintained in the Netherlands — which may be the case even where there is no refusal on the part of the Netherlands administration.

If the owner of an international registration has in fact used his mark in the Netherlands, notwithstanding the Netherlands administration's refusal to register it, must he effect a Benelux confirmatory filing in order to maintain his acquired rights in that country? This procedure has not been provided for. It is submitted that, inasmuch as the owner is expressly relieved of any confirmatory filing by Article 30, second paragraph, he may always, in case of opposition, seek a judgment fixing the date on which his rights in the Netherlands originated.

Finally, it should be mentioned that if the registration of origin on which the international registration is based is a Belgian, Netherlands or Luxembourg mark, a new filing is necessary in order to avoid loss of the right.

Collective Marks

Rights acquired to a collective mark of national origin will be maintained under the same conditions as rights acquired to an individual mark. But regulations for use and

²⁴ Explanatory note, Article 30.

²⁵ *Moniteur belge*, September 8, 1970; *Industrial Property*, 1970, p. 374.

²⁶ See van Bauwel, *op. cit.*, *Industrial Property* 1971, p. 130.

control must be filed together with the mark, in accordance with Article 22 of the Uniform Law.

In the case of collective marks resulting from an international registration made outside the Benelux territory, a filing of the mark is not necessary, but regulations for use and control must be filed before December 31, 1971.

Extension of Acquired Rights to the Whole of Benelux

Article 32 of the Uniform Law provides that an exclusive right to a mark maintained by a Benelux filing will extend to the entire Benelux territory as from January 1, 1971. The effect of this extension of rights will, however, be subject to two exceptions: the first exception covers the case where the rights maintained in force would enter into conflict with rights acquired by a third party in one or both of the other countries. In such a case, there will be no extension, but each party will keep his rights within the national territory.

The second exception covers the case where the acquired right would be subject to annulment on one of the grounds provided for in Articles 14 A (1) (a) and (c), 14 A (2), 14 B (2), and 27 B. Would such annulment relate to the entire Benelux

territory? According to the explanatory note, such a result would hardly be desirable, in view of the fact that the national mark might have been valid in the country of origin for many years. For this reason, the Uniform Law provides that in such a case the exclusive right will not extend to the other countries. Take, for example, a Belgian mark an acquired right to which has been maintained in force but which is subject to annulment on a ground specified in the Uniform Benelux Law; the Netherlands or Luxembourg courts may not declare that mark to be null and void but must solely rule that the rights will not be extended to the Netherlands or to Luxembourg. Only the Belgian courts would be able to declare the mark null and void for the entire Benelux territory.

Finally, Article 32 governs the case where two persons have acquired rights to the same mark in two different Benelux countries. Extension to the third country will be made in favor of the person who, prior to January 1, 1971, first made normal use of the mark in the third country. If neither had used the mark in the third country as on January 1, 1971, extension will be made in favor of the person whose acquired right is the older.

LETTERS FROM CORRESPONDENTS

Letter from South Africa

By G. C. WEBSTER

The nine years since the last "Letter from South Africa"¹ have seen the introduction of a new Trade Marks Act and an important Amendment thereof and a new Designs Act. The Patents Act of 1952 has been left substantially undisturbed but at the present time it is under review by a Committee and is likely to be amended substantially. Other legislation affecting industrial property has included the Atomic Energy Act and the Plant Breeders' Rights Act. There have also been several important court decisions concerning patents and trade marks.

TRADE MARKS

Legislation

The Trade Marks Act, No. 62 of 1963², has now been in force for over seven years. Most of the innovations which it contained have worked well in practice but one somewhat novel provision, relating to registrations in the names of

holding companies, will be dropped when the amending Act comes into force on January 1, 1972. The new provisions contained in the Trade Marks Act of 1963 include:

1. *Registrations in Part B of the register in respect of marks "capable of becoming distinctive"*. — The object of the Drafting Committee, in using the words "capable of becoming distinctive" rather than the words "capable of distinguishing" as used in the British Act and several other Acts based on it, was to facilitate registration of those trade marks which did not have those attributes of distinctiveness required for registration in Part A. The object was partially achieved but the Registrar of Trade Marks, Mr. Theo Schoeman, in *Bubble Up International Ltd. v. The Seven Up Company*, the Patent Journal of May, 1970, p. 195, took the view that, at least in some respects, the South African provisions impose stricter requirements for registration in Part B than do the corresponding provisions of the United Kingdom Act. The Trade Marks Amendment Act of 1971 seeks to put the matter right by replacing the words "capable of becoming distinctive within the meaning of section 12" by the words "capable of becoming registrable, through use, in Part A of the register".

