

IN THE HIGH COURT OF SOUTH AFRICA
(WESTERN CAPE HIGH COURT, CAPE TOWN)

Case No: 14605/2009

In the matter between:

ADIDAS AG

First Applicant

ADIDAS INTERNATIONAL MARKETING BV

Second Applicant

And

PEPKOR RETAIL LIMITED

Respondent

JUDGMENT DELIVERED ON 5 DECEMBER 2011

ALLIE, J

[1] First applicant is the proprietor of registered South African Trade Mark numbers 1959/000057, 1995/12283, 1980/06446 and 2001/18582 all of which are versions of Adidas' very well-known 3-stripe trade mark.

[2] First applicant's products bearing these marks are marketed and sold in South Africa and globally.

[3] First applicant is Adidas AG, established in accordance with the provision of the laws of Germany. It is the parent company of the Adidas group of companies. First applicant is responsible, *inter alia*, for the management and licensing of Adidas and other intellectual property rights globally which includes the enforcement of Adidas trade mark and other intellectual property rights.

[4] The second applicant is Adidas International Marketing BV, a juristic first established in accordance with the laws of the Netherlands. The second applicant is a wholly owned subsidiary of the first applicant.

[5] The respondent is Pepkor Retail Limited, a South African company. The respondent trades as, *inter alia*, Pep Stores and Ackermans.

[6] The applicant's case is that the respondent in the conduct of its business is infringing the registered trade marks and is passing off his goods as being those of applicant or as being connected in the cause of trade with the applicant.

[7] The applicant seeks the following relief:

7.1 Interdicting and restraining the respondent from infringing the first applicant's rights acquired by the registration of certain of its trade marks by using, in the course of trade and in relation to goods for which trade marks are registered, a mark consisting of 2 or 4 parallel stripes of a colour or material different from the colour or material of the footwear upon which they are placed in a particular configuration or on any other mark nearly resembling the registered trade mark as to be likely to deceive or cause confusion, as contemplated in Section 34(1)(a) of the Trade Mark Act 194 of 1993;

7.2 Interdicting and restraining the respondent from passing off its footwear as being that of the first applicant or as been connected in the

course of trade with the first applicant, by using a getup so closely resembling the getup of the first applicant's footwear as to be likely to cause deception or confusion.

[8] In the amended Notice of Motion, the applicant added relief sought in terms of Section 34(1) (b) of the Act and included a reference to a further registered trade mark which was not included in the founding affidavit.

[9] The respondent by way of a counter-application seeks an order that a disclaimer or memorandum be entered on the Register of Trade Mark against the first applicant's registered trade marks to the effect that *"the registration of this trade mark shall give no right to the exclusive use of parallel and equidistance stripes upon the goods other than 3 such equidistant stripes as depicted."*

[10] Furthermore the respondent has opposed the application on the basis that:

10.1 The protection afforded by first respondent's registered trade mark is limited to 3 parallel stripes and not any other number of parallel stripes as registered and configured in terms of its trade mark registration;

10.2 The first applicant has impermissibly sought to expand the scope of the protection afforded by its registered trade mark by the employment of what the respondent termed the Adidas technique;

10.3 Apart from the particular 3-stripe configuration of its registered trade mark, the further dominant and striking feature relied upon by the applicant for the impermissible extension of its monopoly are in fact non-distinctive, ubiquitous, in the public domain and common to standard trainers featuring fashionable but common place decorative striping;

10.4 The Adidas 3-stripe trade mark is so notorious, recognisable and distinctive that there is no possibility that a consumer of the goods concerned would, when confronted with a trainer featuring 2 or 4 parallel stripes in a decorative fashion, be confused in to believing that they are the goods of, or are associated with, the applicants;

10.5 The stripes on the respondent's shoes are not used as trade marks, but as embellishments or decoration. The respondents own or licenced trade mark as depicted on the goods serve to identify the source of the goods;

10.6 The applicants' reliance on the previous South African judgments is misplaced, and cannot assist the factual inquiry and comparative analysis which this court is enjoined to make in the present matter;

10.7 The applicant has acquiesced in or has represented to the respondent and the marketplace at large that they have acquiesced and

had used a parallel stripe of any number other than 3 on trainers and leisure footwear.

[11] The applicant's case based on passing off, is opposed by the respondent on the basis that the alleged Adidas technique is in fact features which are generic in the marketplace and they do not form part of the features of its trade mark.

[12] The parties are *ad idem* that the primary question for determination is the scope of the protection afforded by the Adidas 3-stripe trade mark taking into account the entitlement of other traders to use certain marks.

The alleged infringement of first applicants' trade mark

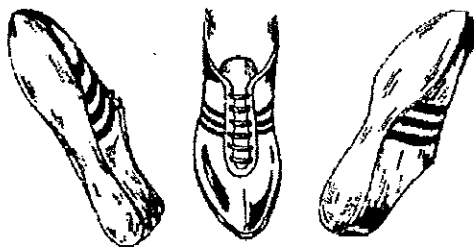
[13] The first applicant's registered trade mark relied on are the following:

13.1 Registered trade marks number 1959/000057 which is registered in Class 25 in respect of sports and footwear of all kinds. The relevant class 25 in respect of this mark is that reflected in Schedule 4 to the Trade Mark Regulations, 1971. This class is for "clothing, including boots, shoes and slippers". The "endorsement" on the registration of this trade mark describes the mark as follows:

"The mark consists of three stripes of a colour different to the colour of the shoes to which they are applied. The three stripes run

parallel from the fastening downwards to the sole of the shoe and appear on both sides as illustrated in the representation filed. The three stripes will run parallel to each other, be of equal width and be equidistant from each other in the manner depicted in the representation affixed to the application."

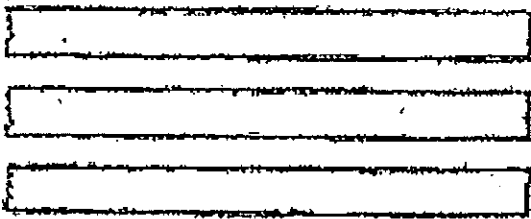
1959/000057



13.2 Registered trade mark number 1995/12283 (Annexures "TB2" and TB84"). This trade mark is registered in class 25 in respect of "clothing, footwear and headgear". The relevant class 25 in respect of this mark is that reflected in Schedule 3 to the Trade mark Regulations, 1995. This class is for "clothing, footwear and headgear". The "endorsement" on the registration of this trade mark describes the mark as follows:

"The trade mark consists of three equally spaced parallel stripes of all the same colour, such stripes being applied to the exterior of the goods covered by the specification. The colour of the stripes contrasts with the colour of that part of the goods to which the stripes are applied. The length of the three stripes varies according to the location of the stripes on the goods."

1995/12283



13.3 Registered trade mark number 1980/06446 (Annexures "TB3" and "TB85"). This trade mark is registered in class 25 in respect of "sporting footwear of all kinds". The relevant class 25 in respect of this mark is that reflected in Schedule 3 to the Trade Mark Regulations, 1995. This class is for "clothing, footwear and headgear". The "endorsement on the registration in respect of this trade mark describes the mark as follows:

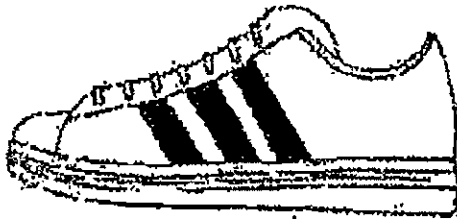
"The mark consists of three stripes appearing on footwear in the position depicted on the representation affixed to the application. The three stripes will run parallel to each other, be of equal width and be equidistant from each other in the manner depicted in the representation affixed to the application."

13.4 Registered trade mark number 2000/18582 (Annexures "TB4" and "TB87"). This trade mark is registered in class 25 in respect of "articles of clothing including footwear". The relevant class 25 in respect of this mark is again that reflected in Schedule 3 to the Trade Mark Regulations, 1995,

being for “clothing, footwear and headgear”. The “endorsement” on the registration of this trade mark describes the mark as follows:

“The mark consists of three equally spaced stripes, in one or more colours, on the outside of the uppers of the footwear. The stripes are contrasting in colour or material with that part of the upper on which they appear.”

2000/18582



I THE ALLEGED INFRINGING TRADE MARKS AS USED BY THE RESPONDENT

[14] The applicants allege that the respondent was infringing the registered trade mark by the use of certain marks on footwear that was offered for sale at some of the respondent’s Pep Stores and Ackermans outlets. The sale of shoes bearing the allegedly infringing marks is admitted by the respondent. The respondent’s footwear that allegedly bear the infringing marks are the following:

- (a) The LDS sport shoe reflected on Annexure “TB8”.
- (b) The men’s ATH leisure shoe depicted on Annexure “TB9”.

- (c) The soccer boot depicted on Annexure "TB10".
- (d) The boys ATH leisure shoe depicted on Annexure "TB11".
- (e) The Hang Ten shoe depicted on Annexure "TB12".
- (f) The girls Must Have shoe depicted on Annexure "TB13".

[15] The applicants allege that the respondent, by offering the offending footwear, is infringing the first applicant's rights in the registered trade marks in terms of the provisions of s 34(1)(a) of the Trade marks Act, 1993 ("the Act") alternatively s 34(1)(b).

[16] Section 34(1)(a) and (b) of the Act provides as follows:

"34 Infringement of registered trade mark

(1) The rights acquired by registration by registration of a trade mark shall be infringed by:

(a) the unauthorized 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;

(b) the unauthorized use of a mark which is identical or similar to the trade mark registered, in the course of trade in relation to goods or services which are so similar to the goods or services in respect of which the trade mark is registered, that in such use there exists the likelihood of deception or confusion;”

[17] The primary difference between section 34(1)(a) and section 34(1)(b) is that whereas section 34(1)(a) provides that the allegedly infringing mark must have been used “in relation to goods or services in respect of which the trade mark is registered”, section 34(1)(b) provides that the infringing mark must have been used on goods which are “similar” to the goods or services in respect of which the trade mark is registered. Both section 34(1) (a) and section 34(1) (b) cannot be contravened at the same time. [See: **Commercial Auto Glass (Pty) Ltd v BMW AG 2007 (6) SA 637 (SCA) 643F**]

[18] Applicants allege that the respondent’s shoes, on which the alleged infringing marks are used, are goods in respect of which the registered trade marks are registered.

