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# It's all in the LABEL

**Amendments – enactment of Merchandise Marks Regulations in terms of section 10 and 11 of the Merchandise Marks Act 17 of 1941**

Clients in the footwear, clothing and accessory industries, take particular note.

contact our offices. Alternatively, for more complete information see the article in "HEADLINE NEWS" @ [www.adamsadams.com](http://www.adamsadams.com) or address all enquiries to [counterfeiting@adamsadams.co.za](mailto:counterfeiting@adamsadams.co.za)

The Merchandise Marks Act (MMA) has been amended and regulations created in terms of sections 10 and 11, will in future regulate the way in which products imported into South Africa, are to be labelled.

In terms of this, all importers have until 22 May 2005 to get their houses in order. If not, they could face criminal sanctions for non-compliance; which could result on a first conviction, not only in the seizure of the goods and the ultimate forfeiture of these goods to the State, but penalties of up to R5 000 (US\$750) for each article to which the offence relates, or to imprisonment for a period not exceeding three years, or both such fine and imprisonment.

The regulations provide that labelling should appear on all goods and comply with in future, the origin of the country of manufacture or production together with the composition of the material used, including a detailed list of the actual composition of the garment and, depending on the nature of the garment, a separate listing for any linings or trimmings, etc.

The provision now applies to a wider range of goods specifically textiles, clothing, shoes and leather goods.

Should you require any specific advice as to how these regulations will affect you, please do not hesitate to



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## FOODSTUFFS, COSMETICS AND DISINFECTANTS ACT

# Alcohol is ADDICTIVE

### New labelling regulations passed in respect of all alcoholic beverages

On 11 February 2005 a notice was published in the Government Gazette advising that effective from 11 February 2006 warnings will have to be placed on all alcoholic beverages. In terms of the regulations, alcoholic beverages are defined as any drink ordinarily consumed by humans or purporting to be suitable, or manufactured or sold for human consumption with an ethyl alcohol content above 1ml per 100ml (1%) alcohol volume. This is an extremely low threshold and one would have to ensure that products even with minimal amounts of alcohol carry the warning labels.

In terms of the regulations, the warning labels have to be black on a white background, and must be one eighth in size of the total size of any advertisement, container label or promotional material. This means that even advertising for alcohol beverages will now need to carry a warning which must be of substantial size relevant to the advertising. The warnings that must appear on any packaging or advertising must be alternated in any 12 month period.

In addition, the regulations provide that there are certain statements that cannot be made in respect of alcoholic beverages. This includes words, pictorial representations or descriptions which tend to indicate that the alcoholic beverage was made or manufactured in accordance with the recommendations of a Health Professional registered in terms of any law or any health organisation, association or foundation. In future therefore it will not be permitted to indicate that for example beer, because of its low fat, carbohydrate or protein content is approved by the Heart Foundation or use the Heart Foundation pictorial representation with the beverage.

Contraventions of the Act will expose the contravening party to criminal sanction who, upon conviction, may be liable to a fine or to imprisonment for a period not exceeding five years or to both such fine and imprisonment.

The proposed regulations mean that businesses will have to seriously reconsider the way in which they market and sell their alcoholic beverages in future. Not only does this regulation affect the established alcoholic beverage market but is also likely to have some effect on those beverages which



are sold and which contain even minimal amounts of alcohol in their composition.

Should you require any specific advice as to how these regulations will affect you, please contact Marilyn Krige ([marilyn@adamsadams.co.za](mailto:marilyn@adamsadams.co.za)). Alternatively, for more complete information see the article in "HEADLINE NEWS" @ [www.adamsadams.com](http://www.adamsadams.com).

### New partners & associates



With effect from 1 March 2005, the firm welcomed Jan Wolmarans, Nishi Chetty and Steven Yeates to the partnership. Jan practises in our Johannesburg office in the Patent Department, with both Nishi and Steven practising in the Pretoria office's Trade Marks Department. At the same time we are pleased that with effect from 1 January 2005, through organic growth, we welcomed six new associates: Nicolette Koch (General Law Department), Karen Lüderitz (Trade Marks Department), Lindsey Kilmartin (Trade Marks Department), Karin van der Merwe (Patents Department), Emmanuel Hinson (Trade Marks Department) and Wessel van Wyk (Patents Department).



**Jan Wolmarans**



**Nishi Chetty**



**Steven Yeates**

## NELSON MANDELA - what's in a name?

An urgent application was brought before the High Court (Transvaal Provincial Division). The applicants were Mr Nelson Mandela, himself; the Nelson Mandela Foundation; and 17 persons named as Trustees of the Nelson Mandela Foundation. There were two respondents, namely Investgold CC and its member, Mr Gerrit Schwartz.

The background to the urgent application was the fact that the respondents were importing into South Africa gold coins bearing the name "Nelson Mandela" and an image of Mr Mandela. The applicants held the view that the use of the words "Nelson Mandela" and an image of Mr Mandela on the gold coins was an infringement of the rights of Mr Mandela and the Nelson Mandela Foundation.

The evidence showed that Mr Mandela had furnished a letter of consent to the Registrar of Trade Marks agreeing to the Nelson Mandela Foundation applying to register (in its name) trade marks consisting of words such as "Mandela"; "Nelson Mandela"; as well as other names by which he is known such as "Madiba"; "Rohlihlahla"; as well as images of Mr Mandela. Furthermore, the Nelson Mandela Foundation had applied to register 46664, which was Mr Mandela's prison number whilst he was jailed on Robben Island.