2. *Defensive trade marks*. — The rather liberal provisions for the defensive registration of trade marks as compared, for

¹ "Letter from South Africa" (V. G. Chowles), *Industrial Property*, 1962, p. 102.

² See *Industrial Property*, 1963, p. 260; 1964, p. 15; 1964, p. 24.

instance, to similar provisions in the United Kingdom, have been extensively used by trade mark proprietors. A basic registration in Part A of the register is a prerequisite to a defensive registration for additional goods in the same or other classes, but the mark need not be an invented word nor is it essential to establish that the trade mark is well-known in respect of certain goods, although in the normal case it is necessary to establish this.

3. *Container marks.* — The provision for the registration of distinctive containers for goods has served a useful purpose. It has been limited to containers which are sufficiently distinctive to merit registration in Part A but, under the amending Act, it will be possible to register, in Part B, containers which are merely capable of becoming registrable in Part A, through use.

4. *Applications by holding companies*³. — The practical effect of section 23, which makes provision for the registration as a trade mark in the name of a holding company of a mark which is used or proposed to be used by a wholly-owned subsidiary, has been (i) to obviate the necessity of filing a simultaneous registered user application when filing an application for the registration of the trade mark and (ii) to enable a holding company to benefit from the use of its mark by one or more wholly-owned subsidiaries in seeking to establish acquired distinctiveness. It has still been considered necessary to appoint the wholly-owned subsidiaries as registered users, on the ultimate registration of the trade mark, and there has been considerable doubt as to the position in the case where there is a chain of subsidiaries between the holding company and the subsidiary using or proposing to use the mark.

For these and certain other reasons the Committee which drafted the Amending Act recommended the repeal of section 23.

5. *Informal opposition procedure.* — The somewhat novel provisions for “petty” oppositions have been little used. In the seven years since their introduction there is only one report of an opposition under section 28 having been considered by the Registrar. The reasons are probably that it is not possible to file any supporting evidence, both parties must consent to the procedure, there is no award of costs to a successful party and there is no appeal.

6. *Assignment of pending applications.* — Problems had arisen in the past in regard to the assignment of a trade mark which was the subject of a pending application. In *Spicers v. John Dickinson & Co.*, 1966 (1) S. A. 126 at p. 131, Galgut J., considering the 1916 Act, said however:

“It seems to me that this [the assignment of a pending application] can be compared to an assignment of the applicant’s contingent right to obtain registration, and the assignment means no more than a statement to the effect that the applicant for the trade mark indicates that he presently has no established right to the trade mark but intends to pursue the application and, if it fructifies into a registered trade mark, the assignee will thereafter be entitled to it.”

The assignment of trade marks which are the subject of pending applications is now specifically recognised by the Trade Marks Act, 1963.

7. *The Trade Marks Amendment Act, 1971*

(a) *Service marks.* — As indicated above, this amending Act becomes effective on January 1, 1972. The most important provisions which it contains are those providing for the protection of service marks by registration. As in the case of goods, the International Classification will apply to services.

Because of past difficulties concerning the interpretation of the concept of “goods of the same description” and in the belief that such difficulties would be compounded in the case of “services of the same description”, the Drafting Committee replaced this concept by tests designed to enable the Registrar or the Court to apply more practical considerations to a particular set of circumstances.

(b) *Requirements for registration.* — The Act before amendment required that:

“In order to be registrable in Part A of the register, a trade mark (other than a certification mark) shall contain or consist of at least one of the following essential particulars:

- (a) the name of a company, individual or firm represented in a special or particular manner;
- (b) the signature of the applicant for registration or of some predecessor in his business;
- (c) an invented word or words;
- (d) a word or words not reasonably required for use in the trade and not being in its ordinary signification a surname;
- (e) any other distinctive mark;

but a surname, name, signature, word or words other than such as fall within the descriptions in paragraphs (a), (b), (c) and (d), and a container for goods, shall not be registrable under the provisions of this subsection unless the Registrar is satisfied that the mark is distinctive within the meaning of section 12.”

