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MEMORANDUM ON TRADE MARKS

A Trade Mark is a mark which distinguishes your goods or services from goods or services of others in South Africa, or elsewhere. Trade Marks are registrable in terms of the South African Trade Marks Act No 194 of 1993 and subject to certain requirements may be renewed indefinitely, thereby ensuring the continuity of your brand.

'A mark' is defined broadly in the Act as any sign capable of being represented graphically, including a device, name, signature, word, letter, numeral, shape, configuration, pattern, ornamentation, colour or container for goods or any combination of the aforementioned. 'A device' is defined as any visual representation or illustration capable of being reproduced upon a surface, whether by printing, embossing or by any other means.

'Services' include the offering for sale or the sale of goods in the retail or wholesale trade.

What is the value of a Trade Mark and why should I register a Trade Mark?

You may be in the process of building a reputation of your product. If your product is a commercial success, competitors may try to imitate your product and capitalize on your goodwill and reputation. To ensure that the buying public does not confuse your goods or services with those of your competitors, registering a Trade Mark is a cost-effective way of protecting your name and reputation.

It is not compulsory to register a trade mark before it is used. The common law of South Africa offers some protection but only where trade marks have been used and have acquired a reputation and goodwill in South Africa. However, the following are some real advantages to be obtained by registering a trade mark:

- the prevention of infringement of a trade mark is easier, less time-consuming and less costly in cases where a registered trade mark is held as opposed to proceedings based on common law rights;
- in the event of infringement, damages may be claimed from the infringer;
- the acquisition of rights through registration is generally much quicker than building up the required common law repute, and goodwill, through use;
- registration allows for the effective appointment and control of licensees and franchisees;
- registered trade marks are relatively easy to assign to third parties;
- registered trade marks can serve as security for loans in that they may be bonded; and
- a South African trade mark registration can be of assistance in obtaining registered trade mark protection in other countries.

Who may apply for registration?

Generally, only the person or company who can claim to be the owner of the trade mark and who intends to use it, or is using it, may validly seek its registration. However, the Applicant need not have the intention of itself using the trade mark where:

- it is the trustee of a company about to be formed, and that company will become the owner of the trade mark; or,
- a licensee will be appointed and the licensee will use the trade mark.

Company names and Trade Marks

A Company Name Registration is independent of a Trade Mark Registration. Your company may have built up a substantial reputation which may be eroded by competitors who may not even have a registered company.

By registering and enforcing a Trade Mark, such competitors may be prohibited from using your registered Trade Mark. In addition, you may be marketing several product lines, each with its own name or brand which are different from your company name. Registering Trade Marks for each of these names or brands will allow you to protect such names or brands, independently of your company name.

The recent introduction of the Consumer Protection Act has also prescribed the registration of a mark especially where a company or the like intend using the name as a trading name.

The Procedure:

An availability search at the Trade Marks Registrar may be conducted prior to filing, to determine whether any prior anticipating marks exist on file.

After the filing of an application, an official acknowledgement of receipt is issued.

Thereafter the application undergoes examination by the Trade Marks Office to determine inherent registrability as well as possible conflicting registrations or applications. This examination currently may only occur after approximately 18 months after the date of filing.

After examination, the Trade Marks Office takes action on the application either accepting it or preliminarily refusing it or indicating the conditions subject to which it may be accepted. If there is a preliminary refusal or conditional acceptance, the Applicant is afforded an opportunity to make representations to the registrar to overcome whatever objections have been raised or to deal with the application otherwise as circumstances may dictate.

Once a Trade Mark application has been accepted, it is advertised in the Patent Journal. In the absence of objections by third parties within *three months* of the advertisement date, the application will proceed to registration and a Certificate of Registration will be issued.

Registration presently cannot be expected in less than thirty months from the date of filing, even in a routine case, which is the exception rather than the rule. Where the registrar raises objections or there is other interference with the normal prosecution of the application, this period can be considerably protracted, depending upon the nature of the difficulties encountered.

Does registration cover other countries?

A South African trade mark registration only covers the Republic of South Africa. It does not, therefore, afford protection in any of South Africa's neighbouring states, or any other country, and a separate application must be filed in each of these countries if registered protection is required.

Applications for registration in foreign countries can be based on a South African trade mark application. Convention priority may be claimed if foreign applications are filed within *six months* after filing of the South African application. Such applications are made in terms of the International Convention of Paris, as in the case of patents, but the period provided is limited to six months.

Transferring a Trade Mark

Trade Marks can be transferred through assignment, Trade Marks may therefore be bought or sold like other commodities. Alternatively, you may wish to license your Trade Marks to another manufacturer, who will then pay royalties for the use of your Trade Marks. A Trade Mark, like a patent, may even be hypothecated to serve as security.

Duration of Trade Mark protection

Once a Trade Mark is registered in South Africa, it needs to be renewed every ten years to stay in force. Your rights to the Trade Mark may last indefinitely provided you continue renewing your Trade Mark registration in South Africa.

How can the application for registration be opposed?

Within a period of three months from the date of advertisement in the Patent Journal, any party may lodge opposition to the registration of the trade mark. Extensions of this period can be obtained on application to the Registrar.

Various grounds of opposition are available and include conflict with prior registered or common law trade marks. Generally trade marks which do not conform with the requirements for registration may be opposed.

Can a trade mark applications be cancelled?

Persons may apply for cancellation on the basis that they are the true proprietors of the trade mark, or that the trade mark has been wrongly registered, being non-distinctive or in conflict with an existing mark, or that the registration is contrary to law.

Registration of a trade mark is made on the basis that it is intended to be used. In consequence, it is possible for any third party who is inhibited by the registration, to apply for cancellation of the trade mark registration. Any continuous period of non-use of five years or more can form the basis for such cancellation proceedings. In addition, the owner of a trade mark should not allow it to be used deceptively or in conflict with the provisions of any endorsements it may bear, as this can also afford grounds for cancellation of the registration.

Offences In terms of the Trade Marks Act it is an offence to represent that:

- an unregistered Trade Mark is a registered Trade Mark;
- a part of a Trade Mark not separately registered, is a registered Trade Mark;
- a registered Trade Mark is registered for goods or services for which it is not in fact registered; and
- the registration gives exclusive rights when in fact it does not. A person who is

found guilty of any of the above offences shall be liable on conviction to a fine or to imprisonment for a period not exceeding 12 months.

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