[19] The respondent argues that the registration of two of the four registered trade marks namely, registered trade mark numbers 1957/1959 and 1980/06446 concern “sporting footwear of all kinds” and that, except for the respondent’s football boot, the other three of the respondent’s shoes that are alleged to bear infringing marks are leisure shoes and not sporting shoes. The respondent

alleges that the marks on those three shoes cannot infringe these two registered trade marks.

[20] It is clear from the provisions of ss 34(1)(a) and (b) of the Act, the protection afforded by the registration of a trade mark is not limited to the use of the offending mark on goods or services in respect of which the trade mark is registered but also extends to the use of the offending mark on similar goods or services the use would cause the likelihood of deception or confusion.

[21] The issue between the parties concerning infringement, is limited to the likelihood of deception or confusion.

(a) In terms of s 34(1)(a) of the Act the question is whether the marks on the respondent's footwear are "identical" to or are "so nearly resembling" the registered trade marks "as to be likely to deceive or cause confusion".

(b) In terms of s 34(1)(b) the question is whether the marks on the respondent's footwear are "identical or similar to" the registered trade marks where, in their use in relation to goods or services which are so similar to the goods or services in respect of which the trade marks are registered, there exists "the likelihood of deception or confusion".

[22] The onus is on the party alleging infringement to show the likelihood of deception or confusion. The applicant has to show that a substantial number of

people will probably be confused about the origin of the goods or about the connection between the offending goods and those of the registered trade mark owner. [See *Plascon Evans Paints Ltd v Van Riebeeck Paints (Pty) Ltd* 1984 (3) SA 623 (A) at 640 G – 641 E] where it is said:

“In an infringement action the onus is on the plaintiff to show the probability or likelihood of deception or confusion. It is not incumbent upon the plaintiff to show that every person interested or concerned (usually as customer) in the class of goods for which his trade mark has been registered would probably be deceived or confused. It is sufficient if the probabilities establish that a substantial number of such persons will be deceived or confused. The concept of deception or confusion is not limited to inducing in the minds of interested persons the erroneous belief or impression that the goods in relation to which the defendant’s mark is used are the goods of the proprietor of the registered mark, i.e. the plaintiff, or that there is a material connection between the defendant’s goods and the proprietor of the registered mark; it is enough for the plaintiff to show that a substantial number of persons will probably be confused as to the origin of the goods or the existence or non-existence of such a connection.

The determination of these questions involve essentially a comparison between the mark used by the defendant and the registered mark and, having regard to the similarities and differences in the two marks, an assessment of the impact which the

determination of these questions involves essentially a comparison between the mark used by the defendant and the registered mark and, having regard to the similarities and differences in the two marks, and differences in the two marks, an assessment of the impact which the defendant's mark would make upon the average type of customer who would be likely to purchase the kind of goods to which the marks are applied. This notional customer must be conceived of as a person of average intelligence, having proper eyesight and buying with ordinary caution. 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 place and against the background of relevant surrounding circumstances. The marks must not only be considered side by side, but also separately. It must be borne in mind that the ordinary purchaser may encounter goods, bearing the defendant's mark, with an imperfect recollection of the registered mark and due allowance must be made for this. If each of the marks contains a main or dominant feature or idea the likely impact made by this on the mind of the customer must be taken into account. As it has been put, marks are remembered rather by general impressions or by some significant or striking feature than by a photographic recollection of the whole. And finally consideration must be given to the manner in which the marks are likely to be employed as, for example, the use of name marks in conjunction with generic description of the goods”.

[23] "A substantial number of persons" means "a not negligible number of ordinary members of the buying public". [See: **Danco Clothing (Pty) Ltd v Nu-Care Marketing Sales and Promotions (Pty) Ltd and Another** 1991 (4) SA 850 (A) at 861 F – G].

[24] The following facts are relevant in determining the issues in this case:

(a) The 1993 Trade Marks Act came into effect on 1 May 1995. This Act repealed the 1963 Trade Marks Act, except for certain transitional provisions. Section 34(1)(a) provides the same protection that was afforded by s 44(1) of the 1963 Act.

(b) Referring to s 34(1)(b); the court found as follows in **New Media Publishing (Pty) Ltd v Eating Out Web Services CC** 2005 (5) SA 388 (C) at 394 C – G:

"The enquiry ... consists of two separate but closely interrelated questions: first, are the two marks identical or sufficiently similar to one another; and secondly, is the respondent's mark being used unauthorisedly in the course of trade in relation to services which are so similar to the applicant's goods in respect of which its mark is registered that in such use there exists the likelihood of deception or confusion? There is, it seems to me, interdependence between the two legs of the inquiry: the less the similarity between respective goods or services of the parties, the greater will be the degree of resemblance required between their respective marks

before it can be said that there is a likelihood of deception or confusion in the use of the allegedly offending mark, and vice versa. Of course, if the respective goods or services of the parties are so dissimilar to each other that there is no likelihood of deception or confusion, the use by the respondent even of a mark which is identical to the applicant's registered mark will not constitute an infringement; also, if the two marks are sufficiently dissimilar to each other no amount of similarity between the respective goods or services of the parties will suffice to bring about an infringement. I respectfully agree with the learned authors of Webster and Page South African Law of Trade Marks 4th ed. para. 12.23 (at 12 – 41), where they say, with reference to s 34(1)(b) of the Act:

(O)n a proper interpretation of the South African section the degree of resemblance between the marks and the degree of resemblance between the goods or services must be such that their combined effect will be to produce a likelihood of deception or confusion when that mark is used on those goods or services."

(c) The legal principles applicable in a trade mark infringement matter under the 1963 Act is set out in **Plascon-Evans Paints Ltd v Riebeeck Paints (Pty) Ltd**. These principles have been held to apply equally to an infringement in terms of s 34(1)(a) of the 1993 Act in **PPI Makelaars & Another v Professional Providence Society of SA 1998 (1) SA 595 (SCA)**.

(d) The likelihood of confusion must 'be appreciated globally: In **Bata Ltd v Face Fashions CC & Another 2001 (1) SA 844 (SCA)** at para 9 the court cited with approval, the following from the decision of the European Court of Justice in **Sabel BV v Puma AG, Rudolf Dassler Sport [1998] RPC 199 at 224:**

“Global appreciation of the visual, aural or conceptual similarity of the marks in question must be based on the overall impression given by the marks, bearing in mind in particular, their distinctive and dominant components.”

(e) The following principle was developed in the **Bata** case at paragraph 8:

“The only question that has to be decided in respect of the alleged infringements under Section 34(1)(a) is whether the appellant has established that a substantial number of persons will probably be deceived into believing or confused as to whether there is a material connection in the course of trade between the appellant's clothing and the appellant's trade mark (see Plascon-Evans at 640G-I).”

(f) In the case of **John Craig (Pty) Ltd v Dupa Clothing Industries (Pty) Ltd 1977 (3) SA 144 (T)** at 150 H it was said that “deception” means to cause someone to believe something which is false and “confusion”

means to cause bewilderment, doubt or uncertainty in terms of Section 44(1) of the Trade Marks Act 62 of 1963. No equivalent definition can be found in the 1993 Act.

(g) In **Puma AG Rudolf Dassler Sport v Global Warming (Pty) Ltd 2010 (2) SA 600 (SCA) at 603E**, Harms DP said the following:

“.... the question of the likelihood of confusion or deception is a matter of first impression and ... one should not peer too closely at the registered mark and the alleged infringement to find similarities and differences.”

(h) In *casu*, it is common cause that the differences are the number of stripes and the device and label of origin used.

(i) In **Kellogg Co and Another v Bokomo Co-operative Ltd 1997 (2) SA 725 (C) at 734C**, citing **Reckitt & Colman SA (Pty) Ltd v S C Johnson & Son 1993 (2) SA 307 (A)**, at 315F, it was said that the class of persons who are likely to be purchasers of the goods in question must be taken into account to determine whether there is a likelihood of confusion or deception.

(j) In the **Bata** case at paragraph 7, Melunsky AJA stated, quoting the **Plascon-Evans**: case, said that:

“... in infringement proceedings a Court has regard to the notional use to which the plaintiff may put its mark, that is to

‘all possible fair and normal applications of the mark within the ambit of the monopoly created by the terms of the registration’”

[25] Accordingly, the applicant has to show that there is a probability that a substantial (that is a not negligible) number of people who purchase the respondent's footwear and who are aware of the first applicant's trade mark as used on footwear would be confused as to whether the respondent's footwear, as a result of the use of the allegedly infringing marks thereon, is that of the applicants or as to the existence of a connection between the respondent and the applicants.

[26] The likelihood of deception or confusion is for the court to determine, considering the registered marks on the one hand and the alleged infringement on the other, through the eyes of the notional consumer.

[27] In **Verimark (Pty) Ltd v BMW AG 2007 (6) SA 263 (SCA)** at 267E to 268B, the court held as follows:

“It is trite that a trade mark serves as a badge of origin and that trade mark law does not give copyright-like protection. Section 34(1)(a), which deals with primary infringement and gives in a sense absolute protection, can, therefore, not be interpreted to give greater protection than that which

is necessary for attaining the purpose of a trade mark registration, namely protecting the mark as a badge of origin. In Anheuser-Busch the ECJ was asked to determine the conditions under which the proprietor of a trade mark has an exclusive right to prevent a third party from using his trade mark without his consent under a primary infringement provision. The ECJ affirmed (in para 59) that:

'the exclusive right conferred by a trade mark was intended to enable the trade mark proprietor to protect his specific interests as proprietor, that is, to ensure that the trade mark can fulfil its functions and that, therefore, the exercise of that right must be reserved to cases in which a third party's use of the sign affects or is liable to affect the functions of the trade mark, in particular its essential function of guaranteeing to consumers the origin of the goods'.

That is the case, the ECJ said (in para 60), where the use of the mark is such that it creates the impression that there is a 'material link in trade between the third party's goods and the undertaking from which those goods originate'.

There can only be primary trade mark infringement if it is established that consumers are likely to interpret the mark, as it is used by the third party, as designating or tending to designate the undertaking from which the third party's goods originate."

II THE MARKS ON THE RESPONDENT'S FOOTWEAR SO NEARLY RESEMBLING THE REGISTERED TRADE MARKS AS TO BE LIKELY TO DECEIVE OR CAUSE CONFUSION

[28] The applicants allege that the examples of the respondent's footwear relied upon by the applicants all bear marks so nearly resembling the registered trade marks as is likely to deceive or cause confusion. Especially, where the "notional customer" of footwear to which the first applicant's trade marks would be applied includes a wide spectrum of purchaser, from the school child looking for sports footwear to the fashion conscious adult seeking smart casual footwear.