The Drafting Committee wished to make it clear that not only “a word or words” but any mark “reasonably required for use in the trade” should be debarred from registration. Furthermore, it could possibly be inferred from the existing section and proviso that a word reasonably required for use in the trade could, through use, become registrable, on the ground that it was distinctive; the Committee considered that because of the inclusion in the section of the omnibus provision in paragraph (e) — “any other distinctive mark” — the preceding wording merely set out *guidelines* as to what might be considered to be *prima facie* distinctive marks. The Committee came to the conclusion that it would be preferable in the circumstances to set out, in a separate sub-section, which marks would be considered to be *prima facie* non-distinctive and section 10(8) was re-written as follows:

“1. In order to be registrable in Part A of the register, a trade mark (other than a certification mark) shall contain or consist of a distinctive mark.

1A. A mark which is reasonably required for use in the trade shall not be registrable.

1B. The name of a company, individual or firm not represented in a special or particular manner, a signature other than that of the applicant or of some predecessor in his business, or a word being in its ordinary signification a surname, shall not be registered unless it is proved that it is distinctive.”

It is submitted that if the new wording effects any change in the law as it has hitherto been applied, it is to make registration in Part A easier to obtain in South Africa than it is in the United Kingdom (under a provision upon which the previous South African provision was based) in that it should

³ See “Letter from South Africa,” *op. cit.*, at p. 103.

be possible in South Africa to obtain registration of all marks which can be proved to be or to have become distinctive (regardless of inherent characteristics) other than those which are clearly "reasonably required for use in the trade". Much will depend, of course, on how this latter term is interpreted but it is suggested that the test which would be appropriate is that put forward by Fletcher Moulton L. J., in the "Perfection" case, 25 R. P. C. at p. 859, and subsequently followed in numerous other cases, namely:

"Will the registration of the trade mark cause substantial difficulty or confusion in view of the rights of user by other traders?"

(c) *Audible reproduction of a mark.* — Under the amending Act it is provided that references in the Act to the use of a mark will include, "in the case of a mark which is capable of being audibly reproduced, the audible reproduction of the mark". The Committee's reasons for including this provision are given on page 2 of its report as follows:

"With regard to sub-section (2), the Committee felt the need for a wider definition to cover the oral use of marks especially in regard to certain educational and entertainment services, radio advertising, etc. It was realised that the inclusion of the phonetic use of a trade mark might create difficulties especially in cases where a person was unable to submit documentary evidence, such as in an application for removal of a mark under section 36. On the other hand, it was felt that the existing limitation to visual representations was clearly inadequate. In deciding to make provision for the protection of the representation of trade marks by word of mouth, the Committee was mindful of the fact that the onus of proof would lie with the claimant, and that the difficulty of adducing satisfactory evidence would be a bar to misuse of the provision."

(d) *Certification marks.* — Extensive provisions have been introduced for the registration of certification marks and, under the amended Act, it will no longer be necessary for such applications to be submitted to the Minister for Economic Affairs. The Registrar of Trade Marks will deal with the applications himself.

Case Law

1. *Bona fide user.* — In an application for the removal of a mark from the Register on the ground of non-use over the previous five years, the respondents produced evidence of advertising and sale of the product over the relevant period. The Court concluded, however, that such use had merely been for the purpose of defeating an application for expungement and that "in all probability the appellant had no serious intention of carrying on any trade, as a commercial enterprise", in the goods in question. In the Appellate Division of the Supreme Court the Chief Justice said:

"Whatever the full meaning of the phrase [no *bona fide* user] may be, it seems clear that use for an ulterior purpose, unassociated with a genuine intention of pursuing the object for which the Act allows the registration of a trade mark and protects its use, cannot pass as a *bona fide* user" (*Rembrandt Fabrikante en Handelaars (Edms) Bpk. v. Gulf Oil Corporation*, 1963 (3) S. A. 341).

