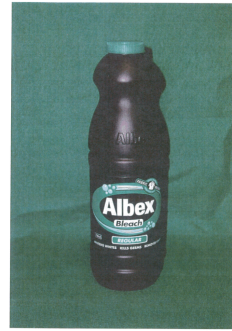


## ALBEX VS ALL BLAX : The Battle of the Bleaches

ALBEX is a well known registered trade mark for household bleach in South Africa. Albion Chemical Company (Pty) Ltd ("Albion"), the owner of the brand, sells ALBEX bleach in a distinctive get up consisting of a black container with a green cap, and a black label on which the mark ALBEX appears in bold white lettering surrounded by a green swirl. The ALBEX trade mark has been registered since 1956 and Albion can prove substantial sales of ALBEX particularly in the Western Cape Province. Although ALBEX is a premium quality bleach, it is highly price-competitive; therefore enjoying particular market share among lower-income consumers many of whom are very brand-loyal, but some of whom are also illiterate.



During September 2003 Albion became aware that a bleach under the name ALL BLAX was introduced into the formal market (alongside ALBEX) by FAM Products CC ("FAM"). ALL BLAX was also sold in a black container with a green cap, accompanied by a label on which the mark ALL BLAX appeared in bold white lettering against a black background. The black background, in turn, was bordered by green. Tests revealed that ALL BLAX bleach was not a full-strength (or premium) bleach, as ALBEX is.



Albion brought an urgent application in the Cape High Court against FAM on October 2003. Its cause of action was based on passing off, classic trade mark infringement (Section 34(1)(a) of the South African Trade Marks Act) and dilution of a well known registered trade mark (Section 34(1)(b) of the Trade Marks Act). FAM did not dispute that ALBEX was a well known registered trade mark, or that it was sold in a distinctive get up. FAM did contend that the marks ALBEX and ALL BLAX were not confusingly or deceptively similar. It argued that classic trade mark infringement could consequently not be found. Further, FAM argued, the anti-dilution provision of the Act could not be used by a proprietor of a well known registered trade mark where use of the alleged infringing mark is on goods identical to those for which the well known mark is registered and where the applicant is unable to succeed on classic infringement for lack of confusion or deception. FAM also agreed that there could be no passing off as the get-ups in question were sufficiently dissimilar to avoid the likelihood of confusion among consumers.

The application was heard in the Cape High Court on 6 November 2003, and written judgment was handed down by Deputy-Judge President Traverso on 3 December 2003. Judge Traverso found in favour of Albion on all grounds. FAM was interdicted from further infringing, passing off and diluting the ALBEX trade mark and get-up of Albion. FAM was additionally ordered to deliver up the ALL BLAX labels to Albion, and to pay Albion's costs.

### Well known marks

The case answered a pertinent legal question pertaining to the scope of protection afforded well known registered trade marks under Section 34(1)(c) of the Trade Marks Act no. 194 of 1993 ("the Act"). This is the so-called "anti-dilution" provision and reads as follows: "The rights acquired by registration of a trade mark shall be infringed by the unauthorised use in the course of trade in relation to any goods or services of a mark which is identical or similar to a trade mark registered, if such trade mark is well known in the Republic and the use of the said mark would be likely to take unfair advantage of, or be detrimental to, the distinctive character or the repute of the registered trade mark, notwithstanding the absence of confusion or deception ..."

In this case ALBEX was registered for bleach and ALL BLAX was used for bleach. If it could be found that ALL BLAX so nearly resembled ALBEX as to be likely to deceive or cause confusion, Albion would succeed on the classic trade mark infringement provision contained in Section 34(1)(a) of the Act. This section reads as follows:

"The rights acquired by registration of a trade mark shall be infringed by the unauthorised use in the course of trade in relation to goods or services in respect of which the trade mark is registered, of an

identical mark or of a mark so nearly resembling it as to be likely to deceive or cause confusion".

Albion relied on both Sections 34(1)(a) and 34(1)(b). The question which arose was whether Albion could still succeed on Section 34(1)(c) where it may fail on Section 34(1)(a). Most notably Section 34(1)(a) requires that the marks in question be confusingly or deceptively similar; whereas Section 34(1)(c) only requires the marks to be similar and goes on to provide that the absence of confusion or deception will not influence a finding of infringement.

Lawyers for FAM relied on an obiter dictum in the case of Triomed (Pty) Ltd –vs- Beecham Group Plc 2001(2) SA 522(TPD) where the learned Judge commented that the purpose of the dilution provision in the Act was to prevent use of a well known mark on goods other than those for which the mark is registered, and that Section 34(1)(c) is apparently not intended to protect a trade mark proprietor who cannot prove the requirements of Section 34(1)(a) in respect of identical goods to those for which his mark is registered.

Judge Traverso in the ALBEX judgment disagrees with this dictum and thereby brought more clarity to the interpretation of the scope of Section 34(1)(c). She held that Section 34(1)(a) applies to all registered trade marks, whereas Section 34(1)(c) gives additional protection to well known trade marks "against the use of a competing mark which would be likely to take unfair advantage of or be detrimental to the distinctive character or the repute of the registered trade mark notwithstanding the absence of confusion or deception".