[29] The applicants allege that the dominant and striking features of the registered trade marks are the following:

- (a) The three lateral stripes.
- (b) The stripes contrast with the colour or material of the shoe to which they are applied.
- (c) The stripes are parallel to each other.
- (d) The stripes run substantially downwards and rearwards from the fastening of the shoe to the sole.
- (e) The stripes are equidistant from each other.

- (f) The stripes are of the same width.
- (g) The stripes are separated by spaces approximately equivalent to their own width.

[30] The applicants use the above-mentioned features as proof that together they make up the Adidas features of the registered trade marks.

[31] Applicants' counsels argued that each of the relevant examples of the respondent's footwear bears a mark comprising two or four stripes which is confusingly similar to the registered trade marks.

[32] The LDS Sport shoe reflected on annexure "TB8"

- (a) The shoe
 - (i) has four lateral stripes;
 - (ii) the stripes are white and are superimposed on a blue background (accordingly, the colour of the stripes contrasts with the colour of the background of the shoe);
 - (iii) the stripes are parallel to each other;

(iv) the stripes run substantially downwards and rearwards from the fastening of the shoe to the sole;

(v) the stripes are substantially equidistant from each other (with a slightly wider space between the middle two stripes);

(vi) the stripes are of the same width;

(vii) the stripes are separated by spaces which are substantially equivalent to the width of the parallel stripes (the middle space is slightly wider than a stripe).

(b) The applicants allege the only difference between the stripe mark used on this shoe of the respondent's and the registered trade marks is that the respondent's mark has one additional stripe. They claim that the respondent used the registered trade marks and just added one stripe. The applicants also often use on their shoes the 3-stripe trade mark where the stripes have serrated edges and this is a further feature which they claim, has been copied.

(c) The respondent alleges that the stripes on this shoe are a "two plus two" combination of lateral downward stripes which are not equally spaced or equidistant. The allegation is made that such stripes cannot be

confused with three equally spaced horizontal stripes of varying lengths which run parallel and substantially at a right angle to the vertical, which is what the respondent alleges constitutes registered trade mark 1995/12283. The respondent also distinguish the stripes on this shoe from registered trade mark 2000/18582 on the basis that this shoe does not feature three equally spaced equidistant parallel stripes.

[33] The men's ATH Leisure shoe depicted on Annexure "TB9"



(a) The shoe

- (i) has four lateral stripes;
- (ii) the colour of the stripes contrasts with the colour of the background of the shoe;
- (iii) the stripes are parallel to each other;

(iv) the stripes run substantially downwards and rearwards from the fastening of the shoe to the sole;

(v) the stripes are equidistant from each other;

(vi) the stripes are of the same width;

(vii) the stripes are separated by spaces approximately equivalent to their width.

(b) The applicants allege the only difference between the stripe mark used on this shoe of the respondent and the registered trade mark is that the respondent's mark has one additional stripe. They claim that the respondent has used the registered trade marks and just added one stripe. The respondent has again used the serrated edge to the stripes often used by the applicant.

(c) The respondent alleges that the stripes on this shoe are a "two plus two" combination of lateral downward stripes which are not equally spaced or equidistant. The allegation is made that such stripes cannot be confused with three equally spaced horizontal stripes of varying lengths which run parallel and substantially at a right angle to the vertical, which is what the respondent alleges constitutes registered trade mark 1995/12283. The respondent also distinguishes the stripes on this shoe

from registered trade mark 2000/18582 on the basis that this shoe does not feature three equally spaced equidistant parallel stripes.

[34] The soccer boot depicted on Annexure "TB10"

(a) This boot

(i) has four lateral stripes commencing on the upper of the shoe;

(ii) the colour of the stripes contrasts with the colour of the background of the boot;

(iii) the stripes are parallel to each other;

(iv) the stripes run downwards and backwards from the fastening of the shoe to the sole (on the outstep of the shoe, the stripes initially run downwards and backwards obliquely towards the heel of the shoe but, approximately three quarters towards the end, curve down towards the sole);

(v) the stripes are equidistant from each other;

(vi) the stripes are the same width;

(vii) the stripes are separated by spaces approximately equivalent to their width.

(b) The applicants allege the only difference between the stripe mark used on this boot and the registered trade marks is that the respondent's mark has one additional stripe. They claim that the respondent has used the registered trade marks and just added on stripe.

(c) The respondent says the following in regard to its soccer boot:

"the boot features a two pair 2 stripe combination (4 stripes in all) and not 3 stripes. The combination of stripes is neither equidistant nor parallel and is not of equal width. The stripes expand in width, taper and are boomerang stripes."

(d) The respondent alleges that these features differ significantly from the features of the registered trade marks. The respondent also distinguishes the stripes on its soccer boot from registered trade marks 1995/12283 and 2000/18582 on the same basis as it distinguishes its other shoes from these trade marks.

[35] The Boys ATH Leisure shoe depicted on Annexure "TB11"

(a) This shoe

(i) has four lateral stripes;

(ii) the colour of the stripes contrasts with the colour of the background of the shoe;

(iii) the stripes are parallel to each other;

(iv) the stripes run substantially downwards and backwards from the fastening of the shoe to the sole (the stripes run obliquely towards the heel of the shoe on the instep of the shoe, however, on the outstep of the shoe, the stripes initially run obliquely towards the heel of the shoe but, approximately three quarters towards the end, curve down towards the sole);

(v) the stripes are equidistant from each other;

(vi) the stripes are the same width;

(vii) the stripes are separated by spaces approximately equivalent to their width.

(b) The applicants allege the only difference between the stripe mark used on this shoe and the registered trade marks is that the respondent's

mark has one additional stripe. They claim that the respondent has used the registered trade marks and just added one stripe.

(c) The respondent points to the same features of the stripes on this shoe as is it did when distinguishing the stripes on the respondent's soccer boot from the registered trade mark.

[36] The Hang Ten shoe depicted on Annexure "TB12"

(a) The shoe

(i) has two lateral stripes;

(ii) the colour of the stripes contrasts with the colour of the background of the shoe;

(iii) the stripes are parallel to each other;

(iv) the stripes run substantially downwards and rearwards from the fastening of the shoe to the sole;

(v) the stripes are the same width;

(vi) the stripes are separated by a space approximately equivalent to their width (the space is slightly wider than the width of the stripes);

(b) The applicants allege the only difference between the stripe mark used on this shoe and the registered trade marks is that the respondent's mark has one less stripe. The respondent has used the registered trade marks and just removed one stripe. They claim that the respondent has again used the serrated edge to the stripes often used by the applicants.

(c) The respondent alleges that the stripes on this shoe are a "two" combination of lateral downward stripes which are not equally spaced or equidistant. The allegation is made that such stripes cannot be confused with three equally spaced horizontal stripes of varying lengths which run parallel and substantially at a right angle to the vertical, which is what the respondent alleges constitutes registered trade mark 1995/12283. The respondent also distinguishes the stripes on this shoe from registered trade mark 2000/18582 on the basis that this shoe does not feature three equally spaced equidistant parallel stripes.

[37] **The Girls Must Have shoe depicted on Annexure "TB13"**

(a) This shoe

- (i) has two lateral stripes;
- (ii) the colour of the stripes contrasts with the colour of the background of the shoe;
- (iii) the stripes are parallel to each other;
- (iv) the stripes run substantially downwards and backwards from the fastening of the shoe to the sole;
- (v) the stripes are the same width.

(b) The applicants allege the only differences between the stripe mark used on this shoe and the registered trade marks is that the respondent's mark has one less stripe and the space between the stripes are wider than the width of a stripe. They claim that the respondent has used the registered trade marks but has removed one stripe and made the space between the stripes wider than the width of a stripe. The respondent has again used the serrated edge to the stripes often used by the applicants.

(c) The respondent points to the same features of the stripes on this shoe as it did when distinguishing the stripes on the respondent's Hang Ten shoe from registered trade marks 1995/12283 and 2000/18582.

[38] The applicants allege that the respondent is using the first applicant's registered trade marks and is simply adding or removing a stripe. The respondent denies that the allegedly "decorative" two stripes of an allegedly "non-distinctive nature" featured on its "Hang Ten" and "Girls Must Have" shoes merely constitute the removal of a stripe from the 3-stripe mark and so becomes confusingly similar to the registered trade mark. The applicants allege that respondent's use of the marks as described above is likely to cause deception or confusion. The respondents allege that the addition or removal of one stripe is not sufficient to create this likelihood. Applicants allege that from the results of the survey designed by Dr Corder it seems that consumers form a general impression of a mark and do not recall each and every detail. The results are that when seeing a photograph of a shoe bearing Adidas's 3-stripe mark, many respondents in the survey identified the shoe as an Adidas shoe and quite a few of those respondents gave "stripes" (rather than three stripes) as the reason for their answer.

[39] The dominant features alleged by the applicants do not all form part of their registered trade marks. The registered trade marks of the applicant are specifically for three stripes. The registration of the trade marks do not refer

expressly or impliedly any number of stripes which run obliquely towards the heel and which run from the shoe fastening towards the sole.

III THE RESPONDENT'S GENERAL DEFENCES TO THE APPLICANTS' CASE ON TRADE MARK INFRINGEMENT

[40] In addition to the defence of the respondent based on the allegation that two of the registered trade marks are registered only in respect of "sporting footwear of all kinds" and that three of the four relevant shoes of the respondent are allegedly not "sporting footwear", and in addition to the respondent's denials of similarity between the markings on its footwear and the registered trade marks, the respondent raises other, more general, defences to the applicants' case on trade mark infringement.

[41] The Adidas monopoly in the registered trade marks must be confined to three stripes

(a) The respondent maintains that "the only distinguishing feature of registered marks as they appear on the Register is the three lateral parallel and equidistant stripes of equal width and different colour or material to the footwear to which the striping is applied." This allegation is denied by the applicant. The respondent alleges that it "has never disputed the validity of the applicants' trade mark registrations but has come to the view that the monopoly afforded by those registrations is not being exercised by the applicants within its proper limits."