2. *Proprietorship of mark.* — In the "Everglide" case a South African importer, during negotiations for an exclusive franchise for the importation of writing instruments from an American manufacturer, registered that company's trade mark *Everglide* in its own name. In expunging the trade mark from the register, Trollip J. held that the importer could not claim to be the true proprietor of the trade mark and,

furthermore, that the registration in the name of the importer was "contrary to morality".

3. *Prior user.* — A company which claimed to have used the trade mark *Lifesaver* in a sale to one customer but to have made extensive preparations for the marketing of brake fluid under the mark sought to oppose the registration of the identical mark by a company which at that stage had not used the mark. The Registrar upheld the opposition holding that the opponent had acquired a "right of property" in the mark, that the applicant could not claim to be the true proprietor of the mark and furthermore that, since the opponent had established prior user, its continued use of the mark could not be interfered with by the applicant (under section 123(3) of the 1916 Trade Marks Act) and that therefore deception was likely to occur in consequence of any use which the applicant might make of the mark. Mr. Justice Colman, whose judgment was upheld on a further appeal to the Appellate Division of the Supreme Court, disagreed with the decision of the Registrar on these points. In the course of his judgment he made the following general observations:

"What is equally clear is that registration may be refused (or expunged) when the applicant has been guilty of dishonesty or sharp practice in seeking to have registered in his own name a mark which is or has been in use by someone else, or which he does not intend to use in respect of his own goods. Whether or not refusal or expungement in such a case is properly based upon a lack of 'proprietorship' in the applicant is, however, by no means clear. It could be based upon that part of sec. 140 which precludes the registration of a mark the use whereof by the applicant would be 'contrary to law or morality' or a mark which, for some reason other than a likelihood of deception, would 'be deemed disentitled to protection in a court of justice'. Or such refusal could be based upon an exercise of the Registrar's discretion" (*Oils International (Pty) Ltd. v. Wm. Penn Oils Ltd.*, 1965 (3) S. A. at p. 71).

In *Registrar of Trade Marks v. American Cigarette Company*, 1966 (2) S. A. 563, the major feature common to the applicants' mark and the mark cited by the Registrar was the word "Lafayette", which had been disclaimed. The Registrar's refusal of the application, reversed by the Transvaal Provincial Division of the Supreme Court, was supported by the Appellate Division, which found that in comparing two trade marks regard must also be had to any features which might be disclaimed and to the nature of the feature which is disclaimed.

4. *Infringement by use of trade mark on genuine goods of the trade mark proprietor.* — Dan River Mills Incorporated had brought suit against Shalom Investments (Pty) Limited and five other defendants alleging that the defendants, acting in concert, had infringed the registrations of the trade mark *Dan River* in respect of cotton piece goods, other cotton goods and articles of clothing, respectively, by purchasing the genuine material from suppliers in New York and making it up into dresses which were sold bearing the sew-in labels and hang-tags of the plaintiffs, which had been supplied with the material and which indicated that the material was a *Dan River* fabric.

In dismissing the appeal, the Appellate Division upheld the finding of infringement in the lower Court and found that the 1963 Trade Marks Act had brought about a substantial change in the law relating to the infringement of trade

marks. The effect of the judgment is that, at least in certain circumstances, it may be possible for a trade mark to be infringed by a defendant who sells the genuine goods of the proprietor of the trade mark without his express or implied authority.

5. *Merchandise Marks Act.* — The Merchandise Marks Act, No. 17 of 1941, while mainly providing criminal sanctions, is available to manufacturers and merchants, both local and foreign, who would be likely to suffer damage as a result of a contravention of its provisions. In *Tobler v. Durban Confectionery Works (Pty) Ltd.*, 1965 (4) S. A. 497, a chocolate manufacturer from Switzerland applied for an order interdicting and restraining a South African manufacturer of chocolates from applying the trade description “Swiss” Milk Chocolates to containers of chocolates manufactured in South Africa.

The Court held, firstly, that the Swiss manufacturer had *locus standi* to bring the proceedings, secondly, that the word “Swiss” had not acquired a secondary meaning in respect of chocolates and, thirdly, that the term “Swiss Milk Chocolate” as used by the respondent was a “false trade description” under the Merchandise Marks Act. Accordingly the relief sought was granted.