The Court considered the clear wording of Section 34(1)(c) which refers to unauthorised use in the course of trade in relation to any goods or services. The section can therefore not be interpreted as applying only to use on goods other than those for which the trade mark is registered. Judge Traverso pointed out that such other interpretation would absurdly leave the proprietor of the well known trade mark with less protection in respect of the goods for which the mark is registered than he has in respect of goods for which he has not registered.

This case is consequently authority under South African law that the proprietor of a well known registered trade mark can rely on the anti-dilution provision in the Act where a similar mark is used on identical goods, even where he can not show that the competing mark is confusingly or deceptively similar – so long as he can show that the infringing use is likely to take unfair advantage of, or to be detrimental to the distinctive character or reputation of the well known trade mark. This judgment is certainly good news for the proprietors of well known trade marks in South Africa.

### Confusing or deceptive similarity

FAM's main defence in this case of course rested on its argument that ALL BLAX was not confusingly or deceptively similar to ALBEX. In arguing so, FAM pointed out all the differences between the marks.

Judge Traverso confirmed the test for a comparison of the marks as laid down in the case of Plascon-Evans Paints Ltd vs Van Riebeeck Paints (Pty) Ltd, 1984(3) SA 623 (AD). The impact of the defendant's mark on the average type of customer has to be assessed, with regard to similarities and differences with the registered mark. Importantly, the comparison must be made with reference to the sense, sound and appearance of the marks. The marks must be viewed as they would be encountered in the market; not only side by side but also separately. Striking features of, and general impressions created by, the marks must be taken into account.

FAM submitted that if there were differences in respect of any one of sense (conceptual similarity), sound (phonetic similarity) or appearance (visual similarity), there will be no infringement. FAM pointed out differences such as:

- The meaning of ALL BLAX (i.e. "all black" or the New Zealand rugby team) and of ALBEX (an invented word);
- The break in the mark between ALL and BLAX, the extra L and second A in ALL BLAX;
- The standard English pronunciation of the marks.

The Court found importantly that an applicant need not show a similarity in respect of all of sense, sound and appearance. The similarity of any one of these may suffice to give rise to deception or confusion.

The Court found that deception or confusion will exist where there is a probability that a person will be deceived into thinking that:

- The Respondent's product is the Applicant's;
- There is a material connection between the Respondent's product and the Applicant; or
- Where the person is confused as to whether there is such a connection or not.

On comparing the marks ALBEX and ALL BLAX the Court found the visual similarities striking and found that the average buyer will not consciously recognise the differences between the two marks. In pronunciation of the marks the Court had regard to the fact that South Africa has a multicultural society. Various demographics had to be taken into account. English is not spoken just with a colonial English accent. The Cape vernacular had to be taken into account, as did the likelihood of unclear or uncareful articulation. There is a natural tendency, because of language differences, to pronounce words differently from colonial English. The Court found the requisite similarity in the visual and phonetic aspects of both marks.

Conceptually the Court did not accept that there could be any association drawn between ALL BLAX and the New Zealand rugby team (as was suggested). The Court found it pertinent that FAM had two other bleach brands on the market (namely FAMTEX and HAMPER). Despite this FAM produced a third brand which is very close to the invented word mark ALBEX. The Court found in this conduct an intention to deceive potential purchasers. It is not required to prove intention on the part of the infringer to succeed in a trade mark infringement application, but where there is intention it is an indication of the likelihood of deception or confusion.

The Court found the marks ALBEX and ALL BLAX to be confusingly similar. Albion succeeded on trade mark infringement based on both of Sections 34(1)(a) and 34(1)(c) of the Act.

### Passing off

Albion also succeeded on passing off where the comparison was between the whole get up of ALBEX bleach and the whole get up of ALL BLAX bleach, including consideration of extraneous matter. The Court found the ALL BLAX get up to be an obvious imitation of ALBEX, which was designed to deceive and confuse. The Court found the differences to be minor and immaterial. It was further significant that FAM's name did not appear on the ALL BLAX label – ALL BLAX was on the market as an anonymous product. FAM consequently made no effort to convey to consumers that ALL BLAX was not the product of the Applicant, as it had to do.

### Conclusion

This judgment is important in as far as it cleared up uncertainty and established the scope of Section 34(1)(c) of the Act. The owner of a well known mark may use both of Sections 34(1)(a) (or 34(1)(b)) and 34(1)(c) where the facts support it, and get relief on both. Where the owner of a well known mark can only prove close similarity, and not confusing or deceptive similarity, between the marks, he can still succeed on Section 34(1)(c), even where the goods or services on which the infringing mark is used are identical (or similar) to those for which the well known trade mark is registered.

The judgment is further notable for having reaffirmed that confusing similarity is judged on three grounds namely the sense, sound and appearance of the marks. Similarity on any one of these grounds can be sufficient to base a finding of confusing similarity on. The plaintiff in an infringement matter need not show confusing similarity on all three grounds.

Lastly, this judgment brought to the fore again the role which intention to deceive or confuse on the part of the defendant can play in reaching the conclusion that marks are confusingly or deceptively similar. In passing off matters, further, failure to clearly distinguish one product from its competitor by failing to put the name of the producer thereon could be a fatal mistake.

The Cape Town Office of Adams & Adams represented Albion Chemical Company (Pty) Ltd.

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