(b) On behalf of applicants, it was submitted that the respondent's arguments in this regard lose sight of the principle that the protection afforded by the registration of a trade mark relates not only to the use by others of an identical mark but also to the use of a mark so similar to the registered trade mark as to be likely to deceive or cause confusion. Over the years various courts both in South Africa and elsewhere have, in certain circumstances, found that signs consisting of two or four stripes have infringed Adidas's 3-stripe registered trade marks. See for example: **Adidas Sportschuhfabriken Adi Dassler KG v Harry Walt & Co (Pty) Ltd 1976 (1) SA 530 (T); Adidas Sportschuhfabriken Adi Dassler Stiftung & Co KG v Continental Wholesalers (1988 unreported), Adidas Aktiengesellschaft and Another v Woolworths (Pty) Ltd 1999 BIP 433 (C).**

(c) In the **Harry Walt & Co.** case, the defendant did not dispute that it used the offending mark as a trade mark. In *casu* the respondent alleges it uses the 2 or 4 stripe configuration for decorative purposes and not as a trade mark. Respondent also displays a badge of origin or device or trade mark of its own on its shoes. Accordingly, the manner in which the marks are used in *casu*, differs from that of the defendant in the **Harry Walt & Co.** case.

(d) In the **Continental Wholesalers** case, there was no doubt between the parties that the respondent used the applicant's trade mark as a trade mark. When the use of the trade mark is considered as a whole with all its features, in that case, the finding was correct because that respondent also used a device which had a leaf-like appearance similar to that of the applicant. Those are not the facts in casu.

(e) The **Woolworths (Pty) Ltd** case relied on the finding in the **Harry Walt & Co** case and the **Continental Wholesalers** case by having regard to the fact that in both cases, the court dealt with offending goods with 4-stripes similar to the 3-stripe mark of applicants. The court in the **Woolworths** case did not however have regard to the concession by the proprietors of the offending goods in the previous 2 cases that their goods displayed the 4-stripes as a trade mark.

(f) The following judgments are relied on by applicants to support its case: **Adidas America, Inc and Another v Payless Shoe-source, Inc** (US District Court for the District of Oregon, unreported); **Inlima SL's application for a 3 Dimensional Trade mark** [2000] RPC 661 (Trade Marks Registry); **Matteo Jin and Others v Adidas Salomón, AG and Others** (Madrid Provincial High Court, unreported); **La Rinascenta Spa** decision (Court of Lodi, unreported); **Société Adidas Sarragan France and Another v SARL Sylvie Fashion Prise** (Bobigny First Instance Court, unreported); **Adidas-Salmon AG v CCC Boty Czech sro** (High

Court in Olomouc, unreported); **Nike International Ltd and Another v Adidas-Salomon AG** (Cologne Higher Regional Court, unreported); **Adidas-Salomon AG v Skechers USA Deutschland GmbH** (Hamburg District Court, unreported); **Adidas-Salomon AG v Dolce & Gabbana Germany GmbH** (Munich Higher Regional Court, unreported); **Adidas-Salomon AG v eram-Schuhe GmbH** (Cologne District Court, unreported)).

(g) The respondent relies on the renown of the 3-stripe trade mark as a factor that limits the extent of the protection allowed to the registered trade marks to particularly three stripes.

(h) On behalf of applicants it is argued that the court has to consider the scope of protection afforded by the Adidas 3-stripe trade mark, taking into account the entitlement of other businesses to use certain marks. The right of others to use a particular mark only extends to use which is consistent with fair practice.

(i) On behalf of applicants it is submitted that the right of others to use stripes on footwear does not entitle them to use stripes in such a way as to give rise to a likelihood of confusion with the well-known and distinctive Adidas 3-stripe trade mark. The 3-stripe trade mark will be infringed if this court finds that the average consumer, when seeing footwear featuring

stripe motifs in the same place and with the same characteristics as the Adidas 3-stripe trade mark may be mistaken in believing that such footwear originated from the first applicant or an undertaking linked commercially to the first applicant.

(j) The applicants allege they are not attempting to obtain a monopoly in relation to the use of stripes on footwear irrespective of the number of stripes or the configuration thereof. The applicants allege that they are not seeking to extend the scope of protection of their 3-stripe trade mark beyond that to which they are entitled pursuant to the Act.

(k) The respondent's contention is that the other features mentioned by the applicants other than those which, together, make up the configuration that the respondent concedes is distinctive, are common to the footwear trade, non-distinctive, in the public domain and generic and that these features must be disregarded for trade mark infringement purposes.

[42] **The striping feature on the respondent's shoes is purely decorative and does not function as a trade mark; and the respondent's shoes are distinguished by the respondent's own trade marks**

(a) The respondent alleges that the striping featured on its shoes does not function to indicate origin but serves a purely decorative purpose. The respondent alleges that its own trade marks that are clearly featured on its shoes distinguished them from other brands.

(b) The addition of other trade marks to a product in addition to a trade mark that infringes a registered trade mark will not result in there being no infringement of the registered trade mark *per se*. The use of a registered trade mark or a mark confusingly similar to another registered trade mark on a product may cause an association to be made between that product and the proprietor of the registered trade mark. The applicants have not however shown that the respondent's use of 2 or 4 stripes in a similar way to the use of applicants' trade marks with or without respondent's device or label or mark or registered mark is confusingly similar or likely to cause confusion with its products.

(c) The respondent clearly relies on the following which was said in **Puma AG Rudolf Dassler Sport v Global Warming (Pty) Ltd: 2010 (2) SA 600 (SCA) at 602E – 603A.**

"[5] The first question that springs to mind is this: what is Global's trade mark as represented on the shoe? I would have thought that it is DT New York. Puma's counsel argued otherwise because, he said, these words are meaningless. Trade marks more often than not are objectively meaningless (because if they have a meaning they may be descriptive) but that does not mean that they cannot be badges of origin or source identifiers even if they do not disclose the source.

[6] The second question that springs to mind is whether the stripe on Global's shoe, which is not substantially the same as the marks in issue, would have been perceived by the purchasing public as a source identifier

or as an adornment. Since counsel did not address the issue squarely it is not necessary to consider this question or the effect of the recent judgment of the European Court of Justice in the Adidas case where the issue was whether the use of two stripes on sportswear could infringe Adidas's three-stripe motif trade mark or whether it would have been perceived as a mere adornment.

[7] If Global's stripe has trade mark significance, as Puma contends, regard must be had to the whole of its mark, which consists of the stripe with the name, to determine whether it so nearly resembles any of Puma's marks as to be likely to deceive or cause confusion. Once that is recognised, Puma's reliance on the first registration is doomed because of the prominence of the name PUMA."

- (d) The facts concerning the alleged offending products are as follows:
- (i) The respondent's LDS Sport shoes reflected in "TB8" and "AA16" bear the name "Femme", which applicants allege is the French term of "woman", on the insole. The shoes also bear the name "GUNAITE" on the outsole, but this, applicants presume is a reference to the type of outsole material used.
 - (ii) The insole of the respondent's Men's ATH leisure shoe depicted in "TB9" bears the name Xtreme Sports, which applicants allege is a generic name for a kind of activity.

(iii) Insofar as the respondent's soccer boot depicted as "TB10", "AA18" and "AA19" is concerned there is no external indication of origin on the outer. The respondent relies on as the trade mark "which distinguishes the shoes", their Pepkor T TRAINER trade mark" which appears from the respondent's photographs to be on the heel of the inner sole of the soccer boot.

(iv) The insole of the respondent's Boys ATH leisure shoe as depicted on "TB11", "AA20" and "AA21" has the name Xtreme Sports, which applicants allege is a kind of activity, although the respondent also relies on "the swing tag which is attached to the shoe".

(v) The insole and, as appears from the respondent's evidence, the tongue and heel, of the respondent's Hang Ten shoe depicted in "TB12", "AA22" and "AA23" bear the name "Hang Ten".

(vi) The respondent's Girls Must Have shoe depicted on "TB13", "AA24" and "AA25" bears the word "Actif" (and device) on the heel of the shoe, and the tongue and, as appears from the respondent's evidence, also the insole. The applicants allege that the word "Actif" is, however, generic.

(e) Applicants submitted that the present case is more similar to the one dealt with in *Puma v Rampar Trading* (59/10 [2010] ZASCA 140). Where Harms DP made the following obiter remarks in a counterfeiting case:

“[27] There can be little doubt that the white Rampar shoe (C) has a copy of the split form strip device on its inner and outer sides. The strip is in blue and the split is white. This device however has additionally two white strips that run more or less parallel with the split form thereby framing it. But these stripes make no impression against the white background of the shoe. Rampar sought to distinguish this reproduction of the Puma mark by relying on the presence of a prancing dragon and the Dodo device mark on the heel and the name Dodo Sport on the inside of the shoe. It also said that the mark would have been perceived as decorative and not as a trade mark. I disagree on both counts. The dragon and the Dodo marks are at best subsidiary and they do not touch the essence of the split form strip. One also cannot use a trade mark and then argue that it was used as ornamentation. It could be different if one is dealing with changes to the mark, for instance, if the registered mark consists of three stripes it would be a question of fact whether the use of two or four stripes would be perceived as decorative or as trade mark use but one could not, I would think, use the same argument in relation to the use of three stripes. On the other hand, I could not

understand Puma's reliance on the presence of the dragon, which is said to be similar to the prancing horse on the Ferrari mark and which Puma is licensed to use, to establish counterfeiting. It was probably based on a confusion of counterfeiting with passing off."

[43] In *casu*, we have changes to the mark and not an exact copy of the mark and it is accordingly open to the respondent to argue that the 2 and 4 stripe configuration is used for decorative purposes.

[44] **The applicants have acquiesced in the use by others of two and four parallel lateral stripes on footwear**

(a) The respondent alleges that the applicants have acquiesced in the use by others of branding consisting of two and four parallel and lateral stripes.

(b) The defence of acquiescence was described as follows by Friedman AJ (as he then was) in **Burnkloof Caterers (Pty) Ltd v Horseshoe Caterers (Greenpoint) (Pty) Ltd**: 1974 (2) SA 125 (C) 137A-E.

"It would appear, however, from the following passage from the judgment of Wessels, J, in Policansky Bros. v Hermann and Canard, 1910 TPD 1265 at pp 1278 – 9, that in the field of trade marks our law recognises acquiescence as a defence distinct from that of estoppel:

'The equitable principle that if a person lies by with a full knowledge of his rights and of the infringement of those rights, he is precluded from afterwards asserting them, has been adopted by our Courts. It forms a branch of the law of dolus malus. The principle of lying by is not unknown to the civil law, though its application is not so often met with in our system of law as it is in English law. Sometimes the rights are lost through mere acquiescence, at other times by estoppel, as where the element of prejudice exists in addition to acquiescence. Thus acquiescence can be proved by definite acts or by conduct.'