PATENTS

Legislation

1. *Patents Act.* — The Patents Amendment Act, No. 61 of 1963⁴, altered the Patents Act, No. 37 of 1952, by the addition of a new sub-section which provides that the right of inspection at the Patent Office does not include the right to make copies of documents. The sub-section destroys the effect of the finding by the Appellate Division in *Spoor and Fisher v. Registrar of Patents*, 1961 (3) S. A. 476 (A. D.), that the right of inspection of documents carries with it the right to make copies.

The General Law Amendment Act, No. 80 of 1964, amended the Patents Act of 1952. The powers of the Commissioner of Patents were in the main transferred to a judge or acting judge of the Transvaal Provincial Division of the Supreme Court. The functions of attending to the assignment of pending applications which rested with the Commissioner were in turn transferred to the Registrar.

The Patents Amendment Act, No. 54 of 1967⁵, amended the Patents Act of 1952 by providing that the allowance of an extension of time within which to advertise the acceptance of a complete specification automatically extends the sealing period correspondingly.

A committee has been appointed to revise the Patents Act in its entirety and is presently doing so. An amended or new Patents Act is not expected to come into operation much before the beginning of 1975.

2. *Patent Regulations.* — In terms of Government Notice No. R. 632, published in Government Gazette Extraordinary No. 489 of 3rd May, 1963, the then existing Patent Rules were

repealed and substituted by the present Patent Regulations, 1963, which are in substantially the same form as the old.

In terms of Government Notice No. R. 2120, published in Government Gazette Extraordinary No. 1939 of 29th December, 1967, various amendments were effected to the Patent Regulations including the extension of the prescribed time for the advertisement of acceptance of a complete specification from one month to three months; the provision for international paper sizes; the inclusion of the sealing fee in the fee payable upon the application; and the amendment of the provisions relating to drawings.

As of the beginning of 1968 the Patent Journal has been published on a monthly rather than on a weekly basis as previously.

Case Law

1. *Anticipation.* — In *Drummond-Hay v. Fram & Co. (Pty) Ltd.*, 1963 (3) S. A. 490 (A. D.), the Appellate Division upheld a decision of the Transvaal Provincial Division (reported in 1962 (4) S. A. 250 (7)) which had held a patent to be infringed but invalid on grounds including inutility and anticipation. In discussing the ground of anticipation, Williamson J. A. (at pp. 505 to 506) referred to the remarks of Stratford J. A. in *Veasey v. Denver Rock Drill & Machinery Company Limited*, 1930 A. D. 243 at p. 284, to the effect that on the question of anticipation all that was necessary was to ascertain the purpose or object of the plaintiff's device and compare that object with the purpose or object of the defendants' device. Williamson J. A. stated:

“The words ‘purpose or object’ in this passage may require some qualification. I do not think that every known or desired result of the carrying out of the invention necessarily forms part of the ‘purpose or object’ there referred to. For instance, the ‘purpose or object’ of providing an inclined trough leading to the band of paper passing through a cigarette machine at an angle pointing in the same direction as the movement of the paper, may have been incorporated in a patented cigarette making machine merely for the immediate ‘purpose or object’ of thereby spreading the tobacco fed through such a trough on to the paper. The patentee may not have realised or claimed that the angling and inclining of the trough had the advantage of causing the tobacco to fall evenly on the moving paper. A patent for a similar machine issued to a person who thereafter had merely in addition claimed this resultant even spread of tobacco as a purpose of a machine with the identical trough would be invalid on the ground that it had been anticipated by the earlier patent.”

2. *Partial priority claims.* — In *Bendz Ltd. and Another v. The South African Lead Works, Limited*, (1963) (3) S. A. 797 (A), the patent under consideration was held to be invalid on the ground that the application therefor contained a material misrepresentation since, although priority was claimed from a certain British provisional specification, the specification filed in South Africa also described and claimed matter which had been disclosed in an earlier British provisional specification in respect of which it was no longer possible to claim Convention priority. The priority of the British provisional specification which was claimed could thus not be said to be “the first application in a Convention country in respect of the relevant invention” as stated in the application form. The decision has had, and will continue to have, considerable effects in practice on the filing of Convention patent applica-

⁴ See *Industrial Property*, 1970, p. 351.