The respondents case was based on an alleged right to import these gold coins because of an agreement in existence between themselves and the Nelson Mandela Foundation. The Foundation had the right to refuse to agree to the importation of coins by the respondents but could not do so "unreasonably". Inter alia, the Foundation had stipulated that before any coins could be imported into South Africa, the Foundation needed to be satisfied as to the quality, the price, and more particularly the legality of the importation of coins. It was contended by the Foundation that the gold coins required the approval of the



**December 2004 - Cape Town, from left to right: Don MacRobert (consultant, Adams & Adams), Nelson Mandela & Emmanuel Hinson (associate, Adams & Adams)**

South African Reserve Bank Exchange Control authorities, before they could be imported.

The respondents alleged that the coins were of good quality, were correctly priced and were legal tender so that the approval of the South African Reserve Bank was therefore not necessary.

Mr Justice Nico Coetzee, who heard the matter, noted that the gold coins were packaged and advertised as a collector's item,

and not as legal tender. Accordingly the approval of the Reserve Bank should have been obtained. It was also sympathetic to the Foundation's position on the issues of quality and pricing.

The court held that the Foundation had not unreasonably withheld its consent in terms of the agreement and granted a final interdict restraining the respondents from importing, advertising or selling the coins. An application for leave to appeal has been noted.

### Footnote: WIPO

An interesting point raised in the applicants' papers was the fact that steps had been taken to register with the World Intellectual Property Organisation in Geneva, the name "Nelson Mandela" and a picture of Mr Mandela. This was in terms of Article 6 ter of the Paris Convention. In terms of that Convention, member states must give due recognition to such registrations; and also assist fellow member states in restraining the misuse or infringement thereof. In the present instance the gold coins in question were being minted by a mint in England. Part of the papers included a letter addressed by Mr Mandela to a cabinet minister in the UK requesting that steps be taken to restrain the use by the English mint of his intellectual property rights.

**Address all enquiries to Don MacRobert ([d1m@adamsadams.co.za](mailto:d1m@adamsadams.co.za))**



# New IP Laws cover all of MOROCCO

**WITH EFFECT** from 18 December 2004, significant changes were made to the IP laws of Morocco. The Kingdom of Morocco was previously divided into two zones - a Casablanca zone (French zone) and a Tangier zone. Until now trade mark, patent and design protection had to be obtained and maintained separately in each of the zones. Protection obtained for Morocco (Casablanca zone) also previously covered Western Sahara. The new law annuls the two laws currently in force and covers the whole Moroccan territory, and is also TRIPS compliant. Thus, as from 18 December 2004, separate applications in each zone are no longer necessary. Also existing trade mark / patent / design applications filed

before 18 December 2004 in one zone, will automatically extend to the other zone.

There have been no significant changes as far as filing requirements for trade marks are concerned, with the filing requirements for patents remaining unchanged and for designs, the requirements are less onerous. There are however significant changes regarding the payment of maintenance/ renewal fees on patents.

While it is advisable to continue filing separate applications in both zones, it is worthwhile noting that registrations and pending

applications filed in only one zone, will automatically extend to the other zone as of 18 December 2004.

Should you require any specific advice as to how these regulations will affect you, please contact our office; in patent matters - Dennis Dold (dmd@adamsadams.co.za) and trade mark matters - Megan Moerdijk (megan-m@adamsadams.co.za).

Alternatively, for more detailed information see the article in "HEADLINE NEWS" @ [www.adamsadams.com](http://www.adamsadams.com).

## Descriptive use of TRADE MARKS

### HIGH COURT RULES ON LIMITATIONS OF *BONA FIDE* DESCRIPTIVE USE OF TRADE MARKS

IN **BMW AG vs BW Tech**, the Transvaal Provincial Division of the High Court ruled on the scope of the defence afforded to a person who makes use of a registered trade mark in terms of Section 34(2)(c) of the South African Trade Marks Act to describe his or her goods or services.

BW Tech's business is the servicing and repair of motor vehicles, including BMW cars, and the sale of car parts. In the conduct of its business, BW Tech made unauthorised and prominent use of the trade marks BMW, BM and the KIDNEY GRILLE device in various ways, including the following:

YOUR ONE STOPBMW used SPARES SHOP  
BM SPARES for Africa!

Initial correspondence between the parties yielded a written undertaking from the respondent to cease making unauthorised use of the applicant's trade marks. Despite this undertaking, BW Tech contin-

ued its conduct, resulting in **BMW AG** applying to the High Court for an interdict to restrain the respondent from infringing its registered trade marks and from breaching its undertaking.

BW Tech did not deny the existence of the applicant's registered trade marks, or the fact that they were well-known, but contended that it was entitled to make use of the applicant's trade marks in terms of Section 34(2)(c) of the Trade Marks Act. This section provides that the use of a registered trade mark in relation to goods or services does not amount to infringement of that registration where it is reasonable to indicate the intended purpose of such goods or services, including spare parts and accessories,

or of such services, and where the use is both *bona fide* and consistent with fair practice.

The Court held that the manner in which the respondent was using the applicant's trade marks did not fall

within this exclusion as the respondent was giving undue prominence to the BM and BMW trade marks in its signage and was not using the marks in a manner merely descriptive of what it sold. The emphasis placed on the trade marks by the respondent was intended to attract customers, thereby unfairly taking advantage of the applicant's goodwill to advertise the respondent's business.

A defence based on alleged estoppel against **BMW AG** because of the existence of various other instances of infringement of its trade marks in the trade was also rejected by the Court. Accordingly, **BMW AG** was awarded the relief it sought.

For more complete information see the article in "HEADLINE NEWS" @ [www.adamsadams.com](http://www.adamsadams.com) or address all enquiries to Chris Job (chris@adamsadams.co.za).