*Whether an applicant can be said to have acquiesced in the conduct complained of, is a question of fact. Acquiescence is, in my view, a form of tacit consent, and in this regard it must, however, be borne in mind that, as Watermeyer, C.J., said in *Collen v Rietfontein Engineering Works, 1948 (1) SA 413 (AD)* at p 422:*

*'Quiescence is not necessarily acquiescence,' =
and that*

'conduct to constitute an acceptance, must be an unequivocal indication to the other party of such acceptance'."

(c) The applicants deny that they have acquiesced in the infringement of the Adidas 3-stripe trade mark or in the passing off by others of their products as being those of the applicants or as being in some way connected with the applicants.

(d) Applicants submitted that it is clear that they have at no time unequivocally or in any other way indicated to the respondent that it has accepted the conduct complained of in the present application.

[45] There is no evidence of actual confusion

The respondent raises the issue of there not being evidence of actual confusion between the shoes of the applicants and those of the respondents. Proof of "actual confusion" is often not available to an applicant claiming statutory trade mark infringement or passing-off relief (See the **Adidas Sportschuhfabriken Adi D Dassler KG v Harry Walt & Co. (Pty) Ltd 1976 (1) SA 530 (T) at 540A**). In **Webster & Page South African Law of Trade marks § 6.6.8 p 6–16(1), § 7.17, p 7-19, § 15.24 p 15-39**), the authors say that evidence of actual confusion carry considerable weight. In the case of **John Craig Ltd v Dupa Clothing Industries (Pty) Ltd** it was said that such evidence makes court's task easier but it is not essential.

[46] Applicant however commissioned a market research survey which did not produce, even a statistical sample of potential customers that identified or

confused 2 or 4 stripe shoes with those of Adidas. The survey elicited the response from 2177 people that the reason why it is an Adidas shoe is because it has 3 stripes and 4675 people mentioned the 3 stripes as the reason for spontaneously identifying the shoe as Adidas.

[47] It was possible for the applicants to attempt to prove actual confusion in the market by showing people at the survey, the respondent's shoes as well but the survey that the applicants commissioned did not intend to do so. It is accordingly a shortcoming in applicant's case which they chose not to address therefore they cannot now allege that actual confusion is difficult to prove.

IV THE RESPONDENT'S COUNTER APPLICATION FOR THE REGISTRATION OF A DISCLAIMER IN RESPECT OF THE REGISTERED TRADE MARKS

[48] By way of a counter application the respondent seeks an order that a disclaimer or memorandum be entered on the register of trade mark against each of the registered trade marks that:

"Registration of this trade mark shall give no right to the exclusive use of parallel and equidistant stripes upon the goods other than three such equidistant stripes as depicted."

[49] The relief sought by the respondent in the counter application is also by way of defence in the main application.

[50] In his affidavit filed in support of the counter application Mr Pienaar states that the grounds on which the order in the counter application is sought are fully set out in his answering affidavit in the main application and the annexures thereto and asks that answering affidavit together with supporting affidavits serve as the founding affidavit in the counter application and that the allegations set out in his answering affidavit be regarded as incorporated in the affidavit filed in support of the counter application by reference.

[51] In his answering affidavit in the main application Mr Pienaar submits that it is in the interests of all traders in class 25, including the respondent, for the integrity of the trade marks registered to be secured, in the face of, what he refers to as, "the applicants abuse", by the entry of the disclaimer sought in the counter application.

[52] It seems that the alleged "abuse" by the applicants referred to by the respondent are the following:

- (a) The alleged attempt by the applicants to re-assert a monopoly beyond its lawful limitations;
- (b) The alleged "cherry picking" of the respondent as a target in this process;
- (c) The alleged anti-competitive nature of the applicants' conduct.

[53] Section 15 of the Act reads as follows:

“15 Registration subject to disclaimer

If a trade mark contains matter which is not capable of distinguishing within the meaning of Section 9, the registrar or the court, in deciding whether the trade mark shall be entered in or shall remain on the register, may require, as a condition of its being entered in or remaining on the register:

(a) that the proprietor shall disclaim any right to the exclusive use of all or any portion of any such matter to the exclusive use of which the registrar or the court holds him not to be entitled; or

(b) that the proprietor shall make such other disclaimer or memorandum as the registrar or the court may consider necessary for the purpose of defining his rights under the registration”

[54] Applicants submitted that this court is precluded from granting the respondent's counter application for the registration of a disclaimer in respect of registered trade mark numbers 1959/000057 and 1980/06446. These two trade marks were registered under the 1963 Trade Marks Act in part A of the register, as it existed at that time. In the case of each of these trade marks, a period of seven years from the date of the registration of the trade mark (these periods elapsed before the commencement of the 1993 Trade Marks Act) elapsed and

the provisions of Section 42 of the 1963 Act apply and have the result that the original registration of these trade marks are deemed to be valid in all respects. No disclaimer could have been registered against these marks under the 1963 Trade Marks Act (see: **Luster Products Inc v Magic Style Sales CC 1997 (3) SA 13 (A) at 27B**) and, the same would continue to apply under the 1993 Act. (See Webster and Page **South African Law of Trade Marks** 4th ed §9.9 and §13.14).

V PASSING-OFF

[55] In addition to the respondent's alleged infringement of the first applicant's registered trade marks, the applicants allege that as a result of the overall similarity between certain shoes being marketed by the respondent and equivalent shoes of the applicants the respondent was passing off its relevant shoes as being those of the applicants or as being in some way connected with the applicants. This passing-off allegedly takes place as a result of the use by the respondent of the get-ups (including the 3-stripe mark) of the relevant Adidas footwear.

VI THE APPLICANTS' FOOTWEAR RELEVANT TO PASSING-OFF

[56] The applicants rely on the get-ups of the following Adidas footwear as having been used by the respondent:

- (a) The Tuscany (also adi Racer) shoe depicted on Annexures "TB54" and "TB56";
- (b) The 2006 Predator boot depicted on Annexures "TB57" and "TB58";
- (c) The Superstar shoe depicted on Annexure "TB62".

[57] The first applicant is the owner of the design and get-up of the Superstar shoe. The second applicant is the owner of the designs and get-ups of the Predator and Tuscany shoes.

VII THE RESPONDENT'S FOOTWEAR RELEVANT TO PASSING-OFF

[58] The respondent's footwear that is similar to the equivalent footwear of the applicants is the following:

- (a) The Men's ATH leisure shoe depicted on Annexure "TB9" which is to be compared to Adidas's Tuscany shoe.

- (b) (i) The soccer boot depicted on Annexure "TB10" and
 - (ii) The Girls Must Have shoe depicted on Annexure "TB13"
 - (c) (i) The Hang Ten shoe depicted on Annexure "TB12" and
 - (ii) The Girls Must Have shoe depicted on Annexure "TB13".
- Which are to be compared to Adidas's Superstar shoe.

VIII THE REQUIREMENTS FOR PASSING-OFF

[59] Passing-off is a sub-category of the broader category of delict of "unlawful competition". It has been defined by Wessels CJ in **Policansky Brothers Ltd v L & H Policansky 1935 AD 89 at 97** and referred to with approval in **Capital Estate and General Agencies (Pty) Ltd and Others v Holiday Inns Inc. and Others 1977 (2) SA 916 (AD) 929C-E** as:

"It is an action in tort and the tort consists of a representation by the defendant that his business or goods, or both, are those of the plaintiff. Roman Dutch law was well acquainted with the general principle that a person cannot, by imitating the name, marks or devices of another, who had acquired a reputation for his goods, filch the former's trade"

"The wrong known as passing-off consists in a representation by one person that his business (or merchandise as the case may be) is that of another or that it is associated with that of another, and, in order to determine whether a representation amounts to a passing-off, one enquires whether there is a reasonable likelihood that members of the public may be confused into believing that the business of the one is, or is connected with, that of another."

[60] In *Capital Estate and General Agencies (Pty) Ltd and Others v Holiday Inns Inc. and Others* supra 929C-E, per Rabie J. See also: *Brian Boswell Circus (Pty) Ltd and Another v Boswell Wilkie Circus (Pty) Ltd* 1985 (4) SA 466 (AD) 478E-479E and *Hoechst Pharmaceutical (Pty) Ltd v The Beauty Box (Pty) Ltd (in liquidation) and Another* 1987 (2) SA 600 (A), (and the cases cited there particularly at 613D-614E).

[61] The main distinguishing feature of passing-off is that it consists of misrepresentation. (Webster and Page *South African Law of Trade Marks* 4th Ed § 15.5ff). The representation which is necessary to found a passing-off claim may be express or implied. The test is whether, in all the circumstances, the similarity between the products is to the extent that there is a reasonable likelihood that ordinary members of the public, or a substantial sector thereof, may be confused or deceived into believing that the products of the alleged offender is that of the party claiming passing-off or is connected therewith.

[62] A passing-off is unlawful because it is meant to cause the improper acquiring or another's trade and goodwill which may cause harm to that other's trade or reputation. Goodwill has been described as the attractive force which brings in custom. (see: *The Commissioners of Inland Revenue v Muller & Co's Margarine Ltd* (1901) AC 217 244 (HL) at 223 quoted in: *Horseshoe Caterers v Burnkloof Caterers* 1975 (2) SA 189 (C) at 196C and *Lorimar Productions Inc. and Others v Sterling Clothing Manufacturers (Pty) Ltd* 1981 (3) SA 1129 (T) at 1138H).

[63] In *Blue Lion Manufacturing (Pty) Ltd v National Brands Ltd* 2001 (3) SA 884 (SCA) at paragraphs 2 - 4 Schutz JA described the principles of passing-off as follows:

"[2] The simple principle in passing-off is stated by Solomon J in Pasquali Cigarette Co Ltd v Diaconicolas & Capsopolus 1905 TS 472 at 474 to be:

'(N)o man is allowed to pass-off his goods as the goods of another person; no manufacturer of goods is allowed to represent to the public that the goods which he is selling are the goods of a rival manufacturer.'