⁵ See *Industrial Property*, 1970, p. 351.

tions in South Africa particularly where United States continuation-in-part applications are claimed as Convention priorities. In the course of his judgment Botha J. A. is reported (at p. 808) to have said:

"... Notwithstanding the imposition upon the Registrar of these statutory duties, the responsibility for the accuracy of a declaration in an application for a patent rests fairly and squarely upon the applicant, who cannot, in my view, escape the consequences of a misrepresentation in his declaration merely on the ground that the effect thereof could have been negated by the Registrar in the performance of his statutory duties."

3. *Meaning of "application"*. In *Airfilpat Holdings (Pty) Limited v. The Transvaal & O. F. S. Chamber of Mines and Rabson*, the Patent Journal of 18th November, 1964, p. 42, the question arose as to the meaning of "application" in Section 23(1)(i) of the Patents Act of 1952, which provides that a patent application may be opposed (or, in terms of Section 43, application for the revocation of granted patents may be made) on the ground "that the application contains a material misrepresentation". Clayden J. is reported to have said (at p. 42):

"... it seems to me to be the case that in section 23(1)(i) the legislature intended to cover all material misrepresentations. It could have used both terms, 'application' and 'specification', but there was no need to do so for under section 9 part of every application, for the application to be in order, had to be an accompanying provisional or complete specification ... for the purpose of section 23(1)(i) the specification is part of the application ..." (*contra* the obiter dictum of Marais Retief C. P. in *Bendz Limited and Stanley Ackerman v. The South African Lead Works, Limited*, the Patent Journal of 26th September, 1962, p. 20 at p. 22).

4. *Necessity to amend patent specifications*. — The statement in *Wright Boag & Head Wrightson (Pty) Ltd. v. Buffalo Brake Beam Company*, the Patent Journal of 8th December, 1965, p. 34 at p. 35, by Galgut J. that

"... the pleadings concede that Claim 8 is bad, and it has now been conceded that Claim 1 is also bad. Furthermore it is conceded that in one respect the body of the specification is defective. It follows that as long as the patent remains unamended it is as a whole invalid (save for certain saving provisions in section fifty-four of the 1953 Act)"

emphasizes the advisability of amending the specification and claims of South African patents in the light of citations by examiners in examining countries.

5. *Reinstatement of a lapsed application*. — In *Caps Research Ltd. v. The Registrar of Patents*, the Patent Journal of 6th September, 1967, p. 73, Ludorf J. held that it is clear that the Act makes no provision for the reinstatement of a patent application which has been withdrawn or abandoned and the Registrar accordingly has no power to reinstate a withdrawn or abandoned application.

6. *Extension of term*. — Before the decisions of the Appellate Division in *Anglo-American Corporation of S. A. Ltd. v. Vereinigte Österreichische Eisen- und Stahlwerke Aktiengesellschaft*, 1967 (4) S. A. 322 (A), and in *Firestone South Africa (Pty) Ltd. and others v. Gentiruco A. G.*, 1968 (1) S. A. 611 (A), it had been the practice of the South African Courts to follow British practice and to insist on an applicant for the extension of the term of patent on the ground of inadequate remuneration proving the principal matters summarized by Sargant J. in *Fleming's Patent*, 36 R. P. C. 55 at p. 70.

Since the two decisions of the Appellate Division cited above, the position has changed and all that is now required is that the applicant must show in whatever way he may choose that he has not derived adequate remuneration from the patent. The Commissioner's discretion to grant or refuse the application is left otherwise unfettered — although in a recent decision it has been remarked that "the applicant must ... in his own wisdom decide, taking into account how the courts have exercised their discretion in the past, what evidence to submit in order to satisfy the Commissioner".

7. *Meaning of "inventor"*. — The decision of the Rhodesian Appellate Division in *Lonrho Ltd. v. Salisbury Municipality*, 1970 (4) S. A. 1 (R. A. D.), reinforces the old decision of *Hay v. African Gold Recovery*, 1896 (3) O. R. 338, that the South African Courts should interpret the meaning of "inventor" in the ordinary sense as meaning "the person who actually devised the invention" rather than in the technical sense followed by the English Courts which includes "the mere importer or communicatee of an invention from abroad".