[3] The more detailed rules have been articulated so frequently and consistently that I need make only the briefest reference to them. When one is concerned with alleged passing-off by imitation of get-up, as is the case in the matter before us, one postulates neither the very careful nor

the very careless buyer, but an average purchaser, who has a general idea in his mind's eye of what he means to get but not an exact and accurate representation of it. Nor will he necessarily have the advantage of seeing the two products side by side. Nor will he be alerted to single out fine points of distinction or definition. Nor even, as pointed out by Greenberg J (from whom I have been quoting) in Crossfield & Son Ltd v Crystallizers Ltd 1925 WLD 216 at 220, will he have had the benefit of counsel's opinion before going out to buy. Nor will he necessarily be able to read simple words, as there are distressingly many people in South Africa who are illiterate.

[4] However, the law of passing-off is not designed to grant monopolies in successful get-ups. A certain measure of copying is permissible. But the moment a party copies he is in danger and he escapes liability only if he makes it 'perfectly clear' to the public that the articles which he is selling are not the other manufacturer's, but his own articles, so that there is no probability of any ordinary purchaser being deceived: Pasquali at 479, Crossfield at 221 and Adcock Ingram Products Ltd v Beecham SA (Pty) Ltd 1977 (4) SA 434 (W) at 437-438A."

[64] The applicant must establish the following two essentials to prevail in a passing-off application:

- (a) that the applicant's name, mark, sign or get-up has become distinctive, that is, that in the eyes of the public it has acquired a

significance or meaning as a symbol of a particular origin of the goods in respect of which that feature is used; and

(b) that the use of the feature was likely, or calculated, to deceive and thus cause confusion or injury, actual or probable, to the goodwill of the applicant's business, for example, by causing a loss in the profit that it might have had by selling the goods which purchasers intended to buy. (see: **Adcock Ingram Products Ltd v Beecham SA (Pty) Ltd 1977 (4) SA 434 (W) at 437H-438A, Atlas Organic Fertilisers (Pty) Ltd v Pikkewyn Ghwano (Pty) Ltd & Others 1981 (2) SA 173 (T) at 202B-C.**)

[65] Before the likelihood or otherwise of deception or confusion between the two competing products is dealt with, it is necessary for the applicant to establish as a pre-requisite a reputation in the "get-up" on which it relies. In **John Drysdale & Michael Silverleaf's work: Passing-off at page 211 para 2 – 16** the following is said:

"In order to succeed in an action for passing-off, the first essential is for the plaintiff to prove the existence of a business in which there is a goodwill or part of it resides in the exclusive association of the name, mark or other indicia relied upon with that business."

As Harms JA said in the, **Caterham Car Sales & Coachworks Ltd v Birkin Cars (Pty) Ltd & Another 1998 (3) SA 938 (SCA) at 950E-H.**

[21] *The nature of the reputation that a plaintiff has to establish was well stated by Lord Oliver in a judgment referred to at the outset of this judgment, namely Reckitt & Colman Products Ltd v Borden Inc and Others [1990] RPC 341 (HL) ([1990] 1 All ER 873) at 406 (RPC) and 880g-h (All ER):*

'First, he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying "get-up" (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services.'

[66] The test in passing-off cases involves the likelihood that the similarity of another's get-up may mislead the public. The whole get-up of the plaintiff on the one hand and the respondent on the other must be compared. (see: **Stellenbosch Farmers' Winery Ltd v Stellenvale Winery (Pty) Ltd 1957 (4) SA 234 (C) at 240 D-E, Adcock Ingram Products Ltd v Beecham SA (Pty) Ltd supra at 439A-B).**

[67] To determine whether there is a likelihood of a passing-off occurring, the court must notionally transport itself from the court room to the particular market place and place itself in the position of those who might be expected to buy the

competitors' products. (see: **Oude Meester Groep Bpk and Another v SA Breweries Ltd 1973 (4) SA 145 (W)**).

[68] In determining whether or not there is a likelihood of there being a passing-off by the respondent of its goods as those of the applicant or as being connected in the course of trade with those of the applicant; the court said the following in **Klisser's Farmhouse Ltd v Harvest Bakeries Ltd 1989 RPC 27 at 29**:

"The opinions of trade and other witnesses as to what would be likely may be helpful, but in the end it is the judge, applying the right principles, who has to answer the question."

[69] As Harms AJA put it in **Reckitt & Colman SA (Pty) Ltd v SC Johnson & Son SA (Pty) Ltd 1993 (2) SA 307 (A) at 315D**.

"... the judgment of the Court must not be surrendered to any witness."

IX THE APPLICANTS' REPUTATION IN THE GET-UPS (INCLUDING THE 3-STRIPE MARK) OF THE TUSCANY, 2006 PREDATOR AND SUPERSTAR SHOES

[70] The applicant's evidence of the reputation in the 3-stripe mark of the Tuscany, 2006 Predator and Superstar shoes are not challenged by the respondent.

[71] The respondent alleges, though, that the features of the get-ups relied on by the applicants are generic, commonplace and, in certain instances, functional.

X THE RESPONDENT'S ALLEGED MISREPRESENTATION: THE GET-UPS OF THE RESPONDENT'S SHOES COMPARED WITH THOSE OF THE APPLICANTS

[72] Applicants submitted that the respondent's shoes referred to above use all of the features of the 3-stripe trade mark except for the removal or the addition of one stripe. The applicants allege that the respondent's shoes also make use of the get-ups of the Adidas shoes relied on for the purposes of passing-off which get-ups include the 3-stripe trade mark. Applicants allege that this has the result that consumers are likely to think that the respondent's shoes are Adidas shoes or are endorsed by, or otherwise connected to, Adidas. Applicants allege that the use by the respondent of the get-ups is due to the similarity between those get-ups and the get-ups of the applicants' footwear, which is likely to deceive, cause confusion and take unfair advantage of the repute of the first and second applicants.

[73] The respondent's Men's ATH Leisure shoe (Annexure "TB9") & Annexure "AA17" compared to the Adidas Tuscany shoe Annexures "TB54" and "TB56"

TB56



(a) The Tuscany shoe has established itself as a well-known and popular shoe with distinctive and innovative design features, namely, the tread pattern on the outsole, the wrapping up of the sole onto the upper in the forefoot and heel areas, and the stitching pattern on the upper.

(b) The respondent's Men's ATH leisure shoe is a white shoe with dark stripes on it. The shoe has four lateral stripes. The colour of the stripes differs from the colour of the shoe on which they are affixed. The stripes are parallel to each other. The stripes run substantially downwards and backwards from the fastening of the shoe to the sole. They are equidistant from each other. They are of the same width. They are

separated by spaces approximately equivalent to their width. They run obliquely in a direction towards the heel of the shoe, if looked at from the top. They have a heel patch of a different colour to the shoe. The tongue has a device on it that is of a different colour to the shoe. The device is an oval lying on its side with an "X" in white in the middle. The parallel stripes and the heel patch are black. The shoe is otherwise white in colour. The parallel stripes on the side of the shoe are serrated. The shoe has a stitching pattern on the upper and a tread pattern on the outsole. The insole of the shoe bears the name "Xtreme Sports".

(c) The applicant allege the Men's ATH leisure shoe displays a stripe mark that is identical in appearance and location to Adidas's 3-stripe trade mark, save for the addition of one stripe. The Men's ATH shoe has a number of other features that are identical to the Tuscany shoe including, amongst others:

- identical stitching patterns (as to configuration, colouration and placement) on the shoe upper;
- identical extended sole feature on the back of the shoe;
- identical side soles with exactly the same raised rubber indentation in the same places; and

- the outsole (including the tread pattern) is identical to the outsole of the Tuscany shoe.

(d) The respondent relies on the fact that its Men's ATH leisure shoe (Annexure "TB9") do not bear the Goodyear trade mark and Goodyear device which appear on the applicants' Tuscany shoe.

[74] The stitching pattern, colour, sole feature on the back, sole rubber and indentation, outsole are not exclusive to the products.

[75] The respondent's soccer boot Annexure "TB10" and the respondent's Boys ATH Leisure shoe, Annexure "TB11" compared to the Adidas 2006 Predator boot & Annexures "TB57" and "TB58"

(a) The 2006 predator boots have established themselves as well-known and popular football boots with distinctive and innovative design features.

(b) (i) The respondent's soccer boot is blue and white in colour. It has four lateral stripes commencing on the upper of the shoe. The colour of the stripes differs from the colour of the shoe on which they are affixed. The stripes are parallel to each other. The stripes run substantially downwards and backwards from the top of the shoe to the sole. The stripes run obliquely towards the heel of the shoe on the instep of the shoe. On the outstep of the shoe, the

stripes initially run obliquely towards the heel of the shoe but, approximately three-quarters towards the end, curve down towards the sole. The stripes are the same width. The shoe has no other indication of origin on the outer. The shoe's asymmetrical tongue design, the shape of the heel piece on the upper and the stitching lines and other aesthetic markings on the upper should also be noted.

(ii) The respondent's Boys ATH leisure shoe is gold and white in colour. It has four lateral stripes commencing on the upper of the shoe. The colour of the stripes differs from the colour of the shoe on which they are affixed. The stripes are parallel to each other. The stripes run substantially downwards and rearwards from the top of the shoe to the sole. The stripes run obliquely towards the heel of the shoe on the instep of the shoe. On the outstep of the shoe, the stripes initially run obliquely towards the heel of the shoe but, approximately three-quarters towards the end, curve down towards the sole. The stripes are the same width. The shoe has no other indication of origin on the outer. The insole bears the name "Xtreme Sports" which applicants allege is a kind of activity, not a badge of origin. The asymmetrical tongue design, the shape of the heel piece on the upper and the stitching lines and other aesthetic markings on the upper should also be noted.

(c) (i) The respondent's soccer boot displays a stripe mark in substantially the same position as the first applicant's 3-stripe trade mark. The difference is that there is an additional stripe on the respondent's shoe. In addition, the soccer boot has a number of features that are identical to the 2006 Predator boot including, amongst others:

- A substantially similar heel design;
 - A substantially similar asymmetrical lacing design;
 - Substantially similar marking on the upper of the shoe;
- and
- Substantially similar stitching patterns and placements on the upper of the shoe.

(ii) The applicants allege the respondent's Boys ATH leisure shoe is virtually identical to the 2006 Predator boot. It prominently displays a stripe mark in substantially the same position as the first applicant's 3-stripe trade mark. The difference is that there is an additional stripe on the respondent's shoe. In addition, the Boys ATH leisure shoe has a number of other features that are identical to the 2006 Predator boot including, amongst others:

- a substantially similar heel design;
 - a substantially similar asymmetrical lacing design;
 - substantially similar markings on the upper of the shoe;
- and
- substantially similar stitching patterns and placements on the upper of the shoe.

[76] The heel design asymmetrical lacing design, markings on the shoe upper, stitching patterns and placements on the upper do not form part of the exclusive features of the applicants' products.

[77] The respondent's Hang Ten shoe Annexure "TB12" and the respondent's Girls Must Have shoe, Annexure "TB13" compared to the Adidas Superstar shoe & Annexure "TB62"

(a) The Superstar shoe was first introduced into the world market in 1970. This shoe was initially designed as a basketball shoe but it has, over the years, evolved into a fashion wear/lifestyle shoe. The design features of this shoe included, but are not limited to, its rubber "shell" toe and the tread pattern on the sole.

(b) (i) The respondent's Hang Ten shoe is white in colour. There are two lateral stripes. The colour of the stripes differs from the

colour of the shoe on which they are affixed. The stripes are parallel to each other. They run substantially downwards and rearwards from the fastening of the shoe to the sole. They appear on both sides of the shoe. They are of the same width. They run obliquely in a direction towards the heel of the shoe if looked at from the top. The parallel stripes on the side of the shoe are serrated. The shoe has a heel patch of a different colour to the shoe. Embossed on the heel patch is a device which represents two feet. The device is white, a different colour from the heel patch, which is grey in colour. The shoe is otherwise a combination of white and grey. The feet device is also contained on the tongue of the shoe in a colour different from that of the rest of the shoe. The shoe has a rubber toe cap with specific markings applied to it. The stitching lines around the side wall of the shoe and the tread pattern on the outsole should also be noted. The name "Hang Ten" appears on the insole of the grey and white shoe.

(ii) The respondent's Girls Must Have shoe is white and pink in colour. There are two lateral stripes. The colour of the stripes differs from the colour of the shoe on which they are affixed. The stripes are parallel to each other. They run substantially downwards and backwards from the fastening of the shoe to the sole. They appear on both sides of the shoe. They are of the same

width. They run obliquely in a direction towards the heel of the shoe if looked at from the top. The parallel stripes on the side of the shoe are serrated. The shoe has a heel patch of a different colour to the shoe. Embossed on the heel patch is the word "Actif". The word "Actif" is in turn a different colour from the heel patch, which is pink in colour. The shoe is otherwise a combination of white and pink. The word "Actif" is also on the tongue of the shoe in a colour different to that of the rest of the shoe. This shoe also has a rubber toe cap with specific markings on it.

(c) (i) The Hang Ten shoe prominently displays a stripe mark that is two-stripes. In addition, the following features are similar to the Superstar shoe:

- rubber shell toe and sole;
- ribs on the shell toe;
- tread pattern on the rubber sole;
- markings on the heel; and
- stitching lines on the upper.

(ii) The applicants allege the overall design of the respondent's Girls Must Have shoe is virtually identical to the Superstar shoe. The Girls

Must Have shoe prominently displays a stripe mark that is two-stripes. In addition, the applicants allege that the following features are identical to the Superstar shoe:

- rubber shell toe and sole;
- ribs on the shell toe;
- tread pattern on the rubber sole;
- markings on the heel; and
- stitching lines on the upper.

[78] The rubber toe and shell ribs, tread pattern on the sole, markings on the heel and stitching lines on the upper do not form part of the exclusive features of applicant's product. The presence of the Hang Ten device serves to detract from the alleged similarity in the get-up.

XI THE RESPONDENT'S GENERAL "DEFENCES" TO THE APPLICANT'S CASE ON PASSING-OFF

[79] The use of two or four stripes is not a passing-off of three stripes

(a) The respondent repeats the submission made by it in respect of trade mark infringement namely, that the use of two or four stripes on its shoes is not an infringement of the Adidas 3-stripe trade mark.

(b) Applicants allege that there is no merit in it.

[80] The well-known nature of the Adidas 3-stripe trade mark excludes the possibility of other stripes on the respondent's shoes being likely to cause such shoes to be mistaken for Adidas shoes

(a) The respondent alleges that what it refers to as, "the proven pervasive notoriety of the Adidas "3-stripe" trade mark, excludes the possibility of decorative stripes of less or more than 3 stripes causing confusion or being passed off as Adidas' shoes.

[81] The features of the get-ups of the applicants' shoes relied on by the applicants are generic features

(a) The respondent alleges that the get-ups of the applicant's shoes are generic and occur frequently in the market.

(b) The applicants' claim on passing off is based on several different Adidas shoe products. The applicants' case is that the, different, get-ups of each of these shoes are distinctive of Adidas. It is the combination of features of each of these shoes that makes up the distinctive get-up of each shoe.

(c) It was submitted on applicant's behalf that the design and get-up of any of the applicants' shoes includes the 3-stripe trade mark as used on that shoe. On applicant's behalf it was submitted that it makes no sense to postulate an Adidas shoe without the 3-stripe trade mark and that the get-up of any of the applicants' shoes is a combination of the features of that shoe, including the 3-stripe trade mark.

(d) On the respondent's behalf it is submitted that the applicants' contention in this regard "is the equivalent of contending that placing a trade mark on a matchbox renders the matchbox distinctive".

[82] **Certain of the features of the get-ups relied on by the applicants are entirely functional**

(a) The respondent alleges that certain of the features of the get-ups relied on by the applicants are entirely functional.

(i) The respondent alleges that the applicants are placing reliance on functional features of their Tuscany shoe.

(ii) The respondent alleges that the applicants are placing reliance on functional features of their 2006 Predator boot.

(iii) The respondent alleges that the applicants are placing reliance on functional features of their Superstar shoe.

(b) Mr Behean explains that, “functional design features” of the Tuscany and Adi-Racer shoes were only “functional” to the extent that these shoes were used for racing driving. They are therefore no longer functional and are relevant for the purposes of distinguishing these shoes from trainers manufactured by other manufacturers. Likewise, in the case of the Superstar shoe, applicants argue that any features that were “functional” to the extent that the shoe was originally a basketball shoe are not functional in the shoe as a trainer.

[83] **The respondent's own trade marks distinguish its shoes from those of others**

(a) The respondent alleges that its own trade marks that are clearly featured on its shoes distinguish them from other brands.

(b) On applicant's behalf, it is submitted that what the respondent relies on as its trade marks are not sufficient to remove any confusion with the applicants' products.

[84] The price of the respective shoes of the parties and the markets in which these shoes feature differ

(a) The respondent alleges that the price of and the markets in which the respective shoes of the parties feature differ significantly.

(b) The applicants point out that, contrary to what the respondent alleges, Adidas footwear is not just distributed in high-end stores but is also distributed in stores catering to the middle and lower market and certain of the respondent's stores are situated in high-end malls. In any event, it is submitted on behalf of applicants, that the 3-stripe trade mark, as an "aspirational" brand, will entice customers in the lower-end of the market to purchase goods which they believe bears that mark wherever they may find them.

XII THE HARM CAUSED TO THE APPLICANTS AS A RESULT OF THE CONDUCT OF THE RESPONDENT

[85] The harm that the applicants allege they have suffered as a result of the alleged infringement of the first applicant's registered trade marks and the alleged passing off by the respondent of its goods as being those of the applicants or as being in some way connected with the applicants is set out in the founding affidavit, as follows:

"(a) The respondent's use of the infringing marks and the respondent's get-ups in the footwear to which I have referred above will cause the applicants

actual financial loss, blur the distinctiveness of those trade marks and get-ups and will tarnish the reputation of the applicants. The respondent has clearly and deliberately set out to sell footwear bearing marks and get-ups identical or very similar to the registered trade marks and the applicants' get-ups with a view to capitalizing on the goodwill attaching to this footwear.

(b) The applicants have no control whatsoever over the nature or quality of the footwear sold by the respondent under the infringing marks and the use of the first and second applicants' get ups in respect of the footwear to which I have referred above.

(c) As a consequence of the actions of the respondent in selling the infringing footwear and in passing that footwear off as being that of the applicants or as being connected with the applicants, the applicants have suffered and will continue to suffer harm. The first applicant will suffer the financial loss caused to it by the loss of sales more particularly in that they will not receive the royalties they would otherwise have received on sales made by the second applicant through Adidas South Africa. The first applicant is entitled, to such damages as it has suffered, alternatively, for the purposes of the claim based on trade mark infringement, a reasonable royalty in relation to all the infringing products sold by the respondent. Similarly, prior to 2009 the second applicant will suffer the financial loss caused to it by the loss of sales. Prior to 2009, the second applicant will not have received the royalties it would otherwise have received on sales made through Adidas South Africa."

[86] In relation to the question of damages allegedly payable by the respondent in consequence of its alleged infringement of the first applicant's registered trade marks and the respondent's passing-off or, in respect of the trade mark infringement, a royalty payable this court was requested to order that an enquiry be held into such damages or royalty.

[87] I am however of the view that as applicants have not proved infringement nor passing-off, the issue of damages obviously does not fall to be considered.

[88] **Applying the Law to the Facts on Infringement**

(a) Even if I accept, as applicants allege, that the respondent's trade marks or device or brand name are objectively meaningless or generic, I cannot conclude that they do not serve to distinguish respondent's footwear from applicants' footwear – [see: Harms DP in **Puma AG Rudolph Dassler Sport v Global Warming (Pty) Ltd 2010 (2) SA 600 (SCA) at 602.**]

(b) The identification of what applicants' trade mark is, is a question that the court has to first answer before it can make a comparison between the marks of the applicants and the marks of the respondent.

(c) To engage in that inquiry, this court needs to look no further than the description of the applicant's relevant trade marks which are set out earlier in this judgment and which can be summarised as follows:

- (i) Three stripes of a colour different to the goods or shoes on which they are applied;
- (ii) Running parallel from the fastening downwards to the sole on both sides;
- (iii) Running parallel to each other;
- (iv) Of equal width and equal distance from each other;
- (v) The three stripes should be of the same colour or more than one colour;
- (vi) The stripes are applied to the outside of the goods or shoes;
- (vii) The length of the stripes vary according to where on the goods they are applied.