INDUSTRIAL DESIGNS

Legislation

The Designs Act, No. 57 of 1967⁶, came into force on the 1st January, 1968. It generally follows the lines of the 1916 Act and brings it up to date, but the following points are probably worth mentioning:

1. *Classification*. — A new classification of thirty-one classes has been introduced and it is still necessary to file separate applications for each class in which protection is required.

2. *Inspection of designs*. — Designs are no longer kept secret for specified periods but are open to inspection immediately after registration.

3. *Procedure*. — There is an examination for novelty and registrability but, as hitherto, design applications are not open to opposition. Provision exists for cancellation of design registrations at the instance of third parties on any of the following grounds:

- "(a) that the design was not new or original;
(b) that the applicant for registration was not the proprietor; or
(c) that the application was in fraud of the proprietor, or on any ground on which the Registrar could have refused to register the design, and the court may make such order on the application as it thinks fit."

4. *Novelty*. — A design is deemed to be a new or original design if, on or before the date of application for registration, the design or a design not substantially different therefrom, was not —

- "(a) used in the Republic;
(b) described in any publication in the Republic;
(c) described in any printed publication anywhere;
(d) registered in the Republic;
(e) the subject of an application for the registration of a design in the Republic or of an application in a convention country for the registration of a design which has subsequently been registered in the Republic in accordance with section 18."

⁶ See *Industrial Property*, 1968, p. 256.

5. *Compulsory licences.* — Provision exists for the grant of compulsory licences in the case of abuse of monopoly.

6. *Duration.* — Fifteen years, if renewed in the fifth and tenth years.

Case Law

There have been no cases under the Designs Act over the past nine years.

NEW PLANT VARIETIES

Plant Breeders' Rights Act

The Plant Breeders' Rights Act, No. 22 of 1964, deleted all provisions for plant patents from the Patents Act of 1952 and substituted therefor a new form of protection obtainable

on application to a Registrar who is an official of the Department of Agricultural Technical Services.

For present purposes all that need be mentioned specifically is Section 6 of the Plant Breeders' Rights Act, which limits the rights obtainable under the Act to plants having their origin in the Republic of South Africa. Section 2 of the Plant Breeders' Rights Amendment Act, No. 72 of 1969, however, introduced a new section, section 23A, into the Plant Breeders' Rights Act in terms of which the Minister is empowered, by notice in the Government Gazette, to declare that the provisions of the Act shall apply in respect of any plant which has its origin in a foreign country, provided that that country grants reciprocal rights to the Republic of South Africa.

CALENDAR

WIPO Meetings

September 6 to 10, 1971 (London) — International Patent Classification (IPC) — Working Group IV of the Joint ad hoc Committee *

September 6 to 18, 1971 (Geneva) — Committee of Experts for the International Classification of Industrial Designs

Invitations: Member countries of the Locarno Union — *Observers:* Member countries of the Paris Union

September 13 to 17, 1971 (The Hague) — International Patent Classification (IPC) — Working Group I of the Joint ad hoc Committee *

September 21 and 22, 1971 (Geneva) — WIPO Headquarters Building Subcommittee

Members: Argentina, Cameroon, France, Germany (Fed. Rep.), Italy, Japan, Netherlands, Soviet Union, Switzerland, United States of America

September 22 to 24, 1971 (Geneva) — ICIREPAT — Plenary Committee

September 27 to October 1, 1971 (Berne) — International Patent Classification (IPC) — Working Group II of the Joint ad hoc Committee *

September 27 to October 2, 1971 (Geneva) — WIPO Coordination Committee, Executive Committees of the Paris and Berne Unions, Assembly and Committee of Directors of the National Industrial Property Offices of the Madrid Union, Council of the Lishou Union, Assembly of the Locarno Union

October 4 to 11, 1971 (Geneva) — Committee of Experts on the International Registration of Marks

Object: Preparation of the Revision of the Madrid Agreement or of the Conclusion of a New Treaty — *Invitations:* Member countries of the Paris Union and organizations concerned

October 11 to 15, 1971 (Geneva) — ICIREPAT — Technical Committee for Computerization

October 13 to 15, 1971 (Geneva) — ICIREPAT — Advisory Board for Cooperative Systems

October 18 to 22, 1971 (Geneva) — ICIREPAT — Technical Committee for Shared Systems