[89] In the case of trade mark infringement, the applicant has to show that in comparing its registered marks with the alleged infringing marks, without

reference to the get-up, the offending marks are likely to deceive or cause confusion [see: *Adidas Sportschunfabriken KG v Harry Walt & Co Ltd* 1976 (1) SA 530 (T) at 535 H].

[90] When one disregards the features of the get-up, then one is left with the 3 stripes of equal width and different colour to the shoe spaced an equal distance apart running in the direction from the lace area down to the sole.

[91] The applicants' trade mark is not limited to any one of the features described above but rather applies to the total combination of these features. The 3-stripe mark is clearly the dominant feature. It also serves to qualify the remaining features.

[92] Accordingly there may be many shoes in the marketplace that use one or all of those features excluding the 3-stripe feature. Shoes that have some features similar to that of applicant can clearly not be considered to infringe the applicants trade mark as the mark must be considered as a whole, inclusive of the 3-stripe feature.

[93] The court has to transport itself into the marketplace and consider the respondent's offending shoes as a notional customer of average intelligence would when purchasing with ordinary caution. The shoe of the respondent

should also be considered side by side with those of the applicants and they should also be looked at separately.

[94] In so considering the circumstances prevailing in the marketplace, the following are relevant. When the Plascon Evans case was determined in 1984 and when the Adidas & Harry Walter Co. case was decided in 1976, South Africans were not as exposed to international branded shoes and clothing as they currently are. At the time many international companies adhered to the request for the imposition of sanctions against South Africa. The country's marketplace accordingly did not have as much international brands as it now does. Public awareness of the identifying features of the international renown products was not as pervasive then as it now is.

[95] This country was also not allowed to compete in international sporting events then to the extent that it now does.

[96] South African media was not as globally connected then as it is now.

[97] These then are additional, factors present in the marketplace now that were not necessarily prevailing considerations in previous cases.

[98] When the court in the Van der Walt case found: "*... that people who are likely to buy the goods in question are not endowed with special powers of perception or recollection which could serve to lessen the probability of deception*"

or confusion,” it was effectively assuming, on the probabilities, that the South African public lacked the requisite powers to perceive or recollect that the offending goods are not those of the applicant.

[99] When the court in the Plascon Evans case found that: “... *the ordinary purchaser may encounter goods, bearing the defendant’s mark, with an imperfect recollection of the registered mark ...,*” it clearly did not have the benefit of the extensive evidence before me of how well-known and widely advertised and promoted the trade mark is. Respondent accepts this evidence of the applicants as being correct.

[100] Since the Adidas 3-stripe mark has not only been advertised by means of the sale of Adidas products in South Africa, but also by means of promotion at sport events and in movies screened in South African cinemas and on television, there can be little doubt that the average South African consumer of applicants’ goods would be sufficiently discerning to distinguish applicants’ trade mark from the 2 and 4 stripe combinations on shoes of respondent because South African consumers associate international branded shoes with a higher price category than shoes that are branded by South African companies thereby making allowance for import duties and related costs. As alleged by respondent, its customers know that its stores do not sell applicants’ shoes and that respondent’s shoes target a lower socio-economic bracket of customers who expect to pay less for respondent’s shoes than they expect to pay for applicants’

shoes. Respondent's shoes also have a trade mark or brand name of Respondent on them albeit not always immediately visible without opening the tongue.

[101] Applicant's argument that their shoes are sold in South Africa to a lower-socio economic group of consumers as well who aspire to wearing their footwear may well be correct.

[102] It is however not correct to suggest that those consumers are not able to distinguish applicants' shoes from those of respondents where the latter sells their shoes for a lesser price with features different to that of applicants' shoes, namely 2 or 4 stripes with a device, name or brand label different to that of applicants.

[103] The applicants ask this court to find that the shoes of the respondent bearing 2 or 4 stripes combinations that are parallel, of equal width and spaced equally and of a different colour to the shoe on which they are placed are so confusingly similar to or so nearly resembles applicants' 3-stripe trade mark as to cause confusion.

[104] As in the case of **Sparletta (Pty) Ltd v Namibia Breweries Ltd, 1991 NR 384 (HC)** the fallacy in this argument of applicants *in casu*, is "*the underlying assumption that the applicant has a monopoly*" in stripes of equal width and

distance and of a different colour to its surface, on shoes, irrespective of whether they are 3-stripes or not.

[105] The mark that applicants set out to register and in fact registered encompasses 3-stripes only. It did not seek to register any combination of 2 or 4 stripes.

[106] Accordingly I am of the view that the shoes of the respondent bearing 2 and 4 stripes combinations do not so nearly resemble the 3-stripe trade mark of the applicants as to be likely to deceive or cause confusion.

[107] **Application of the Law to the facts in respect of Passing-Off**

(a) The applicants' allegation on this aspect is that the respondent is passing off certain of its shoes as being those of the applicants or as being in some way connected with the applicants by using the get-ups of the applicants' footwear.

(b) The use of the registered mark, the name Adidas and its device are undisputedly distinctive of applicants' footwear. The get-up features that applicants claim are distinctive of its footwear are challenged by respondent on the basis that they are generic and occur commonly in the footwear market. Those get-up features are as follows:

1. Parallel, lateral stripes of a different colour to that of the dominant colour of the shoe;
2. Such stripes are of equal width and equidistant from each other;
3. Such stripes are on both sides of the shoe;
4. Such stripes run from the position where the shoe fastens down to the sole and towards the heel;
5. The spaces between the stripes are approximately of equal width to the stripes;
6. The heel patches are of a different colour to the main part of the shoe;
7. The stripes have serrated edges;
8. The toe area is covered by a rubber shell;
9. The sole is patterned;
10. The shoe has visible stitching patterns;
11. There is a device of a different colour to the heel patch.

[108] The respondent has shown that those features either singularly or taken as a whole appear on shoes commonly referred to as trainers.

[109] Respondent has accordingly succeeded in showing that applicants' footwear has generic features found on the footwear of respondent and on other footwear in the market.

[110] Applicants have also proved that its 3-stripe trade mark is so well known and is always associated with its brand name, namely Adidas.

[111] Applicants have also shown that respondent's footwear bear respondent's brand name or label of origin, none of which are confusingly similar to or likely to cause confusion with the brand name or device of Adidas.

[112] Although applicants allege that each label of origin on each of respondent's offending footwear are generic names or names that are not distinctive, it has not been able to show that despite the presence of these labels and the absence of the Adidas device, the average consumer is likely to be confused to the point that an association may be made between respondent's footwear and the Adidas' brand of footwear.

[113] First applicant alleged that it does not consider the five parallel stripes used on footwear by K-Swiss to be an infringement of its three stripes yet applicants incongruously regard the use of 2 or 4 stripes by respondent as infringement and when used in combination with features of a get-up used by applicant, as passing-off.

[114] However in the light of the agreements that applicants have concluded with Sketchers and K-Swiss, I have insufficient information before me to conclude that applicants have acquiesced in the alleged infringement of their rights by those companies.

[115] Although respondent admits that it had previously signed a written undertaking not to infringe or pass-off *vis a vis* applicants, it alleges that the terms of the undertaking were overbroad and unreasonable. I am however not called upon to make a finding on whether respondent has breached the terms of the previous undertakings.

Conclusion

[116] I am not persuaded that when viewed against the evidence of the well-known association of applicants' trade marks with the 3-stripe mark, the use of 2 or 4 stripes on respondent's footwear so nearly resembles the applicants' footwear as to be likely to cause confusion or deception among the average consumer of average intelligence with an imperfect recollection of applicants' registered trade mark.

[117] Implicit in allowing for the imperfect recollection of a consumer is the assumption that consumers will not remember every aspect of the registered trade mark. That is not necessarily true of the renowned Adidas 3-stripe feature.

[118] In the Plascon-Evans case, the court accepted that the dominant feature of the mark and the likely impact it makes on the mind of the consumer is a factor to be considered.

[119] Applicants' entire case is built around the well-known nature of its 3-stripe mark which is further identifiable by the Adidas label or device also being on their footwear. Accordingly applicants cannot rely on the imperfect recollection of consumers with regard to their 3-stripe mark, when it cannot be suggested that its registered mark, has as its dominant feature, anything more or less than 3 parallel, lateral stripes of a different colour to the shoe.

[120] Applicants also cannot succeed on the passing-off aspect as it has not shown that the get-up features it uses are unique to it nor that when used in combination with 2 or 4 stripes by respondent, the latter is passing-off its footwear for those of applicants.

[121] Having failed on the infringement and passing-off allegations, applicants have not established harm actually committed nor reasonably apprehended.

[122] Applicants' attempt to expand their case in reply with reference to other footwear of respondent, does not assist applicant as the alleged additional offending footwear also contain 2 or 4 stripes and the get-up is widely used in the market.

The Counter-Application

[123] The disclaimer which respondent seeks to have entered upon the Register of Trade Marks against the first applicant's registered trade marks is the following: *"the registration of this trade mark shall give no right to the exclusive use of parallel and equidistant stripes upon goods other than three such equidistant stripes as depicted"*.

[124] In terms of Section 15 of the Trade Marks Act, 1993, the court may require that a disclaimer be entered for the purpose of defining the trade mark owner's exclusive use or rights to the trade mark. The provision gives the court a discretion which must be exercised for good reason [see: **Albert Baker & Co Ltd v Aerate Bread Co. Ltd (1908) RPC 513 at 525**].

[125] Where it is clear that no exclusive rights can be claimed in aspects that go beyond the dominant feature of a trademark seen together with its remaining features, there is no justification for the entry of a disclaimer [see **Cadbury (Pty) Ltd v Beacon Sweets & Chocolates (Pty) Ltd 2000 (2) SA 771 (SCA) at para 13**].

[126] I am of the view that as the Adidas' trade marks have to be viewed as a whole in determining its dominant features and as those dominant features must include the 3-stripe mark, the latter qualifies the remaining features of the trade marks sufficiently. This interpretation renders the entry of a disclaimer as sought by respondent unnecessary in this case.

It is ordered that:

1. The respondent has not infringed the applicants' trade marks registered under trade mark numbers: 1959/000057; 1995/12283; 1980/06446 and 2001/18582.
2. The respondent has not passed-off its footwear as those of the applicants or as having an association with the footwear of the applicants.
3. The application for an interdict is dismissed with costs.
4. The counter-application for the entry of a disclaimer against the first applicant's registered trade marks is dismissed with cost.

Allie

ALLIE, J