October 18 to 29, 1971 (Geneva) — International Conference of States (Diplomatic Conference) on the Protection of Phonograms

Note: Meeting convened jointly with Unesco

October 25 to 29, 1971 (**) — International Patent Classification (IPC) — Working Group V of the Joint ad hoc Committee *

October 25 to 29, 1971 (Geneva) — ICIREPAT — Technical Committee for Standardization

November 1 and 2, 1971 (Geneva) — Intergovernmental Committee Established by the Rome Convention (Neighboring Rights)

Note: Meeting convened jointly with the International Labour Office and Unesco

November 3 to 6, 1971 (Geneva) — Executive Committee of the Berne Union — Extraordinary Session

November 9 to 12, 1971 (Geneva) — International Patent Classification (IPC) — Bureau of the Joint ad hoc Committee *

November 15 to 18, 1971 (Geneva) — International Patent Classification (IPC) — Joint ad hoc Committee *

* Meeting convened jointly with the Council of Europe.

** Place to be notified later.

- November 22 to 26, 1971 (Geneva) — Committee of Experts for the International Classification of the Figurative Elements of Marks
Invitations: Member countries of the Nice Union — *Observers:* Member countries of the Paris Union and international organizations concerned
- November 24 to 27, 1971 (Bogotá) — Bogotá Symposium on Patents, Trademarks and Copyright
Object: Discussion of questions of special interest to the countries invited — *Invitations:* Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay, Venezuela — *Observers:* Intergovernmental and international non-governmental organizations concerned —
Note: Meeting convened in agreement with the Colombian Government
- December 6 to 8, 1971 (Geneva) — Patent Cooperation Treaty (PCT) — Interim Advisory Committee for Administrative Questions
Members: Signatory States of the PCT
- December 8 to 10, 1971 (Geneva) — Patent Cooperation Treaty (PCT) — Standing Subcommittee of the Interim Committee for Technical Cooperation
Members: Austria, Germany (Fed. Rep.), Japan, Soviet Union, Sweden, United Kingdom, United States of America, International Patent Institute — *Observer:* Brazil
- December 13 to 15, 1971 (Geneva) — ICIREPAT — Technical Coordination Committee
- December 13 to 18, 1971 (Cairo) — Arab Seminar on Treaties Concerning Industrial Property
Object: Discussion on the principal multilateral treaties on industrial property and the WIPO Convention — *Invitations:* States members of the Arab League — *Observers:* Intergovernmental and international non-governmental organizations concerned — *Note:* Meeting convened jointly with the Industrial Development Centre for Arab States (IDCAS)

UPOV Meetings

- September 22 and 23, 1971 (Geneva) — Working Group on Cross-Fertilized Plants
 October 14 and 15, 1971 (Geneva) — Council

Meetings of Other International Organizations Concerned with Intellectual Property

- August 24 to September 17, 1971 (Geneva) — United Nations Conference on Trade and Development — Trade and Development Board
- August 30 to September 4, 1971 (Geneva) — Industrial Development Centre for Arab States — Committee of Experts to Draft a Model Law on Patents for Arab States
- September 9 and 10, 1971 (West Berlin) — International League Against Unfair Competition — Study Mission on German Restrictive Trade Practices Law
- September 12 and 13, 1971 (Paris) — Union des fabricants — Study meetings
- September 14 to 17, 1971 (Nice) — Union of European Patent Agents — General Assembly
- September 20 to 22, 1971 (The Hague) — International Patent Institute — Administrative Council
- October 4 to 9, 1971 (Paris) — Unesco — Conference on Scientific Information Systems
- October 10 to 17, 1971 (Kuwait) — Industrial Development Centre for Arab States — Arab Symposium on Industrial Development
- November 3 to 6, 1971 (Geneva) — Unesco — Intergovernmental Copyright Committee
- December 13 to 16, 1971 (Brussels) — International Association for the Protection of Industrial Property — Council of Presidents
- International Conference for the Setting Up of a European System for the Grant of Patents (Luxembourg):
- September 13 to 17, 1971 — Working Party I
 - October 11 to 22, 1971 — Working Party I
 - November 15 to 19, 1971 — Working Party I
 - November 29 to December 3, 1971 — Working Party II